



**बंगाल गैस कंपनी लिमिटेड**  
**BENGAL GAS COMPANY LIMITED**

**FIRST ANNUAL REPORT**  
**2019-2020**





## **VISION STATEMENT:**

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



## **MISSION STATEMENT:**

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

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## BOARD OF DIRECTORS:



**Shri E.S. Ranganathan**  
Chairman



**Smt. Pritha Sarkar, IAS**  
Nominee Director



**Shri Rajeev Mathur**  
Nominee Director



**Smt. Sunrita Hazra, IAS**  
Nominee Director

**PAST DIRECTORS :**

- |    |                     |                                     |
|----|---------------------|-------------------------------------|
| 5. | Shri Gajendra Singh | Nominee Director (till 30.06. 2020) |
| 6. | Shri Utpal Bhadra   | Nominee Director (till 01.10. 2019) |
| 7. | Shri Puneet Yadav   | Nominee Director (till 01.10. 2019) |

**EXECUTIVE MANAGEMENT :**

- |    |                        |                         |
|----|------------------------|-------------------------|
| 1. | Mr. Satyabrata Bairagi | Chief Executive Officer |
| 2. | Mr. R K Jaipuriyar     | Chief Financial Officer |

**STATUTORY AUDITOR :**

**VIMAL & SEKSARIA,**  
Chartered Accountants,  
31, Ganesh Chandra Avenue,  
1st Floor, Kolkata - 700013

**SECRETARIAL AUDITOR :**

**Mr. Sudhanshu Sekhar Panigrahi,**  
Practicing Company Secretary,  
CP No. 19649

**REGISTERED OFFICE:**

**BENGAL GAS COMPANY LIMITED**

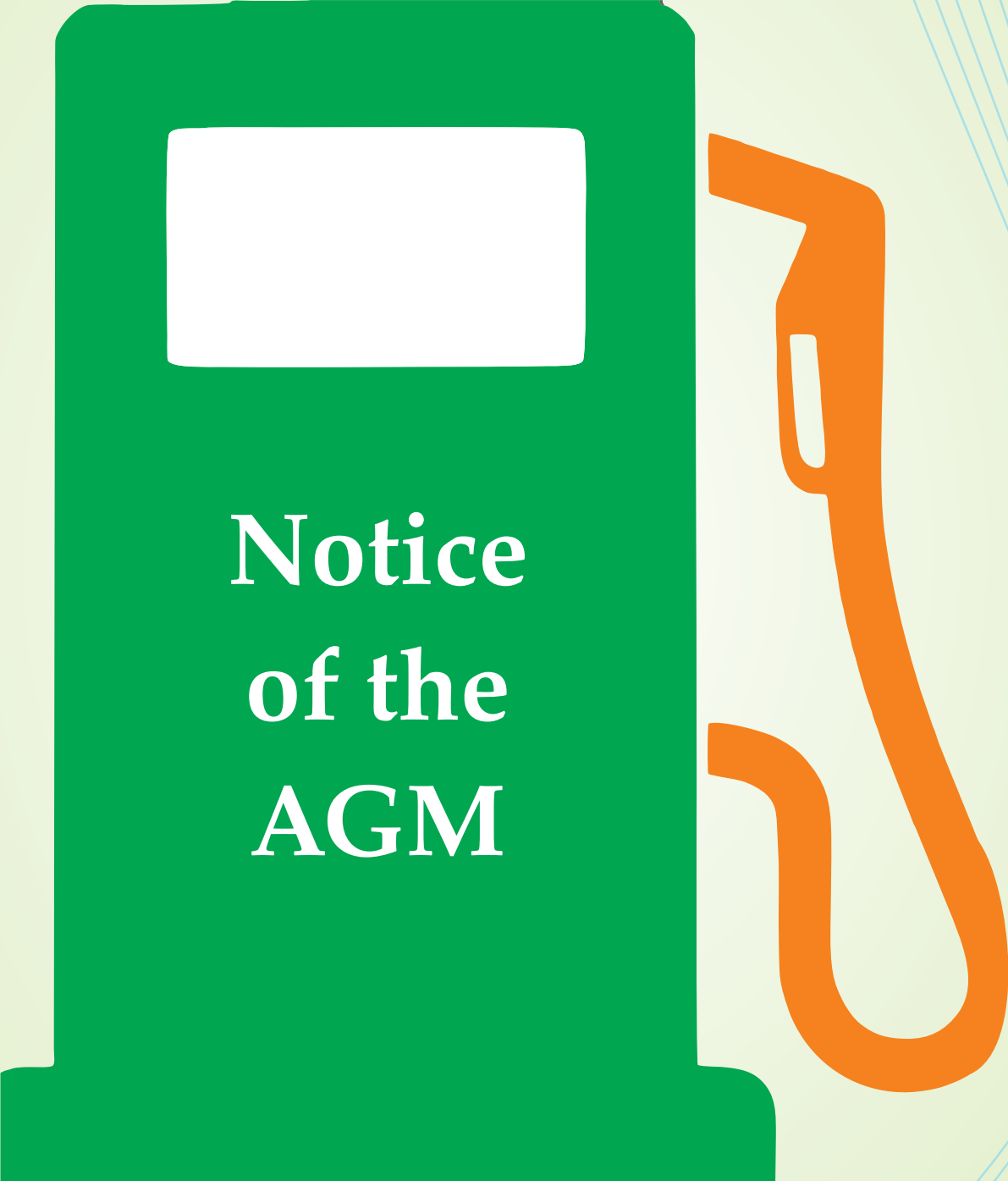
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4th Floor, Block B, Finance Centre  
CBD, Action Area - II B, New Town, Kolkata,  
North 24 Parganas, West Bengal-700161, India,

Phone Number: 033-23248070

E-mail: bgclkolkata@gmail.com

Website: bengalgascompany.com



**Notice  
of the  
AGM**



## NOTICE OF THE 1<sup>st</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that 1<sup>st</sup> Annual General Meeting of the Members of Bengal Gas Company Limited (BGCL) will be held on 21<sup>st</sup> October, 2020, at 10.30 a.m. (IST) for the transaction of the following businesses, through in person/two way Video Conferencing in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India:

### A. ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2020 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2020 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon be and are hereby received, considered and adopted."

- 2) To appoint a Director in place of Shri Rajeev Mathur (DIN No. 03308185) who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Shri Rajeev Mathur be and is hereby re-appointed as Director of the Company liable to retire by rotation."

- 3) To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditors of the Company in terms

of provisions of Section 142 of the Companies Act, 2013 and other applicable provisions, if any, and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by Comptroller & Auditor General of India for the Financial Year 2020 - 2021."

### B. SPECIAL BUSINESS:

- 4) To consider, and if it thought fit, to pass with or without any modification(s) the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), if any, the consent of the shareholder of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow from time to time any sum or sums of moneys which together with the moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) shall not exceed in the aggregate at any one time, Rs. Rs. 3,250/- Crores (Rupees Three thousand two hundred fifty Crores Only) irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate, for the time being, of the paid-up capital, free reserves that is to say, reserves not set apart for any specific purpose and securities premium, if any, of the Company.



**FURTHER RESOLVED THAT** that for the purpose of giving effect to this resolution any Director/ CEO/CFO of the company be and is hereby, severally, authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard".

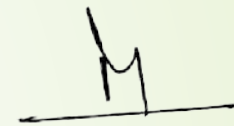
- 5) To consider, and if it thought fit, to pass with or without any modification(s) the following resolution as **Special Resolution**

**"RESOLVED THAT** consent of the shareholder of the company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 for hypothecating, charging and/ or creation of any security interest by the Board of Directors of the Company, of all the immovable and movable properties of the Company where so ever situate, present and future, and/or conferring power, to enter upon and to take possession of assets of the Company in certain events, to or in favour of various banks/financial institutions (hereinafter referred to as the "Lenders") to secure the financial assistance provided/to be provided by them to the Company together with interest thereon at the stipulated rates, compound interest, additional interest, default interest, liquidated damages, upfront fee, costs, charges, expenses and other monies payable by the Company to the Lenders under the loan agreement/ letters of sanction/ in respect of the such financial assistance, provided that the principal amount of such financial assistance shall not exceed the limits specified under the shareholders resolution under section 180 (1)(c) of the Companies Act, 2013."

**FURTHER RESOLVED THAT** that for the purpose of giving effect to this resolution any Director/ CEO/CFO of the company be and is hereby, severally, authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard".

Dated : September 30, 2020

By Order of the Board  
for Bengal Gas Company Limited,



( R K Jaipuriyar )  
CFO & CS (I/c)

## NOTES

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through

electronic mode .In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report, Report of C & AG and other documents required to be attached therewith(Collectively referred to as Notice) have been sent to the members through electronic means and no physical copy of the Notice will be sent by the Company to any member. The Notice has also been hosted on the website of the Company <http://bengalgascompany.com>.

3. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members by participating through in person/VC facility and voting shall be done in accordance with the requirements of the aforesaid Circulars which provides that if the number of members present in a meeting is less than 50, the Chairman may decide to conduct a vote by show of hands unless a demand for poll is made by any member in accordance with the requirements of Section 109 of the Act.

4. To facilitate the smooth conduct of voting on Poll, if demanded in accordance with the requirements of Section 109, members are required to convey their vote at [bgclkolkata@gmail.com](mailto:bgclkolkata@gmail.com)
5. In view of the MCA Circulars, **no proxy shall be appointed by the members. However, corporate members are required to send to the Company a certified copy of the Board Resolution at "bgclkolkata@gmail.com"** pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting.
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days between Monday and Saturday of every week except 2nd Saturday of the month, up to and including the date of the Annual General Meeting of the Company.
6. The link to attend the AGM and/or any other instructions will be shared, separately, via email before the meeting for the convenience of the members.
7. Venue of the meeting will be its registered office.



**Statement of Material Facts pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business (es) to be transacted at the 1st ANNUAL GENERAL MEETING to be held on October 21, 2020**

Item No. 4&5 Borrowing power & Creation of charge :

Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of the Company shall only with the consent of the members by a Special Resolution, borrow money where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate to its paid-up share capital, free reserves and securities premium, apart from temporary loans taken in ordinary course of business. Further, as per the provisions of Section 180(1)(a) of the Companies Act, 2013, the mortgage or charge on all or any of the moveable and/or immoveable properties of the Company may be deemed as disposal of the whole or substantially the whole of the undertaking of the Company, hence requires the approval from the members of the company by way of Special Resolution.

Accordingly, approval of members is being sought by way of a Special Resolution for authorising the Board to borrow money in excess of the aggregate of the paid-up, share capital, free reserves and securities premium up to Rs. Rs. 3,250/-Crores (Rupees Three thousand two hundred fifty Crores Only) Crore and create charge on the moveable or immoveable properties of the Company.

The Board recommends the Special Resolution set out at Item No. 4&5 of the Notice for approval by the Shareholders. None of the Directors of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4&5 of the Notice.

Dated : September 30, 2020

By Order of the Board  
for Bengal Gas Company Limited,



( R K Jaipuriyar )  
CFO & CS (I/c)



# Directors' Report





To,  
The Members,

Your Directors take pleasure in presenting the First Annual Report along with the Audited Accounts of the Company for the period starting from 04.01.2019 to 31.03.2020 i.e. First Financial Year, together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

### 1. ABOUT COMPANY:

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

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

The authorization in favor of GCGSCL to lay,

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

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

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

- a) Connection of 14,18,000 nos. piped natural Gas domestic connection
- b) Construction of 130 nos. CNG Stations
- c) Construction of 28500 inch-KM of all types of Pipeline
- d) Project Cost is Rs.4,846.71 crores.

During the year under review the company has not started the commercial operation and is in pre-construction stage. The progress achieved by the company are summarised below:

- a) Authorization to lay, build, operate and expand City Gas Distribution networks have been transferred by PNGRB in the name of company on 13.06.2019.
- b) Bank Guarantee amounting to Rs. 13.10 crores was submitted to PNGRB towards the performance security for the completion of minimum work programme as stipulated in the authorization letter.
- c) Business plan of the company have been approved by the Board of Director. M/s SBI

Capital Markets Limited have been engaged for loan syndication and financial closure of the project.

- d) Delegation of power, Contract and Procurement Procedure, Safety Health and Environment (SHE) Policy, Pricing Policy, Land purchase policy and procedure, CNG Retail outlet Policy and Procedure have been approved by the Board of Directors and are in place. Finalization of HR Policies including recruitment policy are in process.
- e) M/s Mecon, a Govt. of India undertaking have been appointed Project Management Consultant. They have mobilized at the site.
- f) M/s Mecon have completed the tendering for procurement of materials for the first phase of the project. Contractor for the route survey have mobilized at site and completed recce route survey of 70 km length. Simulation and sizing of steel pipelines have been completed. Engineering Drawing for the 4nos of CNG stations and 4 no DSU in RWA have been completed. Composite work has been awarded. Tender for supply of steel pipelines for the first phase, laying of steel pipelines and LMC works are under process of award.
- g) Store space (open and covered) have been taken at Central warehousing corporation, Bon Hooghly, Kolkata. Transit and Stores Insurance for the construction material have been obtained for one year.
- h) Construction activities have started at 3 nos. of Daughter-Booster CNG Stations at Retail Outlets of OMC (IOCL and BPCL). PESO approval and NOC from WBPCB have been received for the CNG stations. Soil Testing

and Survey have been completed.

- i) Agreement is under finalisation to develop CNG stations at various bus depots of West Bengal Transport Corporation. Project activities like soil testing, PESO approval, engineering & drawings etc. for one such bus depot at Kasba have been completed.
- j) Acquisition of about 1600 sq. mtr land for setting up of mother station in New Town, Rajarhat area from WBHIDCO on long term lease basis is under process. Locations for hook-up stations have been identified at three places at the IPS-8, SV-1F and SV-39 of GAIL for connectivity with GAIL's pipeline.
- k) On marketing front, Memorandum of Understanding has been signed with 6 nos. of Resident Welfare Associations (RWAs) for domestic PNG connections. Memorandum of Understanding has also been signed with OMCs for setting up of Daughter-Booster Station/Online CNG stations for CNG supply in vehicles.
- l) Gas Sales Agreement has been signed with GAIL (India) Ltd. for supply of 6,000 SCMD of domestic Gas for the purpose of Domestic PNG and CNG for transport sector. JHBDPL, the main gas source pipeline for the company was originally scheduled to reach Kolkata in December, 2019 is delayed and now it is expected to reach by September, 2021. Your company has planned to start the commercial operation with CBM for supply of CNG and PNG in limited manner for seeding the market. Company will procure compressed CBM from Durgapur in cascades and transport it through MCV and HCV to Kolkata. The contract for the transportation of CBM from



Durgapur to Kolkata have been awarded.

### 3. COMPANY PERFORMANCE:

Your company, as on 31.03.2020, is yet to start the commercial operation and is still in the construction stage. Therefore, no sale and purchase of CNG and PNG is appearing in the financial results of the company. The Financial results for the period starting from 04.01.2019 to 31.03.2020 i.e. for first Financial Year are summarized below:

#### 3.1 Financial Results :

Particulars	For the period from 4.01.2019 to 31.03.2020 (in Rs.)
Revenue from Operations	-
Other Income	2,56,12,971
<b>Total Income</b>	<b>2,56,12,971</b>
<b>Expenses</b>	
Employees benefit expenses	2,23,93,507
Depreciation and Amortization Expenses	2,17,411
Other Expenses	1,38,80,345
<b>Total Expenses</b>	<b>3,64,91,262</b>
<b>Profit/(Loss) for the period</b>	<b>(1,08,78,291)</b>

- During the period, the company has incurred loss amounting to Rs.1,08,78,291. The other income is from the interest earned on fixed deposit.
- Other Expenses incurred during the period includes the Preliminary Expenses amounting to Rs. 76,95,636.00 for the incorporation of the company, Rs.1,68,000/- related to Audit fees and other administrative and overhead expenses.
- Key Managerial personnel have been

deputed by the promoter companies in terms of the joint venture agreement signed. The employment benefit expenses are related to salary and allowances of Head(O&M), Head (Marketing), Head (HR) and Manager (Marketing) deputed by GAIL(India) Limited for seeding the marketing and operation activities. The salary and allowances of other KMPs and the employees deputed by promoter companies have been allocated to Capital Work in progress.

- Your company is sharing the office premises with GAIL (India) Ltd. Furniture/Fixtures, Computers and UPS have been purchased and commissioned for the official use. ERP-9 Tally package has been purchased for accounting of financial transactions.
- During the year both the promoters have contributed Rs. 25 crore each towards the equity contribution. Share Certificates have been issued to the promoters against the equity contribution. Equity contribution received from the promoters were kept in fixed deposit as the payment for purchase of materials and services was delayed.
- Bank Guarantee amounting to Rs. 13.10 crores was obtained during the year from State Bank of India, Salt Lake Electronic Complex Branch, Sector-V, Bidhannagar, Kolkata-700091 for submission to Petroleum and Natural Gas Regulatory Board (PNGRB) for transfer of authorization of Kolkata GA in the name of the company for which a counter guarantee of similar amount was provided by the company to the bank.

#### 3.2. Dividend:

Since the Company has not started its

commercial operation accordingly there has been no revenue from operations during the period. In absence of requisite profit, the Company incurred Net Loss and so the Board is not recommending any Dividend for the year 2019-20.

#### 4. CHANGES IN SHARE CAPITAL, IF ANY

BGCL was incorporated on 04.01.2019 with the initial subscribed capital of Rs. 50 Crores (Rupees Fifty Crores only) i.e. Rs.25 Crores (Rupees Twenty Five Crores only) from each of the JV Partners. The amount was duly received and 5,00,00,000/- (Five Crore) Equity Shares of Rs.10/- (Rupees Ten only) each were issued i.e. 2,50,00,000/- (Two Crore Fifty Lakhs) Equity Shares to each of the JV Partners (along with their nominees).

During the year under review, Share Capital of the company remained unchanged. Paid-up share capital of the company as on date is Rs. 50 crore.

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

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

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT- 9 as a part of this Board's Report is enclosed as ANNEXURE-A.

A link is also placed on the website of the company.

#### 6. BOARD MEETINGS AND ATTENDANCE

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

During the period from 04.01.2019 to 31.03.2020 5 (five) Board Meeting were held on the following dates :-

Director Name	Designation	Date of board meeting attended				
		28.01.2019	21.05.2019	08.07.2019	01.10.2019	03.01.2020
Gajendra Singh	Chairman	Yes	Yes	Yes	Yes	Yes
Rajeev Mathur	Nominee Director	Yes	Yes	Yes	Yes	Yes
Puneet Yadav	Nominee Director	Yes	Yes	No	N/A	N/A
Utpal Bhadra	Nominee Director	Yes	Yes	Yes	N/A	N/A
Pritha Sarkar	Nominee Director	N/A	N/A	N/A	Yes	Yes
Sunrita Hazra	Nominee Director	N/A	N/A	N/A	Yes	Yes

#### 7. AUDIT COMMITTEE MEETING AND ATTENDANCE

Your Company has constituted the Audit Committee as per the provision of Section 177 of the Companies Act, 2013. During the period from 04.01.2019 to 31.03.2020 2 (two) Audit Committee Meeting were held. The details of the attendance of the members are indicated below:

Member Name	Designation	Date of Audit committee meeting attended	
		21.05.2019	08.07.2019
Gajendra Singh	Chairman	Yes	Yes
Rajeev Mathur	Member	Yes	Yes
Puneet Yadav	Member	Yes	No
Utpal Bhadra	Member	Yes	Yes



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

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

## 9. DEPOSITS

The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 73 read with Companies (Acceptance of Deposits) Rules, 2014, during the financial year ended 31st March, 2020.

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

## 10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

## 11. BOARD COMPOSITION

Being a joint venture company, composition of the Board is determined as per the JV agreement and Articles of the company. Each Party is entitled to nominate a Director on the Board of the Company for every 24% of the share capital held by them. At present equal

number of Nominees from both the promoters holds the position as Non-Executive Directors. The appointments of all the Directors have been made taking into considerations all applicable provisions of the Companies Act, 2013, JV Agreement and Articles of Association of the Company.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### 12.1 On Incorporation

BGCL was incorporated on 04.01.2019 with the following four Nominee Directors (Non-Executive):

Sl. No.	Name of Director	Name of Promoter Company	Designation
1.	Gajendra Singh	GAIL(India) Ltd.	Chairman
2.	Rajeev Mathur	GAIL(India) Ltd.	Nominee Director
3.	Puneet Yadav	GCGSCL	Nominee Director
4.	Utpal Bhadra	GCGSCL	Nominee Director

### 12.2 Changes during the financial year under review:

During the year under review, Smt. Pritha Sarkar, Secretary, Industry, Commerce & Enterprises, Govt. of West Bengal and Smt. Sunrita Hazra, Additional Secretary, Industry, Commerce & Enterprise Deptt., Govt of West Bengal, have been nominated by Govt. of West Bengal as nominee of GCGSCL on the Board of your company on 01.10.2019 in place of Shri Puneet Yadav and Shri Utpal Bhadra (due to transfer in new place) respectively. The Board appreciated and thanked Shri Puneet Yadav and Shri Utpal Bhadra for their valuable services offered to the Company during their tenure as Directors of the company.

### 12.3 Changes in Board of Director between the end of the F.Y. under review and date of this Report

Shri Gajendra Singh, Chairman of the company, was superannuated from his position of Director (Marketing) in the GAIL (India) Ltd, and consequently ceased to be a nominee Director and Chairman on the Board of the company on June 30, 2020.

Shri. E. S. Ranganathan (DIN 07417640) Director (Marketing) of GAIL (India) Ltd. was nominated in place of Shri Gajendra Singh on the Board of the company as Chairman w.e.f. July 01, 2020.

### 12.4 Key Managerial Personnel (KMPs)

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

Sl. No.	Name	Designation	Parent Organization	From	To
1.	S. Bairagi	CEO	GAIL(India) Ltd.	28.01.2019	Cont.
2.	R.K. Jaipuriyar	CFO	GAIL(India) Ltd.	28.01.2019	Cont.
3.	Vijay Kumar Pal	Head(Projects)	GAIL(India) Ltd.	28.01.2019	Cont.
4.	Jayant Roy	Head(C&P)	GAIL(India) Ltd.	21.05.2019	Cont.
5.	T K De	Head(HR)	GAIL(India) Ltd.	21.05.2019	Cont.
6.	P K Biswas	Head(Mktg.& Comm.)	GAIL(India) Ltd.	28.01.2019	Cont.
7.	Narayan Gangopadhyay	Head(O&M)	GAIL(India) Ltd.	21.05.2019	31.10.2019
8.	P P Ghosh	Head(Corporate Affairs & Co-ordination)	GCGSCL	29.05.2019	Cont.

Company has appointed Company Secretary w.e.f. 01.07.2020.

## 13. AUDITS

### 13.1 Auditor:

M/s VIMAL & SEKSARIA, Chartered Accountants, (Firm Reg. no. 319194E) were appointed as Statutory Auditors of the Company for the financial year 2019-20 by the Comptroller and Auditor General of India

(C&AG) vide its letter dated 07.08.2019.

The office of the C&AG has further appointed M/s VIMAL & SEKSARIA, Chartered Accountants, (Firm Reg. no. 319194E) for the F.Y. 2020-21 vide its letter No./CA. V/COY/CENTRAL GOVERNMENT, BENGAS(1)/193 dated 11.08.2020.

### 14.2 Auditors' Report and C & AG Comments

The Auditors' Report does not contain any qualification or adverse remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

C&AG has issued Non-Review Certificate on financial statements of the Company for the F.Y. 2019-20.

The Report given by the Statutory Auditors and Non-Review Certificate by C&AG on the financial statements for Financial year 2019-20 forms part of the Annual Report.

### 14.3 Cost Audit

Since the Company has not started its commercial operation accordingly, the Company is not required to maintain Cost Records and/or appoint a Cost Auditor as required under Section 148 read with Companies (Cost records and Audit) Rules, 2014.

### 14.4 Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013, Your Company have appointed M/S. Sudhanshu Sekhar Panigrahi, Membership No.



23187, C P No. 19649, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report confirming compliance by Practicing Company Secretary in Form MR-3 is self explanatory and do not call for any further comments.

#### **14. ANNUAL EVALUATION OF BOARD**

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

#### **15. SECRETARIAL STANDARDS**

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

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

Since the Company has not started its commercial operation accordingly, provisions relating to CSR are not applicable for the period under review.

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

There are no significant and material orders passed by any Regulators or Courts or Tribunal impacting the going concern status and future

operations of the company. Further there have been no other material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

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

The Company has provided a gender friendly work place with equal opportunity for men and women. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is in force to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints therewith or incidental thereto. During the year 2019-20, no complaint of sexual harassment was received by the Company.

#### **19. PETROLEUM AND NATURAL GAS REGULATORY BOARD AUTHORIZATION**

As per the regulations for authorizing entities to lay, build, operate or expand City or Local Natural Gas Distribution Networks, Petroleum and Natural Gas Regulatory Board (PNGRB) vide its letter no. PNGRB / Authorization/CGD/Kolkata/Vo-II dated 18th September, 2019 have transferred Central Government Authorization from Greater Calcutta Gas Supply Corporation to Bengal Gas Company Limited w.e.f. 13.06.2019.

## **20. HEALTH, SAFETY AND ENVIRONMENT (HSE)**

Your Company believes that safety of its workforce and all its stakeholders is of critical importance to its functioning and success. Company is yet to start the commercial operation and is in construction stage and is in the process of incorporating all the necessary measures to promote the highest level of Safety, Health, Environment and loss control in implementation of the CGD projects. Company has an approved HSE Policy. Company is also trying to implement the guidelines issued by the Petroleum and Natural Gas Regulatory Board (PNGRB) in order to achieve utmost safety in all its working and business activities.

## **21. INTERNAL FINANCIAL CONTROL SYSTEMS**

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

manuals framed. BGCL's internal controls are commensurate with the size and the nature of its operations.

## **22. BUSINESS RISK MANAGEMENT POLICY**

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

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

- a) Your Company has always been taking proper steps for the conservation of the energy keeping in mind the fact regarding the scarcity of energy in the Country.
- b) Your Company has always been trying to keep itself technologically updated from time to time.
- c) There was no foreign exchange earnings and outgo during the year under review.

## **24. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

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

## **25. DIRECTORS RESPONSIBILITY STATEMENT**

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013, the



Directors, to the best of their knowledge and belief state that:

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

### 26. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep gratitude for the untiring efforts put in by our JV Partners GAIL and GCGSCL in building up the Company, whether it be by way of providing employees on deputation, providing office space, assistance in completing pre-project activities or providing guidance and help whenever asked for, the JV Partners have always been there as mentor to the Company. BGCL is also grateful to the PNGRB, Steering members and Nodal Officers of JV Partners, Officials of Govt. of West Bengal and GAIL Officials without whose guidance and support, the Company couldn't have been incorporated.

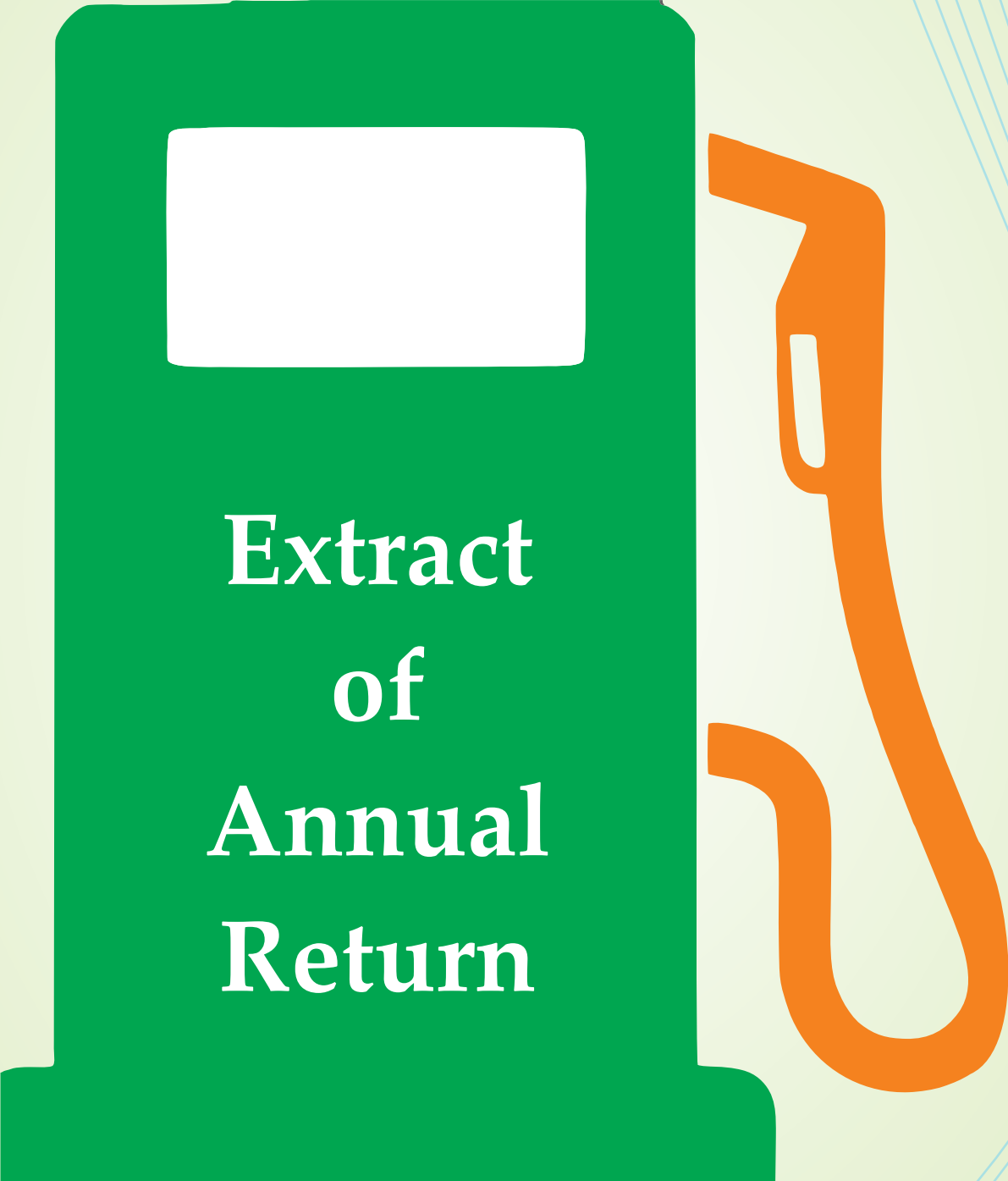
The Company is thankful to the employees who are on deputation from JV Partners as well as other outsourced personnel, various Government Departments, PMC and other Agencies.

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

For and on behalf of  
Board of Directors

Sd/-  
( E.S.Ranganathan)  
Chairman

Place : New Delhi  
Date : 9/9/2020



**Extract  
of  
Annual  
Return**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on March 31, 2020  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: U40300WB2019GOI229618
- ii) Registration Date: 4<sup>th</sup> January 2019
- iii) Name of the Company: BENGAL GAS COMPANY LIMITED
- iv) a) Category: Company limited by Shares
- b) Sub-Category of the Company: Union Government Company

v) Address of the Registered Office and Contact Details:

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

Contact Details:

Tel: 033-23248070

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

- vi) Whether Listed Company: No.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

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

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

SR.NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURN OVER OF THE COMPANY
1.	PNG (Piped Natural Gas Supply to Domestic, Commercial & Industrial Sector)	410	-
2.	CNG (Supply of Compressed Natural Gas)	410	-



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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
---	----	----	----	----	----

### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

#### a) Category-Wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year(As on 04.01.2019)				No. of Shares held at the end of the year(As on 31.03.2020)				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF		5	5	-		5	5	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		49999995	49999995			49999995	49999995		0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>		<b>50000000</b>	<b>50000000</b>			<b>50000000</b>	<b>50000000</b>	<b>100%</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (As on 04.01.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		50000000	50000000	100%		50000000	50000000	100%	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Multilateral Financial Institution)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 04.01.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		50000000	50000000	100%		50000000	50000000	100%	Nil

**b) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 04.01.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	GAIL (INDIA) LTD	250,00,000/-	50%	--	250,00,000/-	50%	--	Nil
2.	GREATER CALCUTTA GAS SUPPLY CORPORATION LTD	250,00,000/-	50%	--	250,00,000/-	50%	--	Nil

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

Sr. No.	Name	Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year (04.01.2019 to 31.03.2020)	
		No. of shares at the beginning (04.01.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	NO CHANGE IN PROMOTER'S HOLDING							

**d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name	Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year (04.01.2019 to 31.03.2020)	
		No. of shares at the beginning (04.01.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	NIL							

**(e) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	No. of shares	No. of shares	No. of shares
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
3.	At the end of the year	-	-	-	-

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in crore)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year:</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total ( I+ II+ III)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
· Addition (Net)	-	-	-	-
· Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year:</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total ( i+ ii+ iii)</b>	-	-	-	-



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sr. no.	Particulars of remuneration	Name	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify (Retirals and Other Benefits)		
	<b>Total (A)</b>		
	Ceiling as per the Act	<b>NOT APPLICABLE</b>	<b>NOT APPLICABLE</b>

### B. Remuneration to other Directors:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors					Total
	<b>Non-Executive (Nominee) Directors</b>						
1.	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>						
	<b>Total Managerial Remuneration (A+B)</b>						NIL
	Overall Ceiling as per the Act						N/A

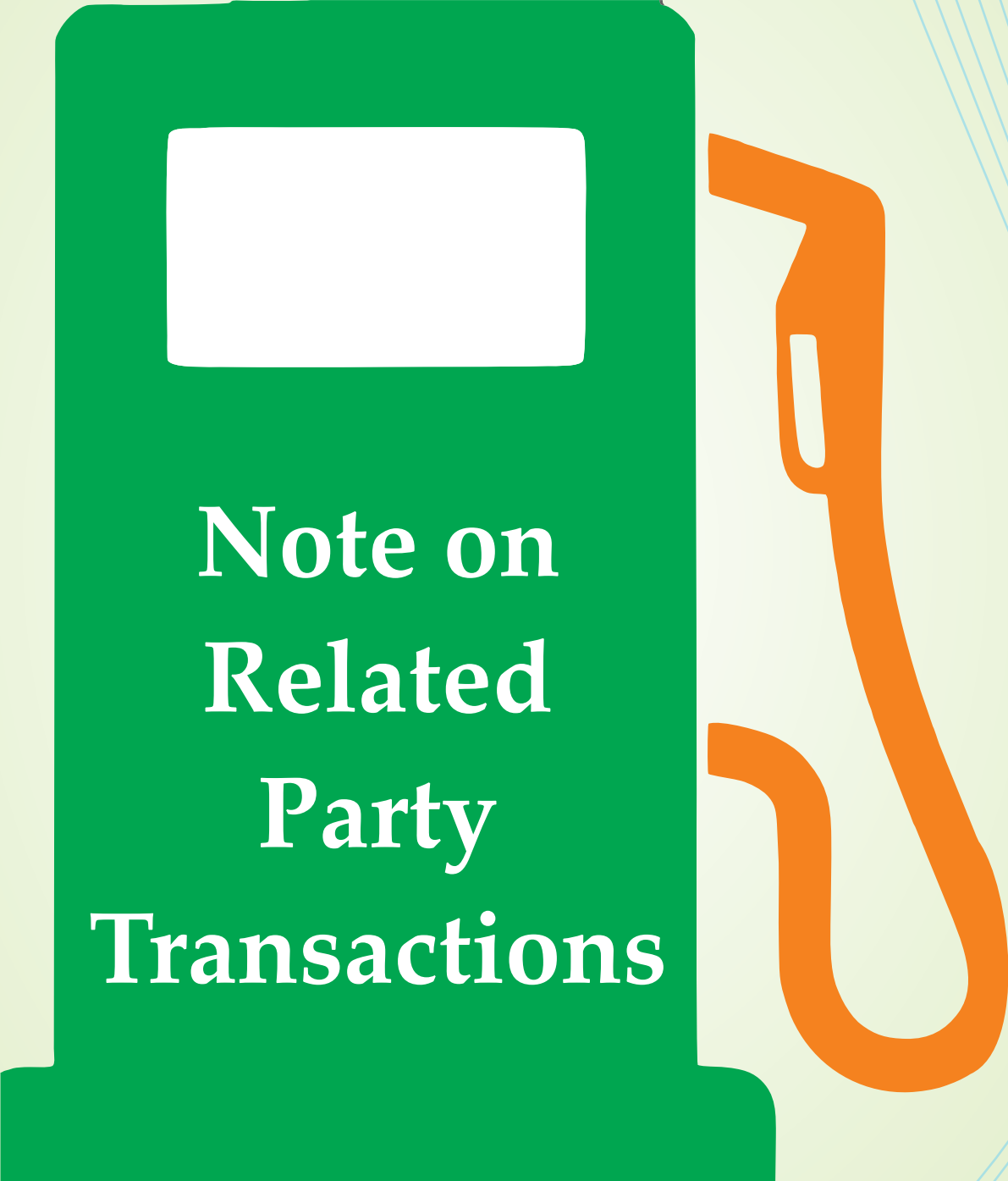
**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**  
(₹ in lakh)

Sr. no.	Particulars of Remuneration	*Key Managerial Personnel		
		Chief Executive Officer	Chief Financial Officer	Total
		Mr. S. Bairagi	Mr. R. K. Jaipuriyar	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93.21	69.70	162.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.25	2.20	4.45
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission as % of profit others, specify...	--	--	--
5.	Others, please specify (Retirals and Other Benefits)	--	--	--
	<b>Total</b>			

\*There are other six Key Managerial Personnel (KMP) appointed by Board but they are not one level below the Board, therefore remuneration of such KMPs has not been disclosed as per section 2(51) of the Companies Act, 2013.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



**Note on  
Related  
Party  
Transactions**



**Annexure-B**

**Form No. AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts or arrangements/ transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
GAIL, Promotor	Availing of Services	One time/ Regular Transaction	Pre-Project activities, Preliminary Exp., Office Rent Rs. 306.79 Lakhs	28.01.2019, 21.05.2019	Nil
GCGSCL, Promotor	Availing of Services	One time Transaction	Pre-Project activities Rs.54.77 lakhs	28.01.2019	Nil
GAIL, Promotor	Availing of Services	Regular Transaction	Salary and Allowances of Employee on deputation Rs.704.48 lakhs	As per JVA ratified by Board on 28.01.2019	Nil
GCGSCL, Promotor	Availing of Services	Ongoing Transaction	Salary and Allowances of Employee on deputation Rs.12.59 lakhs	As per JVA ratified by Board on 28.01.2019	Nil



**Secretarial  
Auditor's  
Report**

**Form No., MR-3**

**For the period from 4th January,2019 to March 31, 2020 ('Audit Period')**

[Pursuant to section204(l) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

04.01.2019 to 31.03 .2020

To,  
The Members  
Bengal Gas Company Limited  
CIN: U40300WB2019GO1229618

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices try Beingal Gas Company Limited, an unlisted Public Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minuter books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31't March, 2020 ( period from date of Incorporation 4rh January, 2019 to March 3I,2020) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the renorting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 3 I't March , 2020 according to the provisions of:

- (i) The Companies Act,2013 (the Act) and the rules made there under;
- (ii) The Company is not a listed Company. Hence, the Securiti0s Contracts (Regulation) Act, 1956 ('SCR {') and the rules made there undrer are,not applicable to it;
- (iii) The Company is not a listed Company. Hence, the Depositories Act, 1996 and the Regulations and Bye-laws framed there under are not applicable to it;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Company is not a listed company. Hence, the following Rogulations and Gui\$elines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBIAct') are not applicable to it:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider



Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) The Company is a Joint Venture Company in between M/s GAIL (India) Limited ( a Central Government undertaking) with Greater Calcutta Gas Supply Corporation Limited (a State Government Company) and is incorporated with the objective of laying of Gas pipelines and supply of Gas both for commercial and domestic consumption. The Company has not started its commercial operation. The management has represented that except the normal laws that are applicable to all Companies, no specific laws were applicable to it during the Financial Year.

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

(i) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by ICSI and made effective from 1<sup>st</sup> July, 2015.

(ii) The Listing Agreements entered into by the Company with Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) made effective from 1<sup>st</sup> December, 2015. *(The Company is not a listed company. Hence, various clauses of Listing Agreement/ SEBI (LODR) Regulations are not applicable to it)*

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

#### **Management Responsibility:**

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc;\*
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**We further report that:**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there has been no specific events or actions having a major bearing on the Company's affair in pursuance of the above referred laws, rules and regulations.

Sd/-

Signature

Name - CS Sudhansu Sekhar Panigrahi  
ACS=23 1 87 , CP= 1 9649



Place : Kolkata

Dated : 09/09/2020

This report to be read with the annexure 1 enclosed.

*Annexure:-1*

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

**Management's Responsibility:**

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

**Responsibility of Secretarial Auditor:**

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to

ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:**

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





# Auditor's Report

## 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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period 4<sup>th</sup> January 2019 to 31<sup>st</sup> March 2020 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 2020 and the loss and other comprehensive Income, changes in equity and its cash flows for the period 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.

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, 2020 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, 2020.

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

Sd/-  
Ritesh Vimal  
Partner  
[Membership No. : 061327 ]  
UDIN : 20061327AAAAA58090



Dated: 18/06/2020  
Place : Kolkata



## 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 2020 and for the period 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 Company does not hold any immovable property hence, the provisions of clause 3 (1) (c) of the Order are not applicable to the Company.
- (ii) The Company does not have any Inventory and therefore the provisions of Clause 3 (ii) of the said Order are not applicable to the Company.
- (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 (ill) (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 / services rendered by 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 period 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, 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 period, 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 period. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non - cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934.

Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

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

Sd/-  
Ritesh Vimal  
Partner  
[Membership No. : 061327 ]  
UDIN : 20061327AAAAA58090



Dated: 18/06/2020  
Place : Kolkata

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

Referred to in paragraph 2 (g) of the Independent Auditor's Report of even date to the members of **BENGAL GAS COMPANY LIMITED** on the Financial Statements for the period ended March 31, 2020

### **Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of 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 2020 in conjunction with our audit of the IND AS financial statements of the company for the period 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 deemed to be prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 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.

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



Dated: 18/06/2020  
Place : Kolkata

### Opinion

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

S/d-  
Ritesh Vimal  
Partner  
[Membership No. : 061327 ]  
UDIN : 20061327AAAAA58090

**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 period ended March 31, 2020

**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.	Yes, the Company has in place system to process all the accounting transactions through IT system. No accounting transactions are processed out of the IT system hence there is no adverse financial implication on the integrity of the accounts.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan ? If yes, the financial impact may be stated.	The company has not taken any loan from any lender hence there is no restructuring of loan or case of waiver / write off of debts / loans / interest etc.
3.	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions ? List the cases of deviation.	No funds have been received or are receivable for specific schemes from Central / State agencies.

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



Sd/-  
Ritesh Vimal  
Partner  
[Membership No. : 061327 ]  
UDIN : 20061327AAAAA58090

Dated: 18/06/2020  
Place : Kolkata



# Financial Statement



**BENGAL GAS COMPANY LIMITED**  
Balance Sheet as at 31st March 2020

Particulars	Notes	As at 31st March 2020 Amount (Rs.)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
(a) Property, plant and equipment	2	37,55,257
(b) Capital work in progress	3	11,58,45,585
(c) Intangible assets	2	51,766
<b>Total Non-current Assets</b>		<b>11,96,52,608</b>
<b>Current Assets</b>		
(a) Financial assets		
(i) Cash and Cash equivalents	4	27,68,50,252
(ii) Bank Balances other than (i) above	5	23,19,97,689
(iii) Other Current Financial Assets	6	29,15,821
(b) Other Current Assets	7	46,03,566
<b>Total Current Assets</b>		<b>51,63,67,329</b>
<b>Total Assets</b>		<b>63,60,19,937</b>
<b>EQUITY AND LIABILITIES Equity</b>		
(a) Equity share capital	8	50,00,00,000
(b) Other equity	9	(1,08,78,291)
<b>Total equity</b>		<b>48,91,21,709</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Other Financial Liabilities	10	1,88,124
(b) Other current liabilities	11	14,67,10,104
<b>Total current liabilities</b>		<b>14,68,98,228</b>
<b>Total liabilities</b>		<b>14,68,98,228</b>
<b>Total Equity and Liabilities</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 and on behalf of Board

For **VIMAL & SEKSARIA**

Chartered Accountants  
[Firm Registration No. : 319194 E]

S/d-

Ritesh Vimal

Partner

[Membership No. : 061327 ]

UDIN : 20061327AAAAA58090

Dated: 10/06/2020

Place : Kolkata



S/d-  
(Gajendra Singh)  
Chairman

S/d-  
(Pritha Sarkar)  
Director

S/d-  
(S. Bairagi)  
CEO

S/d-  
(Rajeev Mathur)  
Director

S/d-  
(Sunita Hazra)  
Director

S/d-  
(R. K. Jaipuriyar)  
CEO & Company Secretary I/C

**BENGAL GAS COMPANY LIMITED**  
Statement of Profit and Loss  
for the period 4th January 2019 to 31st March 2020

Particulars	Notes	For the period ended 31st March 2020 Amount (Rs.)
I Revenue from operations		
II Other income	12	2,56,12,971
<b>III Total Income</b>		<b>2,56,12,971</b>
<b>IV Expenses</b>		<hr/>
Employee benefit expenses	13	2,23,93,507
Depreciation and amortisation expense	2	2,17,411
Other expenses	14	1,38,80,345
<b>Total Expenses</b>		<hr/> <b>3,64,91,262</b> <hr/>
<b>V Profit /(Loss) Before Tax</b>		<b>(1,08,78,291)</b>
VI Income tax expense		
Current tax		-
Deferred Tax Expense		-
VII Profit / (Loss) for the period		<hr/> <b>(1,08,78,291)</b> <hr/>
VIII Other comprehensive income		
IX Total Comprehensive Income / (Expense) for the period		<hr/> <b>(1,08,78,291)</b> <hr/>
X Earnings / (Loss) per equity share (In Rupees): (Face value of share of Rs 10 each)		
Basic		(0.22)
Diluted		(0.22)

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]

S/d-

Ritesh Vimal

Partner

[Membership No. : 061327 ]

UDIN : 20061327AAAAA58090

Dated: 10/06/2020

Place : Kolkata



For and on behalf of Board

S/d-  
(Gajendra Singh)  
Chairman

S/d-  
(Rajeev Mathur)  
Director

S/d-  
(Pritha Sarkar)  
Director

S/d-  
(Sunita Hazra)  
Director

S/d-  
(S. Bairagi)  
CEO

S/d-  
(R. K. Jaipuriyar)  
CEO & Company Secretary I/C

## BENGAL GAS COMPANY LIMITED

Statement of Cash Flows for the period 04th January 2019 to 31st March 2020

Particulars	For the period ended 31st March 2020	
	Amount (Rs.)	Amount (Rs.)
<b>A. Cash flow from Operating activities</b>		
Profit / Loss before tax		(1,08,78,291)
Adjustments for		
Depreciation	2,17,411	
Interest Income	(2,56,12,971)	(2,53,95,560)
<b>Operating profit before working capital changes</b>		<b>(3,62,73,851)</b>
<b>Adjustments for (increase) / decrease in working capital</b>		
Loans & Other Receivable	(29,15,821)	
Other Current Assets	(20,42,281)	
Other Financial Liabilities	1,88,124	
Other Current Liabilities	14,67,10,104	14,19,40,126
<b>Cash generated from operations</b>		<b>10,56,66,275</b>
Income tax paid		(25,61,285)
<b>Net cash generated from operating activities</b>		<b>10,31,04,990</b>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of Fixed Assets	(39,63,535)	
Purchase of Intangible Assets	(60,900)	
Expenses on Capital Work in Progress	(11,58,45,585)	
Fixed Deposit	(23,19,97,689)	
Interest received	2,56,12,971	(32,62,54,737)
<b>Net cash flow from investing activities</b>		
<b>C. Cash Flow from financing activities:</b>		
Issue of Share;		50,00,00,000
<b>Net cash from financing activities</b>		<b>50,00,00,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>27,68,50,252</b>
<b>Cash and cash equivalents at the beginning of the period</b>		
<b>Cash and cash equivalents at the end of the period</b>		<b>27,68,50,252</b>
Cash and Cash equivalents comprises of		
<b>Balance with Banks</b>		
Balance in Bank Accounts		1,99,43,415
Fixed Deposits with original maturity of less than 3 months		25,69,06,837
		<b>27,68,50,252</b>

The accompanying notes forming part of the financial statements

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

For and on behalf of Board

For **VIMAL & SEKSARIA**

Chartered Accountants  
[Firm Registration No. : 319194 E]

S/d-

Ritesh Vimal

Partner

[Membership No. : 061327 ]

UDIN : 20061327AAAAA58090

Dated: 10/06/2020

Place : Kolkata



S/d-  
(Gajendra Singh)  
Chairman

S/d-  
(Pritha Sarkar)  
Director

S/d-  
(S. Bairagi)  
CEO

S/d-  
(Rajeev Mathur)  
Director

S/d-  
(Sunita Hazra)  
Director

S/d-  
(R. K. Jaipurayar)  
CEO & Company Secretary I/C



**BENGAL GAS COMPANY LIMITED**  
Statement of Changes in Equity  
for the period 04th January 2019 to 31st March 2020

Particulars	As at 31st March 2020 Amount (Rs.)	
A Equity Share Capital		
Equity Share Capital issued during the period		50,00,00,000
Balance as at 31st March 2020		50,00,00,000
 B Other Equity		
	As at 31st March 2020	
	<b><u>Reserve &amp; Surplus</u></b>	Total
	Retained Earnings	
	Amount (Rs.)	Amount (Rs.)
Total Comprehensive (Expense) for the period	(1,08,78,291)	(1,08,78,291)
Balance as at 31st March 2020	(1,08,78,291)	(1,08,78,291)

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]

S/d-

Ritesh Vimal

Partner

[Membership No. : 061327 ]

UDIN : 20061327AAAAA58090

Dated: 10/06/2020

Place : Kolkata



For and on behalf of Board

S/d-  
(Gajendra Singh)  
Chairman

S/d-  
(Rajeev Mathur)  
Director

S/d-  
(Pritha Sarkar)  
Director

S/d-  
(Sunita Hazra)  
Director

S/d-  
(S. Bairagi)  
CEO

S/d-  
(R. K. Jaipuriyar)  
CEO & Company Secretary I/C

## **BENGAL GAS COMPANY LIMITED**

Notes forming part of the Financial Statements for the period ended 31<sup>st</sup> March 2020

### **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 18<sup>th</sup> June 2020.

#### **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.

The company was incorporated on 04<sup>th</sup> January 2019, hence the financial statements relate to a period commencing from the date of incorporation to 31st March 2020.

#### **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 & 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 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.

#### **1.6 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.

### **1.7 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.

### **1.8 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.

### **1.9 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 exceeding in each case 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.

### **1.10 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.

### **1.11 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.

### **1.12 Segment Reporting**

Presently the company has only one operating and reporting segment 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.

### **1.13 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.

### **1.14 Leases**

A Lease is classified at the inception date as a

finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company Is classified as finance lease.

#### **(a) Company as a Lessee**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on straight line basis. However, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

#### **(b) Company as a Lessor**

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 recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee.



### **1.15 Liquidated Damages / Price Reduction Schedule**

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

### **1.16 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.

### **1.17 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.

#### **(i) 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.

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

The preparation of the Company's financial statements requires management to make

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

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

#### **1 Judgements**

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

##### **1.1 Contingencies**

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The



assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgements and the use of estimates regarding the outcome of future events.

## **2. Estimates and assumptions**

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

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

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

appropriate valuation model is used.

### **2.2 Fair value measurement of financial instruments**

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

### **2.3 Impairment of financial assets**

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

**BENGAL GAS COMPANY LIMITED**

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

2. Property, Plant & Equipment					
Name of the Asset	Gross Block		Accumulated Depreciation		Amount (Rs.) Net Block
	Addition/ (Deletion) during the period	As at 31st March 2020	Depreciation during the period	As at 31st March 2020	As at 31st March 2020
<b>Tangible Assets</b>					
Furniture & Fixture	12,09,699	12,09,699	67,037	67,037	11,42,661
Computers	26,62,080	26,62,080	1,40,513	1,40,513	25,21,567
Electrical Equipment	91,756	91,756	726	726	91,030
	<b>39,63,535</b>	<b>39,63,535</b>	<b>2,08,277</b>	<b>2,08,277</b>	<b>37,55,257</b>
<b>Intangible assets</b>					
Software	60,900	60,900	9,134	9,134	51,766
	<b>60,900</b>	<b>60,900</b>	<b>9,134</b>	<b>9,134</b>	<b>51,766</b>
	<b>40,24,435</b>	<b>40,24,435</b>	<b>2,17,411</b>	<b>2,17,411</b>	<b>38,07,024</b>

**BENGAL GAS COMPANY LIMITED**

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

Particulars	As at 31st March 2020 Amount (Rs.)
<b>3 Capital Work In Progress</b>	
EPMC Charges	2,03,32,007
Pre Operative & Other Expenses	9,55,13,578
	<b>11,58,45,585</b>
 Details of Pre Operative & Other Expenses	
Professional Fees	1,71,96,085
Employee Cost	4,93,13,623
Vehicle Hire Charges	39,88,290
Travelling Expenses	27,03,485
Office Rent	1,67,32,695
Bank Guarantee Fee	32,24,275
Advertisement	18,13,826
Fee & Other Charges	5,00,000
Workshop Expenses	41,300
	<b>9,55,13,578</b>
 <b>4. Cash and Cash Equivalents</b>	
Balances with banks	
- In current accounts	1,99,43,415
Fixed Deposit with original Maturity less than three months	25,69,06,837
	<b>27,68,50,252</b>



Particulars	As at 31st March 2020 Amount (Rs.)
<b>5. Bank Balance other than Cash and Cash Equivalents</b>	
Fixed Deposits with original maturity more than three months	23,19,97,689
but less than twelve months	
[Includes Fixed Deposits of Rs. 13,10,00,000 under Bank Lien against Bank Guarantee ]	
	<b>23,19,97,689</b>
<b>6. Other Current Financial Assets</b>	
Interest Accrued but not due	29,15,821
	<b>29,15,821</b>
<b>7. Other Current Assets</b>	
(Unsecured, Considered Good)	
Others	20,42,281
Balance with Statutory Authorities	25,61,285
	<b>46,03,566</b>

Particulars

As at  
31st March 2020  
Amount (Rs.)

**8. Equity share capital**

**Authorised**

10,00,00,000 Equity shares of Rs.10 each

**1,00,00,00,000**

**Issued, Subscribed & Fully Paid up**

5,00,00,000 Equity shares of Rs.10 each fully paid up in Cash

50,00,00,000

**50,00,00,000**

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

Equity Shares

As at 31st March 2020

Numbers

Amount

Equity Shares Issued during the period

5,00,00,000

50,00,00,000

Outstanding at the end of the period

5,00,00,000

50,00,00,000

(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**

Name of Shareholder

Numbers

Percentage of  
Holding

GAIL India Ltd.

2,50,00,000

50%

Greater Calcutta Gas Supply Corporation Ltd.

2,50,00,000

50%

Particulars	As at 31st March 2020 Amount (Rs.)
<b>9. Other Equity</b>	
<b>(a) Retained Earnings</b>	
Profit / (Loss) for the period	(1,08,78,291)
	<b>(1,08,78,291)</b>
<b>10. Other Financial Liabilities - Current</b>	
Deposit from Vendors and Others	1,88,124
	<b>1,88,124</b>
<b>11 Other Current Liabilities</b>	
Statutory Liabilities	29,27,078
Creditors for Expenses	14,37,83,026
[Includes Rs.10,78,62,634 Payable to Related Parties]	
	<b>14,67,10,104</b>
<b>12. Other Income</b>	
Interest income	2,56,12,971
	<b>2,56,12,971</b>
<b>13. Employee Benefit Expenses</b>	
Employee Cost	2,23,93,507
	<b>2,23,93,507</b>



Particulars	As at 31st March 2020 Amount (Rs.)
<b>14 Other Expenses</b>	
Payment to Auditors	1,68,000
Advertisement	3,32,428
Board Meeting Expense	1,56,537
Computer Accessories & Maintenance	5,57,306
Miscellaneous Expense	2,56,247
Foundation Day Expense	13,57,000
Preliminary Expenses	76,95,636
Printing and Stationery	2,49,758
Retainership Expenses	10,44,300
Travelling Expense	13,61,793
Vehicle Hire Charges	7,01,340
<b>Total</b>	<b>1,38,80,345</b>
<b>14.1 Payment to Auditors</b>	
Statutory Audit Fees (Including GST)	1,18,000
Out of Pocket Expenses	50,000
	<b>1,68,000</b>

15. This is the first Balance Sheet of the Company since incorporation, preceding year's comparable figures are hence not being available and thus not reported.
16. During the period ended 31<sup>st</sup> March 2020, there were no employees on the roll 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.

**17. Contingent Liabilities and Commitments :**

**(a) Contingent Liabilities:-**

The company has given bank guarantee of 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 has been pledged with the bank in the form of fixed deposit.

**(b) Capital Commitment:-**

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

**18. 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
Director	Mr. Rajeev Mathur
Director	Mr. Puneet Yadav (upto 30 <sup>th</sup> September 2019)
Director	Mr. Utpal Bhadra (upto 30 <sup>th</sup> September 2019)
Director	Ms. Pritha Sarkar (w.e.f. -01 <sup>st</sup> October 2019)
Director	Ms. Sunrita Hazra (w.e.f. - 01 <sup>st</sup> October 2019)
Chief Executive Officer	Mr. S. BairagiChief
Financial Officer	Mr. R.K.Jaipuriyar

**(ii) Companies**

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

**(b) Transaction with Related Parties :**

Name of Related Party	For the Period Ended 31 <sup>st</sup> March 2020 Amount (Rs.)
(i) Issue of Share Capital GAIL (India) Ltd. Greater Calcutta Gas Supply Corporation Ltd.	25,00,00,000 25,00,00,000
(ii) Services Received for - Deputation of Employees GAIL (India) Ltd. Greater Calcutta Gas Supply Corporation Ltd.	7,04,48,355 12,58,774
(iii) Services Received for- Reimbursement of Expenses GAIL (India) Ltd. Greater Calcutta Gas Supply Corporation Ltd.	3,06,78,575 54,76,930
(iv) Amounts Payable GAIL (India) Ltd. Greater Calcutta Gas Supply Corporation Ltd.	10,11,26,930 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.

**19. Earnings Per Share :**

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

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



20. Financial instruments- Fair values and risk management

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

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

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

Particulars	Carrying Value				Fair Value Measurement Using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial Assets							
Current							
Cash							
Cash Equivalents							
Balances With Bank	-	-	1,99,43,415	1,99,43,415	-	-	-
Deposits with original maturity of less than 3 months	-	-	25,69,06,837	25,69,06,837	-	-	-
Balances other than cash and cash equivalents	-	-	23,19,97,689	23,19,97,689	-	-	-
Other financial assets	-	-	29,15,821	29,15,821	-	-	-
Total	-	-	51,17,63,762	51,17,63,762	-	-	-
Financial liabilities							
Current							
Other current financial liabilities	-	-	14,39,71,150	14,39,71,150	-	-	-
Total	-	-	14,39,71,150	14,39,71,150	-	-	-

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.

21. The company has considered the possible effects that may result from the COVID -19 impact on the carrying amount of property, plant and equipment, receivables 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.

For **VIMAL & SEKSARIA**

Chartered Accountants  
[Firm Registration No. : 319194 E]

S/d-

Ritesh Vimal

Partner

[Membership No. : 061327 ]

UDIN : 20061327AAAAA58090

Dated: 10/06/2020

Place : Kolkata



For and on behalf of Board

S/d-

(Gajendra Singh)

Chairman

S/d-

(Rajeev Mathur)

Director

S/d-

(Pritha Sarkar)

Director

S/d-

(Sunita Hazra)

Director

S/d-

(S. Bairagi)

CEO

S/d-

(R. K. Jaipuriyar)

CEO & Company Secretary I/C



**Comments  
of  
C&AG**



गोपनीय

संख्या.:DGA(Energy)/REP/Acs/BGCL/2020-21/ 115



सत्यमेव जयते

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

Dated: 17.08.2020

सेवा में,

अध्यक्ष  
बंगाल गैस कंपनी लिमिटेड  
कोलकाता।

विषय: 31 मार्च 2020 को समाप्त अवधि के लिए बंगाल गैस कंपनी लिमिटेड, कोलकाता के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

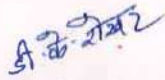
महोदय,

मैं, बंगाल गैस कंपनी लिमिटेड, कोलकाता के 31 मार्च 2020 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

  
(डी. के. शेखर)  
महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF BENGAL GAS COMPANY LIMITED FOR THE PERIOD ENDED  
31 MARCH 2020**

The preparation of financial statements of Bengal Gas Company Limited for the period ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Bengal Gas Company Limited for the period ended 31 March 2020 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)  
Director General of Audit (Energy),  
Delhi

Place : New Delhi  
Dated: 17 August 2020





**REGISTERED OFFICE:**  
**BENGAL GAS COMPANY LIMITED**  
CIN: U40300WB2019GOI229618  
4th Floor, Block B, Finance Centre  
CBD, Action Area - II B, New Town, Kolkata,  
North 24 Parganas, West Bengal-700161, India,  
Phone Number: 033-23248070  
E-mail: [bgclkolkata@gmail.com](mailto:bgclkolkata@gmail.com)  
Website: [bengalgascompany.com](http://bengalgascompany.com)