
INDEPENDENT AUDITORS' REPORT

To the Members of
BENGAL GAS COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BENGAL GAS COMPANY LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023 and the Loss and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 (ICAI) 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 there under, 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.

Information other than the Financial Statements and Auditors Report thereon

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



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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 is 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 financial 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 internal financial controls system 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so



would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('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, based on our audit 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 05th 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 05th 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 over financial reporting 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, as amended 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, 2023 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, 2023.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No Dividend has been declared or paid by the company during the year.

Dated : 03.05.2023
Place : Kolkata



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

R. Vimal
Ritesh Vimal
Partner

[Membership No. : 061327]
UDIN : 23061327BGXSVG5020

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 31st March 2023 and for the year ended on that date]

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deed of the immovable property (other than the property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets during the year. Accordingly, the provisions of Clause 3(i)(d) of the Order are not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, having regard to the nature of the inventory of Compressed Natural Gas, the management has followed a policy for estimation of quantity of Compressed Natural Gas which is based on volume of cascades containing the Compressed Natural Gas considering the standard temperature and pressure. According to the information and explanation given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the company has not been sanctioned working capital limits in excess of Rs.5 Crores in aggregate at any point of time during the year from banks or financial institutions on the basis of security of Current Assets. Accordingly, the provisions of Clause 3(ii)(b) of the Order are not applicable to the Company.



- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that during the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanation 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 the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to 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 Goods and Services Tax, Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other Statutory Dues, as applicable, to the appropriate authorities. There are no undisputed statutory dues as at the last day of the year which have been outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that there are no transactions which are not recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.



- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not defaulted in repayments of loans and borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31st March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31st March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has made rights issue of shares and the provisions of section 62 of the Companies Act, 2013 have been duly complied with and the funds have been used for the purposes for which the funds were raised.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no fraud by the company or fraud on the company has been noticed or reported during the year.
- (b) No report under sub – section (12) of section 143 of the Companies Act, 2013 is required to be filed by us in Form ADT – 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no whistle blower complaints have been received during the year by the company.
- (xii) The company is not a Nidhi Company. Accordingly, 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 on the basis of our examination of the records of the Company, we report that 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) (a) The company has an internal audit system, which in our opinion, is commensurate with the size and nature of its business.
- (b) The report of the Internal Auditors for the period under audit has been considered by us.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that 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) According to the information and explanations given to us and on the basis of our examination of the records, the Company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- (xvii) The Company has incurred cash loss of Rs.1,376.59 Lacs in the financial year and Rs. 709.63 Lacs in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and Management, and based on our examination of the evidence



supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liability existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the provisions of section 135 of the Companies Act, 2013 are not applicable to the company. Accordingly, the provisions of Clause 3(xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us and on the basis of our examination of the records, we report that the company does not have any Subsidiaries, Joint Venture or Associate Companies. Accordingly, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

Dated : 03.05.2023
Place : Kolkata



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


Ritesh Vimal
Partner

[Membership No. : 061327]
UDIN : 23061327BGXSVG5020

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 (g) of the Independent Auditor's Report of even date to the members of **BENGAL GAS COMPANY LIMITED** on the Financial Statements for the year ended March 31, 2023

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

We have audited the internal financial controls over financial reporting of **BENGAL GAS COMPANY LIMITED ("the Company")** as of 31st March 2023 in conjunction with our audit of the IND AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 of the Company 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") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Dated : 03.05.2023

Place : Kolkata



For VIMAL & SEKSARIA

Chartered Accountants

[Firm Registration No. : 319194 E]

R. S. Vimal
Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN : 23061327 BG XS VQ 5020

ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 (h) of the Independent Auditor's Report of even date to the members of
BENGAL GAS COMPANY LIMITED on the Financial Statements for the year ended March 31, 2023

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

Sr. No	Point	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system ? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	On the basis of the information and explanation given to us and on the basis of our examination of the records, we report that the Company has been using Tally ERP 9 for its accounting transactions. 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. Whether such cases are properly accounted for ? (In case, lender is a government company).	On the basis of the information and explanation given to us and on the basis of our examination of the records, we report that the company has not taken any loan from any government company hence this clause regarding restructuring of loan or case of waiver / write off of debts / loans / interest etc is not applicable.
3.	Whether funds (grants / subsidy etc) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions ? List the cases of deviation.	On the basis of the information and explanation given to us and on the basis of our examination of the records of the Company, we report that no funds have been received or are receivable for specific schemes from Central / State Government or its agencies.

Dated : 03.05.2023
Place : Kolkata



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


Ritesh Vimal
Partner

[Membership No. : 061327]
UDIN : 23061327BGXSVG5020 .

BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Balance Sheet as at 31st March 2023

		(Rs.in Lakh)	
Particulars	Notes	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2	4,480.42	1,264.82
(b) Capital Work In Progress	3	59,038.65	26,144.34
(c) Other Intangible Assets	2A	0.15	0.27
(d) Right to Use Assets	2B	1,075.39	940.79
(e) Deferred Tax Assets (Net)	4	622.89	195.61
(f) Other Non-Current Assets	5	472.00	472.00
Total Non Current Assets		65,689.49	29,017.82
Current Assets			
(a) Inventories	6	8.92	1.94
(b) Financial assets			
(i) Trade Receivables	7	46.71	15.27
(ii) Cash and Cash equivalents	8	1,268.41	6,465.75
(iii) Bank Balances other than (ii) above	9	1,591.44	1,562.09
(iv) Other Financial Assets	10	269.32	46.60
(c) Current Tax Assets (Net)	11	39.60	40.73
(d) Other Current Assets	12	171.31	41.31
Total Current Assets		3,395.69	8,173.69
Total Assets		69,085.18	37,191.51
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	49,772.00	25,907.00
(b) Other Equity	14	(1,967.38)	(875.87)
Total equity		47,804.62	25,031.13
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	15,586.93	-
(ii) Lease Liabilities	16	97.64	28.52
Total Non Current Liabilities		15,684.57	28.52
Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	17	78.84	-
(ii) Trade Payables			
- Dues of Micro and Small Enterprises	18	-	-
- Other than Micro and Small Enterprises	18	392.50	164.38
(iii) Other Financial Liabilities	19	4,906.77	11,911.87
(b) Other Current Liabilities	20	120.42	46.14
(c) Provisions	21	97.46	9.47
Total Current Liabilities		5,596.00	12,131.86
Total Equity and Liabilities		69,085.18	37,191.51

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]

Ritesh Vimal
Partner

[Membership No. : 061327]

UDIN : 2306132784XS065020

Dated : 3rd May 2023

Place: Kolkata



(G. Singh)
CS
PAN - COKPS6727L

(Sunrita Hazra)
Director
DIN- 3087356

For and on behalf of Board

(Arijit Banik)
CFO
PAN - AFYPB3722R

(S. Bairagi)
CEO
PAN - ABIPB7009H

(R K Jain)
Chairman
DIN- 8788595

BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Statement of Profit and Loss for the year ended 31st March 2023

(Rs.in Lakh)

Particulars	Notes	For the year Ended 31st March 2023	For the year Ended 31st March 2022
I Income			
Revenue from Operations	22	1,098.73	101.94
Other Income	23	291.02	111.77
Total Income		1,389.75	213.70
II Expenses			
Purchase of Stock In Trade	24	1,343.02	119.57
Changes in Inventories of Stock in Trade	25	(6.98)	(1.58)
Excise Duty	26	144.19	12.89
Employee Benefit Expenses	27	409.36	335.20
Finance Cost	28	6.04	0.58
Depreciation and Amortisation Expenses	2	142.20	43.97
Other Expenses	29	868.59	281.18
Total Expenses		2,906.43	791.81
III Profit / (Loss) Before Tax		(1,516.68)	(578.11)
IV Tax Expense			
Current Tax		-	-
Deferred Tax		427.28	195.61
V Profit / (Loss) for the year		(1,089.40)	(382.50)
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income / (Expense) for the year		(1,089.40)	(382.50)
VIII Earnings / (Loss) per equity share (In Rupees) : (Face value of share of Rs 10 each)			
Basic		(0.26)	(0.31)
Diluted		(0.26)	(0.31)

The accompanying notes forming part of the financial statements
This is the Statement of Profit & Loss referred to in our report of even date

For VIMAL & SEKSARIA

Chartered Accountants

[Firm Registration No. : 319194 E]

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN : 23061327BHXSUVH5020

Dated : 3rd May 2023

Place: Kolkata



(G.Singh)

CS

PAN- GOKPS6727L

(Sunrita Hazra)

Director

DIN- 3087356

(Arijit Banik)

CFO

PAN - AFYPB3722R

For and on behalf of Board

(S.Bairagi)

CEO

PAN - ABIPB7009H

(R K Jain)

Chairman

DIN- 8788595

BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Statement of Cash Flows for the year ended 31st March 2023

Particulars	For the year Ended 31st March 2023	For the year Ended 31st March 2022	(Rs.in Lakh)
A. Cash Flow from Operating activities:			
Profit / (Loss) before Tax			
Adjustments for	(1,516.68)		(578.11)
Depreciation	142.20		
Finance Cost	6.04	43.97	
Interest Income	(149.91)	0.58	
Operating profit before working capital changes	(1.67)	(111.77)	(67.22)
Adjustments for (increase)/decrease in working capital	(1,518.35)		(645.33)
Other Financial Assets	(222.72)		
Inventories	(6.98)	(23.01)	
Trade Receivables	(31.43)	(1.58)	
Other Current Assets	(130.00)	(15.07)	
Trade Payables	228.12	927.84	
Other Financial Liabilities	(7,005.10)	7,328.44	
Other Current Liabilities	74.28	1,857.03	
Provisions	88.00	15.73	
Cash generated from operations	(7,005.83)	9.27	10,098.66
Income Tax paid	(8,524.18)		9,453.33
Net cash generated from operating activities	1.13		(3.59)
B. Cash Flow from Investing activities:	(8,523.05)		9,449.74
Purchase of Fixed Assets	(3,321.95)		
Lease Hold Land	-	(774.32)	
Expenses on Capital Work In Progress	(32,801.27)	(914.83)	
Fixed Deposit	(29.34)	(22,073.86)	
Interest Received	149.91	812.49	
Net cash flow from investing activities	(36,002.65)	111.77	(22,838.76)
C. Cash Flow from Financing activities:	(36,002.65)		(22,838.76)
Finance Cost		(6.04)	
Lease Liability Paid		(115.42)	(0.58)
Net Proceeds from Issue of Shares		23,862.89	
Long Term Borrowing during the period		15,586.93	18,231.51
Net cash from financing activities	39,328.36		-
Net increase/(decrease) in cash and cash equivalents	(5,197.34)		4,841.91
Cash and cash equivalents at the beginning of the period	6,465.75		
Cash and cash equivalents at the end of the period	1,268.41		1,623.84
Cash and Cash equivalents comprises of			6,465.75
Balance with Banks			
Balance in Bank Accounts			
Cash in Hand	1,066.09		111.78
Fixed Deposits with original maturity of less than 3 months	0.60		
	201.72		6,353.96
	1,268.41		6,465.75

The accompanying notes forming part of the financial statements
This is the Cash Flow Statement referred to in our report of even date

For VIMAL & SEKSARIA

Chartered Accountants

[Firm Registration No. : 319194 E]

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN : 23061327B4XSV45020

Dated : 3rd May 2023

Place: Kolkata



For and on behalf of Board

(G.Singh)
CS

PAN- COKPS6727L

(Sunrita Hazra)
Director
DIN- 3087356

(Arijit Banik)
CFO

PAN - AFYPB3722R

(S.Bairagi)
CEO

PAN - ABIPB7009H

(R K Jain)
Chairman
DIN- 8788595

BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Statement of Changes in Equity for the year ended 31st March 2023

A) Equity Share Capital

For the year ended 31st March 2023

(Rs. In Lakh)

Balance at the 1st April, 2022	Change in Equity Share Capital due to prior period error	Restated balance at the 1st April 2022	Changes in Equity Share Capital during the year	Balance as at 31st March 2023
25,907.00	-	-	23,865.00	49,772.00

For the year ended 31st March 2022

(Rs. In Lakh)

Balance at the 1st April, 2021	Change in Equity Share Capital due to prior period error	Restated balance at the 1st April 2021	Changes in Equity Share Capital during the year	Balance as at 31st March 2022
5,000.00	-	-	20,907.00	25,907.00

B) Other Equity

For the year ended 31st March 2023

(Rs. In Lakh)

Particulars	Shares Application Money Pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus			Other items of Other Comprehensive Income	Total
			Capital Reserve	Securities Premium	Retained Earnings		
Balance at the 01st April 2022	-	-	-	-	(875.87)	-	(875.87)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-
Total Comprehensive Income for the year ended 31st March 2023	-	-	-	-	(1,089.40)	-	(1,089.40)
Dividends	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	(2.11)	-	(2.11)
Any other change - Issue of Shares	-	-	-	-	-	-	-
Balance as at 31st March 2023	-	-	-	-	(1,967.38)	-	(1,967.38)

For the year ended 31st March 2022

(Rs. In Lakh)

Particulars	Shares Application Money Pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus			Other items of Other Comprehensive Income	Total
			Capital Reserve	Securities Premium	Retained Earnings		
Balance at the 01st April 2021	-	-	-	-	(317.88)	-	(317.88)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-
Total Comprehensive Income for the year ended 31st March 2022	-	-	-	-	(382.50)	-	(382.50)
Dividends	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	(175.49)	-	(175.49)
Any other change - Receipt of Share Application	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	-	-	-	(700.38)	-	(875.87)

The accompanying notes forming part of the financial statements

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

For VIMAL & SEKSARIA

Chartered Accountants

[Firm Registration No. : 319194 E]

R. Vimal

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN : 23061327BA XSV6,5020

Dated : 3rd May 2023

Place: Kolkata



For and on behalf of Board

(G. Singh)
CS

PAN- COKPS6727L

(Sunrita Hazra)
Director

DIN- 3087356

(Arijit Banik)
CFO

PAN - AFYPB3722R

(S. Bairagi)
CEO

PAN - ABIPB7009H

(R K Jain)
Chairman

DIN- 8788595

BENGAL GAS COMPANY LIMITED

Notes forming part of the Financial Statements for the year ended 31st March 2023

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 subsidiary of GAIL (India) Limited, a Government of India undertaking and is formed as a Joint Venture with Greater Calcutta Gas Supply Corporation Limited (GCGSCL), a Government of West Bengal Enterprise. As on 31st March 2023, GAIL (India) Ltd. is holding 88 % and Greater Calcutta Gas Supply Corporation Limited is holding 12 % 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 03rd May 2023.

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 Lakhs (up to two decimals) except when otherwise stated.

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 non current 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 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. The Construction Stores are valued at weighted average method.

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

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

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



1.3 Foreign Currency Transaction

- (a) Functional Currency of the Company is Indian Rupee (INR).
- (b) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- (c) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.
- (d) Non-monetary items (such as Investments, Property plant and equipment, etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transactions.
- (e) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.
- (f) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.4 Borrowing Cost

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

1.5 Inventories

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

1.6 Revenue Recognition

- (a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes contributions by customers towards assets over which Company has control.
- (b) Insurance claims (if any) are accounted for on the basis of claims admitted by the insurers.
- (c) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.



1.7 Depreciation / Amortization

(a) Tangible Assets

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

(b) Intangible Assets

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

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

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

1.8 Employee Benefits

(a) All short-term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.

(b) The Company's contribution to the Provident Fund is remitted to the regulatory authorities based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss /CWIP. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

(c) The employees of the company are also provided on deputation from Parent companies. Claims raised by the parent companies in respect of such employees deputed to the company is considered as an employee benefit.

(d) No Long-Term Employment obligations are envisaged to the company hence the same has not been considered.

1.9 Impairment of Non – Financial Assets

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



1.10 Provision, Contingent Liabilities, Contingent Assets and Capital Commitments

(a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets 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.

1.11 Taxes on Income

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

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

1.12 Cash and Cash Equivalents

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

1.13 Segment Reporting

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

1.14 Earnings Per Share

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



1.15 Leases

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

(a) Company as a Lessee (Assets taken on lease)

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

i) Lease Liabilities

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

ii) Determination of discount rate as a lessee

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

iii) Right-of-use assets

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

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

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets



recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

(b) Company as a Lessor (Assets given on lease)

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

(c) Lease Land

Land having lease term of 70 years and above are accounted for as finance leases which are recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land having lease term of below 70 years are treated as operating leases.

1.16 Liquidated Damages / Price Reduction Schedule

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

1.17 Cash Flow Statement

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

1.18 Fair Value Measurement

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

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

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



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

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

1.19 Financial Instruments

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

(a) Financial Assets

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

- Financial assets carried at amortised cost

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

- Financial assets at fair value through other comprehensive income

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

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

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



(iv) Derecognition

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

(v) Impairment of other financial assets

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

(b) Financial Liabilities

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

- Financial assets carried at amortised cost

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

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

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

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



(iv) Derecognition

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

(c) Offsetting of financial instruments

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

1 B Significant Accounting Judgements, Estimates and Assumptions

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

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

1 Judgements

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

1.1 Contingencies

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

2. Estimates and assumptions

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



change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1 Impairment of non - financial assets

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

2.2 Fair value measurement of financial instruments

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

2.3 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Notes forming part of the Financial Statements for the year ended 31st March 2023

2. Property, Plant & Equipment

Property, Plant & Equipment for the year ended 31st March 2023

Particulars	Gross Block			Depreciation			(Rs. in Lakh)	
	As at 01st April 2022	Additions during the year	Sale / disposals during the year	As at 31st March 2023	As at 01st April 2022	For the year	As at 31st March 2023	Net Block
								As at 31st March 2023
Tangible Assets								
Land	41.13	1,597.58	-	1,638.71	-	-	-	1,638.71
Plant and Machinery	1,212.38	1,439.02	-	2,651.40	29.36	70.00	99.36	2,552.04
Furniture & Fixture	12.10	200.91	-	213.01	2.97	12.82	15.79	197.22
Computers & Peripherals	45.29	50.87	-	96.16	25.56	19.50	45.06	51.10
Office Equipments	12.57	33.56	-	46.13	0.76	4.02	4.78	41.35
	1,323.46	3,321.95	-	4,645.41	58.64	106.35	164.99	4,480.42

2A. Intangible Assets for the year ended 31st March 2023

Intangible Assets

Software	0.61	-	-	0.61	0.33	0.12	-	0.46	0.15
	0.61	-	-	0.61	0.33	0.12	-	0.46	0.15

2B. Right to Use Assets for the year ended 31st March 2023

ROU Assets

Leasehold Land	943.34	14.13	-	957.47	2.56	9.67	12.23	945.24
Building Leasehold	-	249.25	-	249.25	-	119.10	119.10	130.15
	943.34	263.37	-	1,206.72	2.56	128.77	131.33	1,075.39

2 Property, Plant & Equipment for the year ended 31st March 2022

Particulars	Gross Block			Depreciation			(Rs. in Lakh)	
	As at 01st April 2021	Additions during the year	Sale / disposals during the year	As at 31st March 2022	As at 01st April 2021	For the Year	As at 31st March 2022	Net Block
								As at 31st March 2022
Tangible Assets								
Land	40.42	0.71	-	41.13	-	-	-	41.13
Plant and Machinery	455.41	756.97	-	1,212.38	2.84	26.51	29.36	1,183.02
Furniture & Fixture	12.10	-	-	12.10	1.82	1.15	2.97	9.13
Computers & Peripherals	39.66	5.63	-	45.29	12.59	12.97	25.56	19.73
Electrical Equipment	1.55	11.02	-	12.57	0.10	0.66	0.76	11.81
	549.13	774.32	-	1,323.46	17.35	41.29	58.64	1,264.82

2A. Intangible Assets for the year ended 31st March 2022

Intangible Assets

Software	0.61	-	-	0.61	0.21	0.12	-	0.33	0.27
	0.61	-	-	0.61	0.21	0.12	-	0.33	0.27

2B. Right to Use Assets for the year ended 31st March 2022

ROU Assets

Leasehold Land	-	943.34	-	943.34	-	2.56	2.56	940.79
	-	943.34	-	943.34	-	2.56	2.56	940.79



BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Notes forming part of the Financial Statements for the year ended 31st March 2023

3. Capital Work In Progress

Capital Work In Progress for the year ended 31st March 2023

(Rs. in Lakh)

	As at 01st April 2022	Additions during the year	Capitalisation during the year	Net Block as at 31st March 2023
Tangible Assets				
Construction of City Gas Distribution Network (Includes Incidental Expenses during Construction of Rs. 3,840.38 Lakhs as at 31st March 2023) (Refer Note No. 41)	6,152.12	9,971.49	552.37	15,571.24
Capital Stores including Material in Transit	19,775.01	24,290.59	874.90	43,190.70
	25,927.13	34,262.08	1,427.28	58,761.93
Intangible Assets				
	217.20	59.51	-	276.72
	217.20	59.51	-	276.72
	26,144.34	34,321.60	1,427.28	59,038.65

Capital Work In Progress for the year ended 31st March 2022

(Rs. in Lakh)

	As at 01st April 2021	Additions during the year	Capitalisation during the year	Net Block as at 31st March 2022
Tangible Assets				
Construction of City Gas Distribution Network (Includes Incidental Expenses during Construction of Rs. 2423.95 Lakhs as at 31st March 2022) (Refer Note No. 41)	2,554.31	3,933.70	335.88	6,152.12
Capital Stores including Material in Transit	1,966.63	18,226.75	418.37	19,775.01
	4,520.94	22,160.45	754.25	25,927.13
Intangible Assets				
	21.54	195.67	-	217.20
	21.54	195.67	-	217.20
	4,542.48	22,356.11	754.25	26,144.34

Capital Work in Progress ageing Schedule (Current Year 2022-23)

(Rs. in Lakh)

	Amount in Capital Work In Progress for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in Progress	34,262.08	22,160.45	2,339.41	-	58,761.93
Project temporarily suspended	-	-	-	-	-

Capital Work in Progress ageing Schedule (Previous Year 2021-22)

(Rs. in Lakh)

	Amount in Capital Work In Progress for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in Progress	22,160.45	3,766.68	-	-	25,927.13
Project temporarily suspended	-	-	-	-	-

Intangible Asset under Development ageing Schedule (Current Year 2022-23)

(Rs. in Lakh)

	Amount in Capital Work In Progress for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in Progress	59.51	195.67	21.54	-	276.72
Project temporarily suspended	-	-	-	-	-

Intangible Asset under Development ageing Schedule (Previous Year 2021-22)

(Rs. in Lakh)

	Amount in Capital Work In Progress for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in Progress	195.67	21.54	-	-	217.20
Project temporarily suspended	-	-	-	-	-

There is no project Capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan, as per the completion schedule as at 31st March 2023 and as at 31st March 2022.



BENGAL GAS COMPANY LIMITED
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Notes forming part of the Financial Statements for the year ended 31st March 2023

Particulars	(Rs. In Lakh)	
	As at 31st March 2023	As at 31st March 2022
4 Deferred Tax Assets (Net)		
Deferred Tax Asset	622.89	195.61
	622.89	195.61
5 Other Non-Current Assets		
<u>Advance Other than Capital Advances</u>		
Advance to Related Parties		
- Hooking Up charges [GAIL (India) Ltd.]	472.00	472.00
	472.00	472.00
6 Inventories		
<u>Stock in Trade</u>		
(As certified by the management)		
Stock of Compressed Natural Gas (CNG)	8.92	1.94
	8.92	1.94
7 Trade Receivables		
Trade Receivables - Considered Good		
From Others	46.71	15.27
	46.71	15.27

Trade Receivable ageing schedule (Current Year 2022-23)

Particulars	Outstanding for following periods from due date of Payment						
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade receivable - considered good	46.71	-	-	-	-	-	46.71
(ii) Undisputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivable - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(vii) Unbilled Receivable	-	-	-	-	-	-	-
Total	46.71	-	-	-	-	-	46.71

Trade Receivable ageing schedule (Previous Year 2021-22)

Particulars	Outstanding for following periods from due date of Payment						
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade receivable - considered good	12.99	-	-	-	-	-	12.99
(ii) Undisputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivable - considered good	2.28	-	-	-	-	-	2.28
(v) Disputed Trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(vii) Unbilled Receivable	-	-	-	-	-	-	-
Total	15.27	-	-	-	-	-	15.27



BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)

Notes forming part of the Financial Statements for the year ended 31st March 2023

Particulars	(Rs. In Lakh)	
	As at 31st March 2023	As at 31st March 2022
8 Cash and Cash Equivalents		
Balances with banks		
- In current accounts	1,066.09	111.78
- Cash In Hand	0.60	-
(As certified by the management)		
- Fixed Deposit with original Maturity less than three months	201.72	6,353.96
	1,268.41	6,465.75
9 Bank Balance other than Cash and Cash Equivalents		
Fixed Deposits with original maturity more than three months but less than twelve months	1,591.44	1,562.09
[Includes Fixed Deposits of Rs. 1454.81 Lakhs (Previous Year : Rs. 1409.11 Lakhs Under Bank Lien against Bank Guarantee)		
	1,591.44	1,562.09
10 Other Financial Assets		
Security Deposits	59.61	36.71
(Unsecured, Considered Good)		
Interest Accrued but not due	6.52	9.89
Receivable from Related Parties :-		
- GAIL (India) Ltd	203.19	-
	269.32	46.60
11 Current Tax Asset (Net)		
Tax Deducted at Source Receivable	15.43	21.63
Tax Collection at Source Receivable	24.17	19.10
	39.60	40.73
12 Other Current Assets		
(Unsecured, Considered Good)		
Other Advances	0.58	0.49
Pre - Paid Expenses	170.73	40.82
	171.31	41.31



BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Notes forming part of the Financial Statements for the year ended 31st March 2023

(Rs. in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
-------------	-----------------------------	-----------------------------

13 Equity Share Capital

Authorised

2,00,00,00,000 (Previous Year : 2,00,00,00,000) Equity shares of Rs.10 each

2,00,000.00	2,00,000.00
--------------------	--------------------

Issued, Subscribed & Fully Paid up

49,77,20,000 (Previous Year : 25,90,70,000) Equity shares of Rs.10 each fully paid up in Cash

49,772.00	25,907.00
49,772.00	25,907.00

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

Equity Shares	As at 31st March 2023		As at 31st March 2022	
	Quantity	(Rs. in Lakh)	Quantity	(Rs. in Lakh)
At beginning of the year	25,90,70,000	25,907.00	5,00,00,000	5,000.00
Equity Shares Issued during the year	23,86,50,000	23,865.00	20,90,70,000	20,907.00
Outstanding at the end of the year	49,77,20,000	49,772.00	25,90,70,000	25,907.00

(b) Terms and rights attached to the equity shares

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

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

	As at 31st March 2023		As at 31st March 2022	
	Numbers	Percentage of Holding	Numbers	Percentage of Holding
GAIL (India) Ltd.	43,86,50,000	88%	20,00,00,000	77%
Greater Calcutta Gas Supply Corporation Ltd.	5,90,70,000	12%	5,90,70,000	23%

(d) Shareholding of Promoters (Current Year 2022-23)

Sl No Promoter Name	As at 31st March 2023		% change during the year
	Numbers	Percentage of Total Shares	
1 GAIL (India) Ltd.	43,86,50,000	88%	119%
2 Greater Calcutta Gas Supply Corporation Ltd.	5,90,70,000	12%	0%

Shareholding of Promoters (Previous Year 2021-22)

Sl No Promoter Name	As at 31st March 2022		% change during the period
	Numbers	Percentage of Total Shares	
1 GAIL (India) Ltd.	20,00,00,000	77%	700%
2 Greater Calcutta Gas Supply Corporation Ltd.	5,90,70,000	23%	136%



BENGAL GAS COMPANY LIMITED
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Notes forming part of the Financial Statements for the year ended 31st March 2023

Particulars	(Rs. In Lakh)	
	As at 31st March 2023	As at 31st March 2022
14 Other Equity		
Retained Earnings		
Opening Balance of Profit / (Loss)	(875.87)	(317.88)
Profit / (Loss) for the year	(1,089.40)	(382.50)
Share Issue Expenses	(2.11)	(175.49)
	<u>(1,967.38)</u>	<u>(875.87)</u>
	(1,967.38)	(875.87)
15 Borrowings - Non Current		
Secured Loan:		
Rupee Term Loan - Punjab National Bank	15,586.93	-
(Repayable in 8 years after expiry of moratorium and repayment begins from 31st March 2028. The loan carries a floating rate of interest linked to SBI 6 month MCLR + 0.51%)		
(Hypothecation charge in favor of Punjab National Bank on all Lands & all (both present & future) assets of the Project.)		
	<u>15,586.93</u>	<u>-</u>
	15,586.93	-
16 Lease Liabilities (Non Current)		
Lease Liabilities	97.64	28.52
	<u>97.64</u>	<u>28.52</u>
	97.64	28.52
17 Lease Liabilities (Current)		
Lease Liabilities	78.84	-
	<u>78.84</u>	<u>-</u>
	78.84	-
18 Trade Payables		
Trade payable to Related Parties :-		
- GAIL (India) Ltd		
- For Gas	58.42	8.57
Trade Payables to		
- Dues of Micro and Small Enterprises	-	-
- Other than Micro and Small Enterprises		
- For Gas	14.60	-
- For Expenses	319.48	155.81
	<u>392.50</u>	<u>164.38</u>
	392.50	164.38

Trade Payable ageing schedule (Current Year 2022-23)

	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(I) MSME	-	-	-	-	-
(II) Others	391.73	0.77	-	-	392.50
(III) Disputed dues- MSME	-	-	-	-	-
(IV) Disputed dues- Others	-	-	-	-	-
Total	391.73	0.77	-	-	392.50

Trade Payable ageing schedule (Previous Year 2021-22)

	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(I) MSME	-	-	-	-	-
(II) Others	162.70	1.68	-	-	164.38
(III) Disputed dues- MSME	-	-	-	-	-
(IV) Disputed dues- Others	-	-	-	-	-
Total	162.70	1.68	-	-	164.38



BENGAL GAS COMPANY LIMITED
(A Subsidiary of GAIL (India) Ltd.)
Notes forming part of the Financial Statements for the year ended 31st March 2023

Particulars	(Rs. In Lakh)	
	As at 31st March 2023	As at 31st March 2022
19 Other Financial Liabilities		
To Related Parties :-		
GAIL (India) Ltd	267.10	71.46
Grater Calcutta Gas Supply Corporation Limited	-	8.68
Sundry Creditors for Capital Goods	3,067.76	9,762.49
Security Deposits	88.10	428.51
Retention Money from Contractors	1,483.81	1,640.73
	4,906.77	11,911.87
20 Other Current Liabilities		
Statutory Liabilities	120.42	46.06
Other Liabilities	-	0.08
	120.42	46.14
21 Provisions		
Provision for Expenses	97.46	9.47
	97.46	9.47



Bengal Gas Company Limited
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Notes forming part of the Financial Statements for the year ended 31st March 2023

Particulars	(Rs. in Lakh)	
	For the year Ended 31st March 2023	For the year Ended 31st March 2022
22 Revenue from Operations		
Sale of Products		
- Compressed Natural Gas	1,098.73	101.94
	1,098.73	101.94
23 Other Income		
Interest Income	149.91	111.77
Application Fees Received	1.23	-
Other Misc Income	139.87	-
	291.02	111.77
24 Purchase of Stock In Trade		
Purchase of Natural Gas	857.73	36.19
Gas Compression Service	159.06	16.43
Transportation of Gas	324.71	66.96
Pipe Line Transmission Charges	1.52	
	1,343.02	119.57
25 Changes in Inventories of Stock in Trade		
<u>Opening Stock of Stock in Trade</u>		
Compressed Natural Gas (CNG)	1.94	0.36
<u>Closing Stock of Stock in Trade</u>		
Compressed Natural Gas (CNG)	8.92	1.94
Decrease / (Increase) in Stock	(6.98)	(1.58)
26 Excise Duty		
Excise Duty	144.19	12.89
	144.19	12.89
27 Employee Benefit Expenses		
Employee Cost	401.45	327.98
Fixed Term Employment Expenses	2.83	-
Staff Welfare Expenses	5.08	7.22
	409.36	335.20



Bengal Gas Company Limited
(A Subsidiary of GAIL (India) Ltd.)
Notes forming part of the Financial Statements for the year ended 31st March 2023

Particulars	(Rs. in Lakh)	
	For the year Ended 31st March 2023	For the year Ended 31st March 2022
27 Finance Cost		
Interest on Lease Liability	6.04	0.58
	6.04	0.58
28 Other Expenses		
Advertisement Expenses	13.35	-
Operation and Maintenance Services	198.04	51.57
Safety Health Environment Services	10.24	8.65
Forecourt Management Service	26.76	-
CNG Station Facility Charges	17.58	1.68
Trade Margin Expense	-	2.28
Commission for CNG Sales	0.36	-
Contractual Manpower	85.91	27.20
Insurance Expenses	279.28	0.09
Marketing Expenses	2.93	14.30
Statutory Audit Fees	2.36	1.30
Internal Audit Fees	0.52	0.47
Tax Audit Fees	0.24	
Secretarial Audit Fees	0.25	0.41
Board Meeting Expenses	18.41	5.19
Computer Accessories & Maintenance	1.55	5.48
Electricity Charges	44.11	7.90
Office Rent	4.35	37.43
Printing & Stationery	11.18	8.86
Professional Fees	12.38	18.40
Retainership Expenses	19.91	19.96
Housekeeping & Pantry Expenses	7.31	
Repair and Maintenance	0.87	-
Security Charges	14.45	4.93
Telephone and Internet Expenses	7.42	2.52
Vehicle Hire Charges	39.02	40.12
Travelling Expenses	18.49	5.08
Out of pocket Expenses (Auditors)	0.77	-
Miscellaneous Expenses	30.56	17.37
	868.59	281.18

28.1 Payment to Auditors

Statutory Audit Fees	1.48	1.30
Tax Audit Fee	0.24	
Limited Review Fees	0.89	-
Out of pocket Expenses (Auditors)	0.77	-
	3.36	1.30



30. During the year ended 31st March 2023, the company recruited employees under the Fixed Term Employment (FTE) on the role of the company.

Provident Fund:

The Company has paid a contribution of Rs. 0.07 Lakhs (Previous Year: NIL) to the regulatory authorities at predetermined fixed percentage of eligible employees salary and charged the same to Statement of Profit and Loss/CWIP.

Further, the employees in various capacities are also deputed in the company by the Holding/Associate companies and the 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 for the deputed employees in accounts as the same has been complied by the Holding/Associate Companies.

31. **Contingent Liabilities and Commitments**

Capital Commitment

The estimated amount of contracts over Rs. 5 lacs amounting to Rs.1196.10 Crores (Previous Year: Rs.1,196.42 Crores) are remaining to be executed on capital accounts and not provided for.

32. The employees working in the various disciplines have been identified as working for (a) project activities and/or (b) operation activities. Therefore, the employee cost and travelling expenses, pertaining to those employees engaged directly in project activities, are directly charged to project activities. Further the depreciation on account of ROU Land has been charged to project activities. Whereas, employee cost, travelling expenses and vehicle hire charges pertaining to those employees which have been engaged in both of the aforesaid activities, are charged to project activities and operation activities in the ratio of 7:3 on best judgement basis and accounted for accordingly. Expenses related to Lease Rent, Security & Housekeeping Charges, Health & Safety, Call Centre Services, PC Hire Charges, QRV Implementation etc. incurred for both project and operation have been allocated to Incidental Expenditure during the Construction (IEDC) and Statement of Profit & Loss in the ratio of 7:3 on best judgement basis. All other expenses are charged to Statement of Profit & Loss.

33. **Disclosure as per Ind AS 23 on 'Borrowing Cost':**

The company has taken a new Interim Term Loan facility from Punjab National Bank of Rs. 15,586.93 Lakhs for the project out of the total Interim sanction of Rs. 23,053 Lakhs. The borrowing costs allocated towards Capital Work in Progress during the year were Rs. 577.94 Lakhs.

34. **Registration of Charges with Registrar of Companies (ROC):**

During the financial year 2022-23, a charge was created in favor of Punjab National Bank for an Interim Rupee Term Loan facility sanctioned for Rs. 23,053 Lakhs and a charge for Rs. 2,96,824 Lakhs was created in favor of Catalyst Trusteeship Limited for a sanctioned RTL facility from the consortium of 6 banks.

The charges were created within statutory timelines and no charge creation is pending.



35. **Related Party Disclosures**

(a) **List of Related Parties**

(i) **Key Management Personnel**

Key Management Personnel Designation	Name of Incumbent
Chairman and Director	Sh. Rakesh Kumar Jain
Director	Sh. Kumar Shanker
Director	Sh. Atul Kumar Tripathi
Director	Sh. Karnati Ram Mohan Rao
Director	Sh. Srinivasarangachariar Sampath
Director	Sh. Goutom Chakraborty
Director	Sh. Biswanath Chakraborty
Director	Smt. Sunrita Hazra
Chief Executive Officer	Sh. S. Bairagi
Chief Financial Officer	Sh. P K Ray (upto - 27 th January 2023)
Chief Financial Officer	Sh. Arijit Banik (w.e.f. 28 th January 2023)
Company Secretary	Sh. Gyanendra Singh
Key Managerial Person*	Sh. Sandip Mondal (w.e.f. 27 th January 2023)
Key Managerial Person*	Sh. Pralay Patra (w.e.f. 27 th January 2023)
Key Managerial Person*	Sh. Bhuvan Sonowal (w.e.f. 27 th January 2023)

*Has been appointed as KMPs vide Board Resolution dated 27th January 2023.

(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	(Rs. In Lakh)	
	For the year Ended 31 st March 2023 Amount (Rs.)	For the Year Ended 31 st March 2022 Amount (Rs.)
GAIL (India) Ltd.		
(i) Issue of Share Capital	23,865	17,500
(ii) Services Received for – Deputation of Employees	964.94	822.52
(iii) Services Received for – Reimbursement of Expenses	75.34	71.06
(iv) Purchase of CBM and Compression Services	1120.53	67.46
(v) Sale of Store Items	627.38	-
(vi) Hooking - Up Facility	-	472.00
(vii) Security Deposit	3.00	-
(viii) Amounts Receivable	203.19	-
(ix) Amounts Payable	325.52	80.03
Greater Calcutta Gas Supply Corporation Ltd.		
(i) Issue of Share Capital	-	3,407
(ii) Services Received for – Deputation of Employees	17.99	16.97
(iii) Amounts Payable	-	8.68



Name of Related Party	For the year Ended 31 st March 2023 Amount (Rs.)	For the Year Ended 31 st March 2022 Amount (Rs.)
Sh. Gyanendra Singh		
(i) Remuneration	6.70	6.14

(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.

36. Earnings Per Share

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

Particulars	(Rs. In Lakh)	
	For the Year Ended 31 st March 2023	For the Year Ended 31 st March 2022
Profit / (Loss) after tax attributable to equity shareholders	(1,089.40)	(382.50)
Weighted average number of equity shares outstanding during the period	4199.68	1230.90
Nominal Value per Share (In Rs.)	10.00	10.00
Basic and Diluted earnings / (loss) per share (In Rs.)	(0.26)	(0.31)

37. 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 31st March 2023

Particulars	Carrying Value				Fair Value Measurement Using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial Assets							
Current							
Trade Receivables	-	-	46.71	46.71	-	-	-
Cash and Cash Equivalents							
- Balances With Bank	-	-	1,066.09	1,066.09	-	-	-
- Cash In Hand	-	-	0.60	0.60			
- Deposits with original maturity of less than 3 months	-	-	201.72	201.72	-	-	-
Balances other than cash and cash equivalents		-	1,591.44	1,591.44	-	-	-
Other financial assets		-	269.32	269.32	-	-	-
Total			3,175.87	3,175.87	-	-	-

Financial liabilities							
Non – Current							
Long Term Borrowings - Floating			15,586.93	15,586.93			
Lease Liabilities	-	-	97.64	97.64	-	-	-
Current							
Lease Liabilities			78.84	78.84			
Trade Payables							
- Other than MSME	-	-	392.50	392.50	-	-	-
Other financial liabilities	-	-	4,906.77	4,906.77	-	-	-
Total	-	-	21,062.68	21,062.68	-	-	-

As at 31st March 2022

Particulars	Carrying Value				(Rs. in Lakh) Fair Value Measurement Using		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial Assets							
Current							
Trade Receivables	-	-	15.27	15.27	-	-	-
Cash and Cash Equivalents							
- Balances With Bank	-	-	111.78	111.78	-	-	-
- Deposits with original maturity of less than 3 months	-	-	6,353.96	6,353.96	-	-	-
Balances other than cash and cash equivalents	-	-	1,562.09	1,562.09	-	-	-
Other financial assets	-	-	46.60	46.60	-	-	-
Total	-	-	8,089.71	8,089.71	-	-	-
Financial liabilities							
Non – Current							
Lease Liabilities	-	-	28.52	28.52	-	-	-
Current							
Trade Payables							
- Other than MSME	-	-	164.38	164.38	-	-	-
Other financial liabilities	-	-	11,911.87	11,911.87	-	-	-
Total	-	-	12,104.77	12,104.77	-	-	-

Note:

- The carrying cost of Interest-bearing Loans & Borrowings is approximately equal to their Fair Market Value.
- The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximate to 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 analyze 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.

38. Due to / from Sundry Parties

Balances due to and due from sundry parties, balances of deposits, financial liabilities & current assets are subject to Confirmation. The component of capital work in progress is lying with the third party are subject to confirmation.

39. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")

(Rs.in Lakhs)			
Sl. No.	Particulars	2022 – 23	2021 - 22
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.



40. **Company as Lessee (Disclosure as per Ind AS 116)**

a) **Lease Liabilities**

(i) Reconciliation of Lease Liabilities

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening Balance	28.51	-
Additions during the year	263.37	28.52
Lease Liabilities paid during the year	115.41	0.01
Closing Balance	176.47	28.51

(ii) Cash outflow for leases during the year ended 31st March, 2023

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Principal Portion of Lease Liability	115.41	0.01
Interest Portion of Lease Liability	14.65	0.57
Expense relating to short-term leases	14.51	-
Expense relating to low value leases	-	-

b) **Right of Use Assets**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening Balance	940.79	-
Add : Additions during the year	263.37	943.34
Less : Deletions during the year	-	-
Less : Depreciation for the year	128.77	2.56
Closing Balance	1075.39	940.79

c) **Amounts recognised in Statement of Profit & Loss**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on right-of-use assets	35.73	2.56
Interest expenses on lease liabilities	6.05	0.57
Expenses relating to short-term leases	4.35	-
Expenses relating to low value assets leases	-	-
Variable lease payments	-	-



41. **Disclosure of Ratios**

The Ratios prescribed in Schedule – III of Companies Act, 2013 for the financial year 2022 – 2023 and explanation regarding the major changes exceeding 25% from the preceding year is as per **Annexure –I** attached.

42. **Allocation of Project Related Expenses to Capital Work In Progress**

(Rs.in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Project Validation Expenses	256.85	266.99
Employee Cost	2,148.26	1,408.19
Vehicle Hire Charges	233.78	122.49
Travelling Expenses	43.84	24.87
Office & Warehouse Rent	866.42	384.11
Bank Guarantee Fee	27.42	19.81
Advertisement	23.60	24.52
Fee and Other Charges	32.92	22.62
Workshop Expenses	0.44	0.46
Insurance Charges	-	80.42
Health & Safety	61.52	34.03
Call Centre Services	14.00	6.54
PC Hire Charges	2.93	1.05
Camp Office Expenses	0.84	-
Warehouse Repairs	7.76	-
Security & Housekeeping	61.42	11.50
QVR Implementation	58.38	16.35
Total	3,840.38	2,423.95

43. Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For **VIMAL & SEKSARIA**
Chartered Accountants

[Firm Registration No.: 319194 E]

R. Vimal

Ritesh Vimal
Partner

[Membership No.: 061327]

UDIN: 23061327BG1XSV65020

For and on behalf of the Board

G. Singh
(G. Singh)
CS
PAN - COKPS6727L

Arijit Banik
(Arijit Banik)
CFO
PAN - AFYPB3722R

S. Bairagi
(S. Bairagi)
CEO
PAN - ABIPB7009H

Sunrita Hazra
(Sunrita Hazra)
Director
DIN - 3087356

R K Jain
(R K Jain)
Chairman
DIN - 8788595

Dated: 03rd May 2023
Place: Kolkata



Bengal Gas Company Limited					
Annexure - I annexed to Note No. 40 of the Notes on Accounts					
Disclosure of Ratios as per Schedule III					
Sl. No.	Particulars		2022-23	2021-22	Variation in %
1	Current Ratio				
a)	Current Assets - Inventories + Financial Assets + Other Current Assets + Current Tax Assets	Current Assets	3,395.69	8,173.69	
b)	Current Liabilities - Lease Liabilities + Trade payables + Other Financial Liabilities + Other Current Liabilities + Provisions	Current Liabilities	5,596.00	12,131.86	
		Current Ratio	0.61	0.67	9.93%
2	Debt - Equity Ratio				
a)	Debt - Borrowings	Debt	15,586.93	-	
b)	Equity - Equity Share Capital + Other Equity	Equity	47,804.62	25,031.13	
		Ratio	33%	-	-
3	Debt Service Coverage Ratio (DSCR)				
a)	Earning for Debt Service - Net Profit after Tax + Non Cash Operating Expenses viz. Depreciation & other amortization + Interest + Other adjustment like loss on sale of fixed assets	Earning for Debt Service	(932.55)	(337.96)	
b)	Debt Service - Interest and Lease payments + Principal Repayment	Debt Service	330.94	0.59	
		DSCR Ratio	-282%	-57688%	-99.51%
4	Return on Equity (ROE)				
a)	PAT - Profit after Taxes	PAT	(1,089.40)	(382.50)	
b)	Net Worth - Equity Share Capital + Other Equity	Net Worth	47,804.62	25,031.13	
		Ratio	-2.28%	-1.53%	49.13%
5	Inventory Turnover Ratio				
a)	COGS - Opening Stock + Purchase - Closing Stock	COGS	1,336.04	117.99	
b)	Average Inventory of Gas - (Opening inventory + Closing Inventory)/2	Average Inventory	5.43	1.15	
		Ratio	246.20	102.82	139.45%
6	Trade Receivables Turnover Ratio				
a)	Net Credit Sale - Sale of Gas	Sales	1,098.73	101.94	
b)	Average Receivables - (Opening Receivables + Closing Receivables)/2	Average Receivable	30.99	7.74	
		Ratio	35.46	13.17	169.12%
7	Trade Payable Turnover Ratio				
a)	Net Credit Purchase - Purchase of Gas	Credit Gas Purchase	1,343.02	119.57	
b)	Average Trade Payables for Gas Purchase - (Opening Trade Payables + Closing Trade Payables)/2	Average Trade Payable	78.03	40.47	
		Ratio	17.21	2.95	482.54%
8	Net Capital Turnover Ratio				
a)	Net Sales - Sale of Gas	Sales	1,098.73	101.94	
b)	Working Capital - Current Assets - Current Liabilities	Working Capital	(2,200.30)	(3,958.17)	
		Ratio	(0.49935)	(0.02575)	1838.96%
9	Net Profit Ratio				
a)	Net Profit - Net Profit after Taxes	Net Profit	(1,089.40)	(382.50)	
b)	Turnover - Sales	Turnover	1,098.73	101.94	
		Ratio	-99.15%	-375.23%	73.58%
10	Return on Average Capital Employed: EBIT/Capital Employed (ROCE)				
a)	EBIT - PBT +/- Exceptional Items + Net Finance Charges	EBIT	(1,510.64)	(577.53)	
b)	Capital Employed - Equity Share Capital + Other Equity + Long Term Borrowings	Equity	63,391.55	25,031.13	
		Ratio	(0.02)	(0.02)	3.28%
11	Return on Investment (ROI)				
a)	PAT - Profit After Tax	PAT	(1,089.40)	(382.50)	
b)	Capital Employed - Equity Share Capital + Other Equity + Long Term Borrowings	Capital Employed	63,391.55	25,031.13	
		Ratio	-1.72%	-1.53%	12.46%
	Explanation/Remarks for Major Change (exceeding 25%)				
1	The ratios mentioned in Point No. 2 & 3 are not comparable with the previous year since the company has taken Debts / Borrowings in the current financial year i.e. 2022-23.				
2	The Turnover ratios mentioned in point no. 5 to 8 are not comparable with the ratios of the previous year, as the company is into initial period of operations. Hence there is a massive increase in the turnover and operational volumes as compared to previous year.				
3	The net loss %age and return on equity of the company as compared with previous year has decreased due to massive increase of the operational volumes. So, ratios mentioned in Point No. 4 & 9 are not comparable with the previous year.				

