

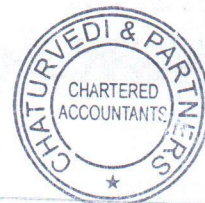
FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

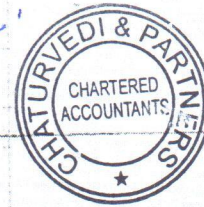
1. Name of the company	Bhagwati Gas Limited
2. Annual financial statements for the year ended	Year ended March 31, 2015
3. Type of Audit qualification	<p>Qualifications - Following matters formed the basis for qualified opinion on the financial statements:</p> <p><u>Basis for Qualified Opinion</u></p> <p>We refer to</p> <ol style="list-style-type: none"> 1. Note 28 and 29 of the financial statements wherein the management of the Company has considered long outstanding trade receivables of Rs.57,731,233, other receivables of Rs.81,920,827 and advances of Rs.6,684,618 as good and recoverable. In view of non-availability of confirmation of balances and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable. 2. Note 31 of the financial statements in respect of operations of the Company which remained suspended after the expiry of gas supply agreement of the Company. The restoration of the operations dependent upon the renewal of the same. The Company has obligations pertaining to borrowings, unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to pay the borrowings, creditors and other statutory obligations notwithstanding the current level of no operating activities. This may cast doubt on the Company's ability to continue as going concern. The statement does not include any adjustment in this respect. <p>Consequent to the above following matters reported u/s 143 (3) of the Act and other matters included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules have been modified in para 2 of the Report on the Legal and Regulatory Requirements:</p> <ol style="list-style-type: none"> 2a. We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. 2d. Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 2e. The matters described in the Basis for Qualified Opinion



		<p>above, in our opinion, may have an adverse effect on the functioning of the Company.</p> <p>2g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph and under the annexure referred to in paragraph 1 of Report on other Legal and Regulatory requirements.</p> <p>2hii. except for the effects of matters described in the basis for qualified opinion paragraph, the Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.</p>
4.	Frequency of Qualification	<p>The subject matters of qualification in para 1 of the Basis for Qualified Opinion related to advances and trade receivables were first qualified in the Independent Auditors' Report for the year ended March 31, 2009 and year ended March 31, 2011 respectively.</p> <p>The subject matter of qualification in para 2 of the Basis for Qualified Opinion was first qualified in the Independent Auditors' Report for the year ended March 31, 2012.</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Qualifications</p> <p>Note 28, 29 and 31 referred in the Basis for Qualified Opinion Paragraph</p> <p>28. Trade Receivable aggregating to Rs. 57,731,233 and other Receivable Rs. 81,920,827 are overdue for recovery. The management is hopeful of recovering the amount in due course of time and therefore provision there against is not considered necessary.</p> <p>29. Advances of Rs. 6,684,618 (7,218,468) are considered doubtful of recovery. The management is hopeful of recovering the amount in due course of time and therefore provision there against is not considered necessary.</p> <p>31. During the year, Long term gas supply agreement with the customer has expired. The company is negotiating to extend the same as the customer was not able to purchase minimum guaranteed quantity as per the agreement and their plant remained closed. The restoration of operation of the company dependent upon the extension of the supply agreement.</p> <p>Board of Directors is of the view that the advances and receivables covered in the qualification above are good and fully recoverable.</p> <p><u>Management Response</u></p> <p>i. In respect of auditors' observation regarding non-provision for receivables, doubtful advances aggregating to Rs. 164,949,701 as to when and to what extent said amount would be recovered, it is submitted that company is trying to get confirmation from the customers/external parties.</p>



6	Additional comments from the board/audit committee chair	None
7	Signed by :	
	Mr. Rakesh S Bhardwaj Chairman & Managing Director	<i>Rakesh S Bhardwaj</i>
	Mr. Kailash Chand Kedia Audit Committee Chairman	<i>Kailash Chand Kedia</i>
	Statutory Auditors of the company	Refer our Audit Report dated May 30, 2015 on the financial statements of the Company. For CHATURVEDI & PARTNERS Chartered Accountants Firm's Registration No 307068E <i>R N Chaturvedi</i> R N CHATURVEDI Partner Membership No 092087 New Delhi May 30, 2015



41st Annual Report
2014-2015

BHAGAWATI GAS LIMITED

Formerly Bhagawati Gases Limited

41st Annual Report 2014-2015

BOARD OF DIRECTORS

Mr. Rakesh Samrat Bhardwaj
Dr. Gokulanand Mukherjee
Mr. Kailash Chand Kedia
Mr. Ganga Charan
Mrs. Shachi Bhardwaj
Mr. Vivek Sharma

Chairman & Managing Director

AUDITORS

Chaturvedi & Partners,
Chartered Accountants
212A, Chiranjiv Tower, 43, Nehru
Place,
New Delhi-110019

BANKER

Central Bank of India
State Bank of Bikaner & Jaipur

REGISTERED OFFICE

Banawas, Khetrinagar,
Distt.-Jhunjhunu,
Rajasthan-333504

CORPORATE OFFICE

A-27B, Sector-16, Noida,
Uttar Pradesh-201301

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private
Limited
D-153 A, 1st Floor,
Okhla Industrial Area,
Phase - I, New Delhi - 110 020

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NOTICE

NOTICE is hereby given that the 41st Annual General Meeting of members of Bhagawati Gas Limited (formerly Bhagawati Gases Limited) will be held on Wednesday, September 30, 2015 at 11.00 A.M. at Banawas, Khetrinagar-333504, Distt.-Jhunjhunu, Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2015 together with the Report of the Board of Directors and Auditors thereon.

2. To ratify the appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Chaturvedi & Partners, Chartered Accountants (FRN: 307068E) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the forty third Annual general Meeting of the Company to be held in the year 2017 on such remuneration as may be determined by the Board of Directors of the Company, based on the recommendation of the Audit Committee and reasonable out-of-pocket expenses actually incurred by them in connection with the audit of the Accounts of the Company."

SPECIAL BUSINESS

3. To appoint Mrs. Shachi Bharadwaj (DIN: 07232850) as Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mrs. Shachi Bharadwaj (DIN: 07232850) who was appointed as an additional director with effect from July 08, 2015 in terms of Section 161(1) of the Companies Act, 2013 and as per the Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Regd. office:
Banawas, Khetri Nagar,
Jhunjhunu,
Rajasthan-333504
CIN: L24111RJ1974PLC005789

Date: 14th August, 2015

For Bhagawati Gas Limited

Rakesh Samrat Bhardwaj
Managing Director
DIN:00029757

Notes to the Notice

NOTES:

- 1.** The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) is annexed hereto.
- 2.** A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting.
Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- 3.** Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 4.** All documents referred to in the accompanying Notice are open for inspection at the Registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. before the date of Annual General Meeting
- 5.** The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13).
- 6.** Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of general meeting, director's report, auditor's report, audited financial statements and other documents through electronic mode. Further, pursuant to the first provisions to the Rule 18 of the Companies (Management & Administration) Rule, 2014, the Company shall provide an advance opportunity atleast once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
- 7.** Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
- 8.** The Register of Members and Share transfer books of the Company shall remain closed from Wednesday, September 23, 2015 to Wednesday, September 30, 2015. (Both days inclusive)
- 9.** Shareholders seeking any information and having any query with regard to accounts are requested to write to the company early so as to enable the Management to keep the information ready.
- 10.** Members are requested to bring their own copies of Annual Report; no spare copies will be available at the venue of meeting.

11. THE COMPANY WHOLE-HEARTEDLY WELCOMES MEMBERS/PROXIES AT THE ANNUAL GENERAL MEETING OF THE COMPANY. THE MEMBERS/PROXIES MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

12. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

- i. Open the e-mail and also open PDF file namely "BGL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>.
- iii. Click on Shareholder – Login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Bhagawati Gas Limited.

Now you are ready for e-voting as Cast Vote page opens.

- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote,
to the Scrutinizer through e-mail to aroracs2@gmail.com, with a copy marked to evoting@nsdl.co.in

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the -downloads section of www.evoting.nsd.com

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. Other Instructions:

- i. The e-voting period commences on Monday, September 27, 2015 (9.00 a.m. IST) and ends on Wednesday, September 29, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 29th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 29th August, 2015.
- iii. Deepak Arora & Associates, Practising Company Secretary (Membership No. FCS 5104), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two

witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Deepak Arora & Associates, Practicing Company Secretary (Membership No. 5104), at the Registered Office of the Company on or before the date of Annual general meeting i.e. Wednesday, September 30, 2015.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to bhagwatigases@gmail.com by mentioning their Folio / DP ID and Client ID No. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bglgroup.in and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 41st AGM of the Company on September 30, 2015 and communicated to the Bombay Stock Exchange Limited where the shares of the Company is listed.

Regd. office:
Banawas, Khetri Nagar,
Jhunjhunu,
Rajasthan-333504
CIN: L24111RJ1974PLC005789

Date: 14th August, 2015

For Bhagawati Gas Limited

Rakesh Samrat Bhardwaj
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 3 of the accompanying Notice:

Item No. 3

Mrs.Shachi Bhardwaj (DIN: 07232850) was appointed as an Additional Director w.e.f. 8th July, 2015 to hold office up to the date of the ensuing Annual General Meeting in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board is of the opinion that presence of Mrs.Shachi Bhardwaj (DIN: 07232850) on the Board is desirable and would be beneficial to the Company,

The matter is placed before the members for their consideration and approval as Ordinary Resolution.

Except the Director under appointment viz. Mrs.Shachi Bhardwaj (DIN: 07232850), none of the Directors or Key Managerial Personnel of the Company or their relatives is/are, in any way, concerned or interested, in the resolution set out at Item No. 3.

DIRECTOR'S REPORT

Your directors have pleasure in presenting their 41st Annual Report, together with the financial statement of the Company, for the financial year ended 31st March, 2015 as follows:

FINANCIAL RESULTS

	(Amount in ` Lacs)	
Particulars	2014-15	2013-2014
Gross Income	29	14
Gross Profit (before extra ordinary items, interest, depreciation and tax)	(63)	(86)
Bad debts written off	-	-
Interest	12	22
Depreciation	43	59
Provision for Tax	-	-
Net Profit/(Loss)	(63)	(167)
Profit/(Loss) brought forward from last year	-	-
Profit/(Loss) carried to Balance Sheet	(63)	(167)

OPERATIONS REVIEW

The Company's oxygen plants at Khetri Nagar, Rajasthan continued to remain closed because its main purchaser Hindustan Copper Ltd (HCL) has not yet restarted its smelter plant operation. This resulted in huge financial losses to the Company.

DIVIDEND

In view of loss, the Board of Directors does not recommend any dividend for the year ended March 31, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES

There are no subsidiary or associate companies.

PUBLIC DEPOSITS

During the year, the Company has not invited or accepted any deposit from the public under Section 73 of the Companies Act, 2013. No public deposit is outstanding.

LISTING

The equity shares of Company are listed at Bombay Stock Exchange Limited (BSE). The Company has not paid the listing fee for the year 2015-16 to BSE due to financial constraint.

TRANSFER OF RESERVES

Your Company has suffered huge losses, so no amount has been transferred to the General reserves during the year.

SHARE CAPITAL

Paid up Share Capital of Company is 16742459 equity shares of Rs. 10/- each. There is no change in the Authorized, Issued, Subscribed and Paid up share capital of the Company during the period under review.

DIRECTORS, KEY MANAGERIAL PERSONS AND CHANGES THEREIN

Mr. Vivek Sharma (DIN 00041217), director of the Company resigned during the year.

Mrs. ShachiBharadwaj (DIN: 07232850) was appointed as an additional director with effect from 8th July, 2015 in terms of Section 161(1) of the Companies Act, 2013 and as per the Article of Association of the Company to hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director. The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that she is not disqualified under Section 164(2) to act as Director.

In the opinion of the Board, she is eligible to be appointed as Director of the Company and her appointment required the approval of members at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies, Act, 2013, the Directors hereby confirm:

- i) That in preparation of annual accounts for the financial year, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That they have selected such accounting policies described in the notes to accounts which have been applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true & fair view of the state of affairs of the company at the end of financial year 2014-2015 and of the Profit & Loss of the company for the period under report;

Director's Report (Contd.)

- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on a going concern basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year 04 (four) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors namely, Mr. Ganga Charan (DIN: 00387567) and Mr. Kailash Chand Kedia (DIN: 01243510) have given their declarations that they met the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

DETAILS OF POLICIES

I. Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's Remuneration Policy is available on the Company's website at www.bglgroup.in.

II. Risk Management Policy

Business Risk evaluation and Management is an ongoing process within the Organization. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board has framed a Risk Management Policy for the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

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

III. Whistle Blower Policy – Vigil Mechanism

Your Company has formulated a Vigil Mechanism Policy with a view to provide a mechanism for employees and directors of the Company to approach the Chairman of the Audit Committee to ensure adequate safeguards against victimization. This policy would help to create an environment wherein individuals feel free and secure to raise an alarm, whenever any fraudulent activity takes place or is

likely to take place. It will also ensure that complainant(s) are protected from retribution, whether within or outside the organization. The detail of establishment of the Vigil Mechanism Policy is available on the Company's website at www.bglgroup.in.

IV. CORPORATE GOVERNANCE

As required by Clause 49 (VI) of the listing agreement entered into by the Company with the Stock Exchanges, a detailed report on corporate governance is provided as **Annexure B** which forms part of the Directors' Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Chaturvedi & Partners, Chartered Accountants, New Delhi (Firm Registration No. 307068E), were appointed as statutory auditors of the Company from the conclusion of the 40th annual general meeting (AGM) of the Company held on 30th September, 2014 till the conclusion of the 43rd AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

Information and explanation on remarks in the Auditors' Report:

- i.** In respect of auditors' observation regarding non-provision for receivables, doubtful advances aggregating to Rs. 64,949,701 as to when and to what extent said amount would be recovered, it is submitted that company is trying to get confirmation from the customers/external parties and expects to receive the same by the end of upcoming quarter i.e. 30th September, 2015.
- ii.** In respect of auditors' observation regarding expiry of gas supply agreement and restoration of Company's operation, it is submitted that company is negotiating the extension of the same for the period HCL smelter remained closed as consented by them earlier.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 is given in **Annexure C** which forms part of the Directors' Report.

LOANS AND INVESTMENTS

The particulars of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are provided in the Note No.25 forming part of the Financial statement, which forms a part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During the year under review, all the transactions entered into by the company with related parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement were in ordinary course of business and on arm's length basis. There were no materially significant transaction with the related parties during the financial year which were in conflict with the interests of the company. Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of Financial Statement. The prescribed Form AOC-2 is appended in **Annexure D** which forms part of this report.

MANAGERIAL REMUNERATION

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

DETAILS OF PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF THE NON EXECUTIVE INDEPENDENT DIRECTOR VIS-À-VIS THE COMPANY

There are no pecuniary relationships or transactions of the non executive independent director vis-à-vis the company for the period ending March 31, 2015.

BOARD'S EVALUATION

Pursuant to the provisions of Section 134 (3) (p) the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

While independent directors in their separate meeting have carried out to assess the performance of Chairman and other Directors of the Board more particularly about their business acumen and contribution to the Company, the performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process, functioning such as adequacy of the composition of the Board of Directors and its Committees, Board culture, execution and performance of duties, obligations, responsibilities and governance.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized recorded and reported correctly.

SECRETARIAL AUDITORS

As per provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out secretarial audit of the Company.

The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure F** and forms part of this report.

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

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure G**.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial period ended March 31, 2015.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration & other details as required U/S 197 read with relevant rule of the Companies (appointment & remuneration of managerial personnel) rule 2014. There is no employee under this category.

ACKNOWLEDGEMENT

Directors place on record their thanks for the assistance and co-operation received from Banks and all other customers for their continued support and patronage.

Your Directors also wish to place on record the dedicated and devoted services rendered by all personnel of the Company.

Regd. office:
Banawas, Khetri Nagar,
Jhunjhunu,
Rajasthan-333504
CIN: L24111RJ1974PLC005789

For Bhagawati Gas Limited

Rakesh Samrat Bhardwaj
Chairman

Date: 14th August, 2015

Annexure A

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL GAS INDUSTRY

According to the report India Industrial Gases Market Forecast & Opportunities, 2018 the industrial gases market in the country is expected to grow at CAGR of 14% by 2018. India's market for tonnage plants as well as merchant or small sized plants is witnessing growth as a result of growth in industrial as well as commercial market. The commercial market is influenced by growth in light engineering industry as well as metal fabrication industry, being clustered in northern and western regions of the country. Similarly, industrial gases market is influenced by growth in steel and refineries sector, being concentrated in eastern and southern part of the country. Positive government policies to drive investments in iron and steel sector, coupled with estimated domestic demand of more than 110 Million Metric Tonnes is expected to drive capacity addition in steel industry. This is further expected to drive demand for tonnage plants, positively impacting overall industrial gases market in India. Apart from this, capacity addition in refineries are driving demand for nitrogen gases, which are solely used to improve efficiency in refineries for processing of crude oil as well as pressure and purging applications.

FUTURE OUTLOOK

The Company is expecting that Hindustan Copper Ltd (HCL) may restart smelter operation at Khetrinagar in the near future and accordingly the oxygen plant of the company will also restart.

HUMAN RESOURCES

Your company considers human resources a key element. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents and is reviewed on an ongoing basis. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve customer satisfaction.

CORPORATE GOVERNANCE

The Company follows principle of effective Corporate Governance. The endeavor of the Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay emphasis on integrity, transparency and overall accountability. The Company adheres to most of the recommendations made by the SEBI and incorporated by the Stock Exchanges in the Standard Listing Agreement. However, due to paucity of funds and unavailability of qualified staff there was a delay in complying with the condition of Listing Agreement.

INTERNAL CONTROLS

- The Company has adequate systems of internal control in place. This is to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly.
- The internal control systems are supplemented by an extensive program of internal audits. The internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements.

Annexure to the Director's Report (Contd.)

- The top management and the Audit Committee of the Board review the findings and recommendations of the internal audit panel.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains some forward looking statements based upon the information and data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Hence it is cautioned that the actual results may differ from those expressed or implied in this report.

Annexure B

CORPORATE GOVERNANCE REPORT

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company follows principle of effective Corporate Governance. The endeavor of the Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay emphasis on integrity, transparency and overall accountability. The Company adheres to most of the recommendations made by the SEBI and incorporated by the Stock Exchanges in the Standard Listing Agreement. However, due to paucity of funds and unavailability of qualified staff there was a delay in complying with the condition of Listing Agreement.

2. BOARD OF DIRECTORS

The Board of Directors is at the core of our corporate governance practice and how the management serves and protects the long term interests of all our stakeholders. The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of Six Directors. The Composition of the Board and directorships held as on 31st March, 2015:

Category	DIN No.	Name of the Director
Executive Director	00029757	Mr. Rakesh Samrat Bhardwaj
	07232850	Mrs.Shachi Bhardwaj
	00041217	MrVivek Sharma
Non – Executive Independent Director	00387567	Mr. Ganga Charan
	01243510	Mr. Kailash Chand Kedia
	00038221	Dr. Gokulanand Mukherjee

3. BOARD MEETINGS, ATTENDANCE AND OTHER DIRECTORSHIPS

During the year under review, four (04)Board meetings were heldMay 30, 2014, August 14, 2014, November 14, 2014 and February 14, 2015.The maximum time gap between any two consecutive meetings did not exceed 120 days.The attendance particulars are as follows:

Name of the Director	DIN No.	Attendance Particulars		Other Directorships	Board Committees	
		Board Meeting	Last AGM held on 30th September, 2014		Chairmanship	Memberships
Mr. Rakesh Samrat Bhardwaj	00029757	4	Yes	07		3
Mr. Ganga Charan	00387567	4	Yes	NIL	1	2
Mr. Kailash chand Kedia	01243510	4	Yes	NIL	2	1

4. AUDIT COMMITTEE

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

The Audit Committee consists of three (03) members.

The committee is chaired by Mr. Kailash Chand Kedia (Independent Director).

The committee has held four (04) meetings during the financial year 2014-2015 i.e. May 30, 2014, August 14, 2014, November 14, 2014 and February 14, 2015. The composition of the Audit Committee and the attendance of members at the meetings of the Audit Committee held during the financial year 2014-2015 are as follows:

Name of the Members	Category	Number of the Meetings attended
Mr. Kailash Chand Kedia	Independent	4
Mr. Rakesh Samrat Bhardwaj	Non-Independent	4
Mr. Ganga Charan	Independent	4

The Audit Committee meetings were also attended by the statutory auditors, wherever necessary. The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half yearly/annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the management discussion and analysis of financial condition and result of operations and also statutory compliance issue. The committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

In addition, the committee has discharged such other role/function as envisaged under Clause 49 of the Listing Agreement of the Stock Exchange and the provisions of Section 177 of the Companies Act, 2013.

5. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-constituted the then Nomination Committee and Remuneration Committee into the Nomination and Remuneration Committee.

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 178 of the Companies Act, 2013 as regards composition of Nomination and Remuneration Committee.

The Nomination and Remuneration Committee consists of three (03) members.

The committee is chaired by Mr. Kailash ChandKedia (Independent Director).

The committee has held only one (01) meeting during the financial year 2014-2015 i.e. August 14, 2014. The composition of the Nomination and Remuneration Committee and the attendance of members at the meetings of the Nomination and Remuneration Committee held during the financial year 2014-2015 are as follows:

Name of the Members	Category	Number of the Meetings attended
Mr. Kailash ChandKedia	Independent	1
Mr. Rakesh Samrat Bhardwaj	Non-Independent	1
Mr. Ganga Charan	Independent	1

The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-named the then "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee". The remit of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The Stakeholders' Relationship Committee consists of three (03) members. The committee is chaired by Mr. Ganga Charan (independent director).

The committee has held four (04) meetings during the financial year 2014-2015 i.e. May 30, 2014, August 14, 2014, November 14, 2014 and February 14, 2015.

The composition of the Stakeholders' Relationship Committee and the attendance of members at the meetings of the Stakeholders' Relationship Committee held during the financial year 2014-2015 are as follows:

Name of the Members	Category	Number of the Meetings attended
Mr. Rakesh Samrat Bhardwaj	Promoter	4
Mr. Ganga Charan	Independent	4
Mr. Kailash chand Kedia	Independent	4

7. DIRECTORS' REMUNERATION

Name	Designation	Salary & Allowances	Contribution To Provident Fund	Other Benefits	Sitting Fees	Total
Mr. Rakesh S Bhardwaj	Executive Chairman & Managing Director	6,00,000	16,500			6,16,500
Mr. Vivek Sharma	Whole Time Director	3,00,000				3,00,000
Dr. Gokulanand Mukherjee	Non- Executive Director					
Mr. Kailash Chand Kedia					4,500	4,500
Mr. Ganga Charan					6,000	6,000

The Company doesn't pay any remuneration to its non-executive directors except sitting fee for attending the meetings of the board and committee thereof. The Company currently does not have Stock Option Schemes.

8. GENERAL MEETINGS

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
2014	September 30, 2014	11:00 A M	Banawas, Khetrinagar, Distt. - Jhunjhunu, Rajasthan - 333504	<ul style="list-style-type: none"> Appointment of Mr. Ganga charan as an independent director Appointment of Mr. Kailash Chand Kedia as an independent

				<p>director</p> <ul style="list-style-type: none"> • Re-appointment of Mr. Rakesh Samrat Bhardwaj as Managing Director of the company • Authorisation to sell, lease, charge and/or mortgage or otherwise dispose off all or any of the immovable and movable property, undertaking/assets of the company
2013	September 30, 2013	11:00 A M	Banawas, Khetrinagar, Distt. - Jhunjhunu, Rajasthan - 333504	NA
2012	September 28, 2012	11:00 A M	Banawas, Khetrinagar, Distt. - Jhunjhunu, Rajasthan - 333504	NA

9. RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

During the year no resolutions were passed through postal ballot.

10. DISCLOSURES

CODE OF CONDUCT

The Company has adopted the Code of Conduct for EDs, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the EDs as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Code of Conduct for NEDs of the Company. The Company has received confirmations from the NEDs regarding compliance of the Code for the year under review. Both the Codes are posted on the website of the Company.

DETAILS OF NON-COMPLIANCE

With regards to the matters related to capital markets, the Company has complied with all requirements of the Listing Agreement, except clause 35 & 54 of the listing agreement i.e. 100% promoters' holding in demat form and maintenance of company

web site respectively ,as well as SEBI regulations and guidelines. Due to financial constraint, the Company was not able to pay listing fee to BSE.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the auditors' certificate is annexed to this report.

CEO AND CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO and CFO have given appropriate certifications to the Board of Directors.

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were on an arm's length price basis and in the ordinary course of business. The Board of Directors have adopted a policy on Related Party Transactions and the same has been prepared but yet to be uploaded on the website of the Company.

WHISTLE BLOWER POLICY

The Company at present has formulated a Whistle Blower mechanism in place.

INFORMATION TO INVESTORS

Annual General Meeting

Date	September 30, 2015
Time	11:00 AM
Venue	Banawas, Khetrinagar-333504, Distt.- Jhunjhunu, Rajasthan
Financial Year	2014-15
Book Closure Dates	September 23, 2015 to September 30, 2015

DISTRIBUTION OF SHAREHOLDING OF ORDINARY SHARES

Share Holding	Share Holders Numbers	%to Total Number	Shares			Total Shares	%age
			Physical	NSDL	CDSL		
Up to 500	20453	88.71	1392125	993605	557416	2943146	17.58
501-1000	1267	5.50	71900	624017	440257	1136174	6.79
1001-2000	613	2.66	55800	579371	366672	1001843	5.98
2001-3000	224	0.97	21700	338543	227340	587583	3.51
3001-4000	113	0.49	19500	215082	173968	408550	2.44
4001-5000	121	0.52	28100	281208	277293	586601	3.50
5001-10000	140	0.61	20500	630402	419392	1070294	6.39
10001&Above	124	0.54	6467443	1687022	853803	9008268	53.80
TOTAL	23055	100.00	8077068	5349250	3316141	16742459	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

Category	No. of Shares held	Percentage of shareholding
Promoter's Holding	5,730,443* *1449800 are pledged or encumbered	34.23%
Non-Promoters Holding	25200	0.15%
Others	10986816	65.62%

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on the following stock exchanges:

The Bombay Stock Exchange Limited (BSE)
P.J.Towers, Dalal Street, Fort,
Mumbai-400001.

STOCK CODE

For equity shares:

Bombay Stock Exchange Limited : 500051
International Security Identification Number: : INE099C01010

CORPORATE IDENTITY NUMBER (CIN) : L24111RJ1974PLC005789

MARKET PRICE DATA: (AS OBTAINED FROM BSE)

Month	BHAGAWATI GAS LIMITED			
	High (inRs.)	Low (inRs.)	Close (inRs.)	Volume
Apr-14	1.32	0.92	1.29	45479
May-14	1.49	1.04	1.44	101245
Jun-14	2.25	1.42	1.69	369905
Jul-14	1.8	1.26	1.32	76850
Aug-14	1.32	1.14	1.2	19279
Sep-14	1.2	0.95	0.95	26433
Oct-14	1.05	0.95	1.03	11685
Nov-14	1.07	0.87	0.99	20596
Dec-14	1	0.8	0.88	17570
Jan-15	1.26	0.9	1.2	35363
Feb-15	1.49	1.14	1.3	175311
Mar-15	1.44	0.94	0.94	9865

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited,

D-153 A, Okhla Industrial Area, Phase - I, New Delhi - 110 020

E- Mail : admin@skylinerta.com

Phone Nos. : 011-26812682, 83

Fax No. : 011-26812684

SHARE TRANSFER SYSTEM

In compliance of SEBI requirement, Share transfers are entertained, both under Demat Form and Physical Form. Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt.

STATUS OF INVESTORS' COMPLAINTS

The status of investors' complaints as on March 31, 2015 is as follows:

Number of complaints as on April 1,2014	0
Number of complaints received during the financial year 2014-15	0
Number of complaints resolved up to March 31,2015	0
Number of complaints pending as on March 31,2015	0

DIRECTORS' SHAREHOLDING

Name of Directors	No. of Shares Held
Mr. Rakesh S Bhardwaj	1573370
Mrs.Shachi Bhardwaj	377600
Mr. Vivek Sharma	24400
Dr. Gokulanand Mukherjee	500

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued any GDRs/ADRs/ Warrants & convertible instruments.

REGISTERED OFFICE & PLANT LOCATION

Banawas,Khetrinagar,Distt.-Jhunjhunu,Rajasthan-333504.

Phone : 01593-221478-80

Fax : 01593-221477

CORPORATE OFFICE

A-27-B, Sector-16,Noida-201301,Uttar Pradesh.

Phone : 0120-4749901

Fax : 0120-4749919

E-mail : bhagwatigases@gmail.com

NAME, DESIGNATION AND CONTACT

Mr. Rakesh SamratBhardwaj Chairman& Managing Director, 0120-4749901

DETAILS OF THE COMPLIANCE OFFICER

Managing Director

Bhagawati Gas Limited

A-27-B, Sector-16, Noida-201301, Uttar Pradesh.

Phone : 0120-4749901

Fax : 0120-4749919

E-mail : bhagwatigases@gmail.com

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY
AS PER CLAUSE 49(1)(D)(II) OF THE LISTING AGREEMENT

I, Rakesh Samrat Bhardwaj, Chairman & Managing Director of Bhagawati Gas Limited hereby declare that, as of March 31, 2015, all the Board members and senior management personnel have affirmed compliance with the Code of Ethics of the Company.

For Bhagawati Gas Limited

Noida

Rakesh Samrat Bhardwaj

14th August, 2015

Chairman & Managing Director

CERTIFICATION FROM CEO AND CFO**
IN TERMS OF CLAUSE 49(V) OF THE LISTING AGREEMENT

We, hereby, to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statements for the year 2014-2015:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions, entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year, if any;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - (iii) instances of fraud, whether or not significant, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Bhagawati Gas Limited

Noida

August 14, 2015

Rakesh Samrat Bhardwaj
Chairman & Managing Director

**** Since there is no CEO or CFO in the Company, the above declaration is given by Mr. Rakesh Samrat Bhardwaj, Managing Director of the Company.**

Annexure to the Director's Report (Contd.)

ANNEXURE C

Information as per under Section 134(3)(m) of the Companies Act, 2013 for the year ended 31st March, 2015.

A. Conservation of Energy- Not Applicable as the operations of the Company has been temporarily closed.

B. Research & Development

a) Specific area in which R & D carried out by the Company

Research and Development not carried as the manufacturing operations are shut down due to shut down of smelter of Hindustan Copper Limited.

b) Benefits derived as a result of the above Research & Development
Not applicable

c) Future Plan of Action

Research and Development activities shall be resumed on resumption of manufacturing activity.

d) Expenditure on R & D
Not applicable.

2. Technology absorption, adaptation & innovation

a) Efforts made towards technology absorption, adaptation and innovation

The Company has successfully absorbed the technology of the plants supplied by the manufacturers.

b) Benefits derived as a result of the above efforts
Not applicable.

c) Particulars relating to imported technology: Nil

C. Foreign Exchange Earnings and Outflow

(Amount in `)

Particulars	2014-15	2013-2014
a) Foreign Exchange Outflow		
- Traveling Expenses (on Accrual Basis)	0.00	0.00
Total	0.00	0.00
b) Foreign Exchange Earning	0.00	0.00

ANNEXURE D

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Date of approval by the Board	Not Applicable
f)	Amount paid as advances, if any	Not Applicable

ANNEXURE- E

Remuneration paid to Managing Director for the period ended 31.3.2015

Name	Designation	Salary & Allowances	Contribution To Provident Fund	Other Benefits	Sitting Fees	Total
Mr. Rakesh S Bhardwaj	Executive Chairman & Managing Director	6,00,000	16,500	NIL	NIL	6,16,500

Annexure F

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

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

31.08.2015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Bhagawati Gas Limited bearing CIN-L24111RJ1974PLC005789 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (v) OTHER LAW OR ACTS SPECIFICALLY APPLICABLE TO THE COMPANY;
- a) Payment Of Wages Act, 1936, and rules made thereunder;
 - b) The Minimum Wages Act, 1948, and rules made thereunder;
 - c) Employees' State Insurance Act, 1948, and rules made thereunder;
 - d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder;
 - e) The Payment of Bonus Act, 1965, and rules made thereunder;
 - f) Payment of Gratuity Act, 1972, and rules made thereunder;

Note: *I have not examined the books, papers and other relevant documents related to the financial laws like tax laws and Customs Act etc., I rely on the Reports given by Statutory Auditors or other designated professionals and their qualification, reservation or any adverse remark given in their Audit report, shall be admissible.*

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

- (i) ~~Secretarial Standards issued by The Institute of Company Secretaries of India;~~
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

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

1. *The company has not appointed Chief Financial Officer or KMP as per Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the period under review.*
2. *The appointment of Internal Auditor of the company shall be appointed by the Board of Directors by passing a Board resolution, within 6 months from the commencement of the Companies Act, 2013 but the Company has not appointed any internal Auditor as per provisions of section 138 of the Companies Act, 2013*
3. *During the financial year, the company has not appointed Company Secretary or KMP as per Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However the Company has appointed Company Secretary after the financial year under review.*
4. *The company has also not filed notice of Board Meeting as per Clause 19 of the Listing Agreement.*
5. *The company has also not filed outcome of the Board Meeting as per Clause 20 of the Listing Agreement.*

6. *Listing fees has not been paid from the year 2015-16 to the Bombay Stock Exchange.*
7. *The company has not filed intimation in terms of Regulation 30 of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act. However, the requirement of appointment of women director on the Board of the company, as per Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014, was complied after the financial year under review

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

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

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

I further report that during the audit period the company has made private placement and preferential issue of shares by conversion of share warrants, in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

Place : New Delhi
Date : 31.08.2015

(Versha Verma)
Practicing Company Secretary
C P No.: 14473
M. No. 38762

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

31.08.2015

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as I deem appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I follow provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi
Date : 31.08.2015

(Versha Verma)
Practicing Company Secretary
C P No.: 14473
M. No. 38762

Annexure G

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L24111RJ1974PLC005789
2. Registration Date	16/11/1974
3. Name of the Company	BHAGAWATI GAS LIMITED
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/INDIAN NON GOVERNMENT COMPANY
5. Address of the Registered office & contact details	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504
6. Whether listed company	LISTED
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NIL	NA	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

There are no holding, subsidiary or associate companies.

**III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	42450	390844	4332943	25.88	42450	390844	4332943	25.88	
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.		1397500	1397500	8.35		1397500	1397500	8.35	
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	42450	1788344	5730443	34.23	42450	1788344	5730443	34.23	

B. Public Shareholding									
1. Institutions									
a) Mutual Funds		24400	24400	0.15		24400	24400	0.15	
b) Banks / FI		800	800	0		800	800	0	
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-		25200	25200	0.15		25200	25200	0.15	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1024761	811000	1835761	10.96	784896	811000	1595896	9.53	1.43
ii)									

Overseas									
b) Individual s									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5548283	1547575	7095858	42.38	5555785	1538675	7094460	42.37	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1565504		1565504	9.35	1761805		1761805	10.52	1.17
c) Others (specify)	475493	14200	489693	2.92	520455	14200	534655	3.19	0.27
Non Resident Indians	78126	14100	92226	0.55	74873	14100	88973	0.53	0.02
HUF	397267	100	397367	2.37	422002	100	422102	2.52	0.15
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	100		100	0	23580		23580	0.14	0.14
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	8614041	2372775	10986816	65.62	8622941	2363875	10986816	65.62	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8614041	2397975	11012016	65.77	8622941	2389075	11012016	65.77	0

C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	8656491	8085968	16742459	100	8665391	8077068	16742459	100	

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RAMPRATAP SHARMA	10	0.00	0.00	10	0.00	0.00	0.00
2	LAXMICHAND SHARMA	10	0.00	0.00	10	0.00	0.00	0.00
3	DHARAMPAL SAROWA	10	0.00	0.00	10	0.00	0.00	0.00
4	MANSACHARAN CHAKRABARTY	10	0.00	0.00	10	0.00	0.00	0.00
5	MURLIDHAR GUPTA	10	0.00	0.00	10	0.00	0.00	0.00
6	KANTA DEVI BHARDWAJ	300	0.00	0.00	300	0.00	0.00	0.00
7	GOKULA NANDA MUKHERJEE	500	0.00	0.00	500	0.00	0.00	0.00
8	SHASHI SHARMA	1000	0.01	0.00	1000	0.01	0.00	0.00
9	RAMRUP SHARMA	4000	0.02	0.00	4000	0.02	0.00	0.00
10	RAKESH S BHARDWAJ	4700	0.03	0.00	4700	0.03	0.00	0.00
11	SUMAN SHARMA	6000	0.04	0.00	6000	0.04	0.00	0.00
12	SHACHI BHARDWAJ	10300	0.06	0.00	10300	0.06	0.00	0.00
13	SURESH KUMAR SHARMA	11500	0.07	0.00	11500	0.07	0.00	0.00
14	TARA DEVI SHARMA	11700	0.07	0.00	11700	0.07	0.00	0.00
15	DYUMAN BHARDWAJ	14000	0.08	0.00	14000	0.08	0.00	0.00
16	HIMANSHU SHARMA	17200	0.10	0.00	17200	0.10	0.00	0.00
17	SURESH KUMAR SHARMA	22750	0.14	0.00	22750	0.14	0.00	0.00

18	VIVEK SHARMA	24400	0.15	0.00	24400	0.15	0.00	0.00
19	RAM RUP SHARMA	25000	0.15	0.00	25000	0.15	0.00	0.00
20	S.K. SHARMA	30400	0.18	0.00	30400	0.18	0.00	0.00
21	RAKESH SAMRAT BHARDWAJ	32,150	0.19	0.00	31250	0.19	0.00	0.00
22	KANTA DEVI BHARDWAJ	33110	0.20	0.00	33110	0.20	0.00	0.00
23	PADMAJA BHARDWAJ	34300	0.20	0.00	34300	0.20	0.00	0.00
24	B.P. BHARDWAJ	50100	0.30	0.00	50100	0.30	0.00	0.00
25	R.R.SHARMA	55300	0.33	0.00	55300	0.33	0.00	0.00
26	RAMRUP SHARMA	87510	0.52	0.00	87510	0.52	0.00	0.00
27	SARBATI DEVI SHARMA	146450	0.87	0.00	146450	0.87	0.00	0.00
28	R S BHARDWAJ	307140	1.83	0.00	307140	1.83	0.00	0.00
29	HIMANSHU SHARMA	432163	5.58	0.00	432163	5.58	0.00	0.00
30	RAKESH S BHARDWAJ	462400	2.76	0.00	462400	2.76	0.00	0.00
31	SHACHI BHARDWAJ	9,67,300	5.78	0.00	967300	5.78	0.00	0.00
32	RAKESH SAMRAT BHARDWAJ	15,41,220	9.21	0.00	1541220	9.21	0.00	0.00
33	BHAGAWATI INTERNATIONAL PVT LTD	25000	0.15	0.00	25000	0.15	0.00	0.00
34	LAVINO PORTFOLIOS PVT LTD	40000	0.24	0.00	40000	0.24	0.00	0.00
35	NGP INDUSTRIES PVT LTD	50000	0.30	0.00	50000	0.30	0.00	0.00
36	BLUE CROSS SERVICES PVT LTD	70000	0.42	0.00	70000	0.42	0.00	0.00
37	S K STEELS PVT LTD	81900	0.49	0.00	81900	0.49	0.00	0.00
38	BHAGAWATI OXYGEN LIMITED	90000	0.54	0.00	90000	0.54	0.00	0.00
39	BHAGAWATI STEEL PVT LTD	1040600	6.22	0.00	1040600	6.22	0.00	0.00

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

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

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year -1st April 2014./end of the year 31.03.2015		Shareholding at the end of year 31st March,2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AIR LIQUIDE INDIA HOLDING PVT. LTD.	784400	4.69	784400	4.69
2	PRABHA DAGA	20000	0.12	230000	1.37
3	PRAVEEN ELECTRONICS PVT LTD	103900	0.62	103900	0.62
4	KAYZAD SIRUS EGHLM	100000	0.60	100000	0.60
5	LGW LIMITED	91400	0.55	91400	0.55
6	LSE SECURITIES LTD.	64711	0.39	69030	0.41

7	DHEERAJ KUMAR LOHIA	64944	0.39	64944	0.39
8	VEENA KHEMKA	54000	0.32	54000	0.32
9	ADROIT FIN SER PVT LTD	42251	0.24	51553	0.31
10	RAJ KUMAR LOHIA	50779	0.30	50779	0.30
11	MMD SECURITIES PRIVATE LIMITED	79000	0.47	0	0

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rakesh Samrat Bhardwaj	1573370	9.40	1573370	9.40
2.	Vivek Sharma	24400	0.15	24400	0.15
3.	Gokulanand Mukherjee	500	0.00	500	0.00

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,340,005	3,500,000	0	7,840,005
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4,340,005	3,500,000		7,840,005
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	0	0	0
* Reduction	650,673	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year	0	0	0	0

i) Principal Amount	3,689,332	3,500,000		7,189,332
ii) Interest due but not paid	467,148	0	0	467,148
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4,156,480	3,500,000		7,189,332

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		MD	WTD	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600,000	300,000			900,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0			0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0			0
2	Stock Option	0	0			0
3	Sweat Equity	0	0			0
4	Commission - as % of profit - others, specify...	0	0			0
5	Others, please specify	0	0			0
	Total (A)	600,000	300,000			900,000
	Ceiling as per the Act					

INDEPENDENT AUDITORS' REPORT

**To the Members of
BHAGAWATI GAS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BHAGAWATI GAS LIMITED** ("the Company"), which comprises of the Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

We refer to

1. Note 28 and 29 of the financial statements wherein the management of the Company has considered long outstanding trade receivables of Rs 57,731,233, other receivables of Rs 81,920,827 and advances of Rs 6,684,618 as good and recoverable. In view of non-availability of confirmation of balances and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.
2. Note 31 of the financial statements in respect of operations of the Company which remained suspended after the expiry of gas supply agreement of the Company. The restoration of the operations dependent upon the renewal of the same. The Company has obligations pertaining to borrowings, unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to pay the borrowings, creditors and other statutory obligations notwithstanding the current level of no operating activities. This may cast doubt on the Company's ability to continue as going concern. The statement does not include any adjustment in this respect.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in paragraph '1' and possible effects of the matters described in paragraph '2' of the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 and its loss and its Cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, 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 appears from our examination of those books.
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. The matters described in the Basis for Qualified Opinion above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of written representations received from the directors, as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph and under the annexure referred to in paragraph 1 of Report on other Legal and Regulatory requirements.
- h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us, we report as under:
 - i. the Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements – Refer Note 25, 26 and 27 to the financial statements;
 - ii. except for the effects of matters described in the basis for qualified opinion paragraph, the Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund for the year ended March 31, 2015.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

New Delhi
May 30, 2015

R N CHATURVEDI
Partner
Membership No. 092087

Annexure To The Independent Auditors' Report

(Refer to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

- (i) (a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets. However, comprehensive description of assets and current locations are yet to be incorporated in the assets records.
- (b) Fixed assets were physically verified by the management during the year in accordance with a program of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. However, Pending completion of reconciliation with the financial books of accounts which is reportedly under progress, discrepancies, if any, cannot be ascertained. In the opinion of the management the discrepancies, if any, are not expected to be material.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management, needs to be further strengthened, to commensurate with the size of the Company and the nature of its business.
- (c) The Company is maintaining records of inventory, however the system needs to be strengthened to facilitate proper reconciliation of quantity and value thereof. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has granted interest free unsecured loans to a Company covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (b) In absenece of specific terms related to repayment, we are unable to comment whether the receipt of principal amountis regular;
- (c) In view of (iii) (c) above, we are unable to comment whether there is any overdue amount of more than Rs. one lakh in respect of this loan;
- (iv) In our opinion and according to the information and explanations given to us, having regard to the level of activities of the Comany,there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. We have neither observed nor have been informed of any continuing failure to correct major weaknesses in the internal control

system of the Company.

- (v) According to the information and explanation given to us, the company has not accepted any deposit as per the provisions of Section 73 to 76 or other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (vi) There being no operations/ activities during the year no cost records have been maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) (a) According to the information and explanation given to us and records of the Company examined by us, In our Opinion, the Company has not been regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, cess and other material statutory dues, as applicable with the appropriate authorities. There have been significant delays in a large number of cases in depositing these dues with the appropriate authorities. As informed to us, the company did not have any dues on account of Excise duty and Custom duty. There were no undisputed statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable except for Tax Deducted at Source, Service tax and Provident Fund where there have been regular delay.

Nature of the Statute	Nature of Dues	Amount	Period to which amount relates	Due Date	Date of Payment
The Income Tax Act, 1961	Income Tax Deducted at Source	33,332	May 2014 to September 2014	7 th of succeeding month	Not paid
Service Tax	Service Tax	37,574	May 2014 to September 2014	6 th of succeeding month	Not paid
Provident Fund	Provident Fund	38,612	April 2014 to September 2014	20 th of succeeding month	Not paid

- (b) According to the information and explanation given to us and records of the Company examined by us, there are no dues outstanding in respect of value added tax/sales tax, service tax, income tax which have not been deposited on account of dispute.
- (c) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

- (viii) Without considering the consequential effects, if any, of the matters stated in the basis for qualified opinion paragraph of our report, in our opinion, the accumulated losses of the company are not more than fifty percent of its networth. The company has incurred cash loss during the financial year covered by our Audit in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has no dues to financial institutions and debenture holders. Details of defaults made in repayment of dues to banks are given below:

Central bank of India A/C No. 3207352107						
Principal Installment	Interest Charged & Due	Total Amount Due	Due Date	Amount of default	Date of payment	Period of default upto 31st March 2015 (in days)
241666	104948	346614	30.04.2014	210788	28.07.2014	88
				135826	11.08.2014	102
241666	110342	352008	31.05.2014	352008	11.08.2014	71
241666	108646	350312	30.06.2014	3166	11.08.2014	41
				42000	13.08.2014	43
				305146	24.12.2014	176
241666	99487	341154	31.07.2014	341154	24.12.2014	145
241666	99648	341314	31.08.2014	43700	24.12.2014	114
				297614	23.02.2015	175
241666	87765	329431	30.09.2014	52386	23.02.2015	145
				277045	24.03.2015	174
241666	92232	333898	31.10.2014	72955	24.03.2015	143
				260943	Outstanding	152
241666	90905	332571	30.11.2014	79057	Outstanding	122

				100000	Outstanding	122
				153514	Outstanding	122
241666	93163	334829	31.12.2014	334829	Outstanding	91
241666	87723	329389	31.01.2015	329389	Outstanding	60
241666	79773	321439	28.02.2015	321439	Outstanding	32
241666	84790	326456	31.03.2015	326456	Outstanding	1

- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xi) According to the information and explanations given to us the Company has not taken any term loans from the banks or financial institution.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

New Delhi
May 30, 2015

R N CHATURVEDI
Partner
Membership No. 092087

Balance Sheet as at March, 31, 2015

	PARTICULARS	Note No.	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)
1	EQUITY & LIABILITIES			
I.	Shareholders' Funds			
	(a) Share Capital	1	167,424,590	167,424,590
	(b) Reserves & Surplus	2	15,585,616	21,907,306
II.	Non-Current Liabilities			
	(a) Long Term Borrowings	3	3,689,332	4,340,005
	(b) Deferred Tax Liabilities (Net)		12,216,488	12,216,488
	(c) Long Term Provisions	4	2,509,663	4,293,380
III.	Current Liabilities			
	(a) Short – Term Borrowings	5	3,500,000	3,500,000
	(b) Trade Payables	6	1,344,456	1,377,756
	(c) Other Current Liabilities	7	48,742,402	45,516,672
	(d) Short – Term Provisions	8	1,383,313	1,340,465
	Total		256,395,860	261,916,662
2	ASSETS			
I.	Non – Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	9	62,197,322	66,550,217
	(b) Long Term Loans and Advances	10	15,628,250	15,592,250
	(c) Other Non Current Assets	11	-	-
II.	Current Assets			
	(a) Current Investments	12	948,000	335,000
	(b) Inventories	13	522,631	522,631
	(c) Trade Receivables	14	57,731,233	57,731,233
	(d) Cash and Bank Balances	15	88,059	292,381
	(e) Short – term Loans and Advances	16	37,370,456	38,972,123

(f) Other Current Assets	17	81,909,910	81,920,827
Total		256,395,860	261,916,662

The accompanying notes are integral part of the Financial Statements

24 to 40

As per our report of even date attached

For and on behalf of the Board

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 0307068E

R N CHATURVEDI

Partner

Membership No. 092087

Rakesh Samrat Bhardwaj
Chairman & Managing Director

DIN: 00029757

Kailash Chand Kedia
Director

DIN: 01243510

MeghnaRawat
Company Secretary
PAN: AWLPR5299P

Place : New Delhi

Date : 30th May, 2015

Statement of Profit & Loss for the year ended March 31, 2015

	Particulars	Notes	Year Ended 31, 2015 (Rs.)	March Year Ended 31, 2014 (Rs.)
I.	Revenue From Operations	18	75,670	-
II.	Other Income	19	2,830,155	1,358,806
III.	Total Revenue (I + II)		2,905,825	1,358,806
IV.	Expenditure			
	Employee Benefit Expenses	20	2,036,967	5,599,246
	Finance Costs	21	1,241,346	2,171,828
	Depreciation and Amortization Expenses	9	4,354,485	5,939,372
	Other Expenses	22	2,494,717	4,313,290
	Total Expenses		10,127,515	18,023,736
V.	Loss before Exceptional and Extraordinary Items and Tax (III – IV)		7,221,690	16,664,930
VI.	Prior year adjustments	23	(900,000)	-
VII.	Loss before Extraordinary Items and Tax (V-VI)		6,321,690	16,664,930
VIII.	Extraordinary Item			-
IX.	Loss before tax (VII-VIII)		6,321,690	16,664,930
X.	Tax Expense:		-	31,824
	(1) Current Tax		-	-
	(2) Deferred Tax			-
XI.	Loss for the year (IX-X)		6,321,690	16,664,930
XII.	Loss per equity share:			
	Basic and Diluted		0.38	1.00

The accompanying notes are integral part of the Financial Statements

24 to 40

As per our report of even date attached

For and on behalf of the Board

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 0307068E

R N CHATURVEDI

Partner

Membership No. 092087

Rakesh Samrat Bhardwaj
Chairman & Managing Director
DIN: 00029757

Kailash Chand Kedia
Director
DIN: 01243510

Meghna Rawat
Company Secretary
PAN: AWLPR5299P

Place : New Delhi

Date : 30th May, 2015

Cash Flow Statement for the year ended March 31, 2015

Particulars	For the Year Ended March 31, 2015 (Rs)		Amount in `
			For the Year Ended March 31, 2014 (Rs)
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year before Taxation		(6,321,690)	(16,664,930)
Adjustments for			
Depreciation and Amortisation	4,354,485		5,939,372
(Surplus)/ Loss on Sale of Fixed Assets	(395,955)		(243,444)
(Surplus)/ Deficit on Sale of Investment	(400,800)		-
Doubtful debts written off	16,124		-
Interest/Financial Charges	1,241,346		2,171,828
Excess Provision Written back	(1,615,000)		-
Interest Income	(360,000)	2,840,200	(365,362)
Operating profit before working capital changes		(3,481,490)	(9,162,536)
Changes in assets and liabilities			
(Increase)/Decrease in Loans and Advances	1,744,082		10,735,615
Increase/(Decrease) in Current Liabilities & Provisions	2,968,467	4,712,549	3,778,121
Cash generated from operating activities		1,231,058	5,351,200
Taxes Paid		(36,000)	(36,000)
Net cash provided by operating activities		1,195,058	5,315,200
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Fixed Assets	395,955		275,000
Proceeds from sale of Investments	1,402,800		
Purchase of Fixed assets	(1,590)		
Interest Received	370,917		382,768
Net cash used in investing activities		2,168,082	6,57,768
CASH FLOW FROM FINANCING ACTIVITIES			
Term loan taken /(Repaid)	(2,167,577)		(3,987,531)
Interest / Finance charges Paid	(125,7470)		(2,015,327)
Net cash provided by financing activities		(3425047)	(6,002,858)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(61,907)	(29,890)
Cash and cash equivalents at the beginning of the year		149,965	179,856
Cash and cash equivalents at the end of the year		88,058	149,966

Notes :

1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

2. Figures in brackets indicate cash outflow.

3. Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.

4. Cash & Cash Equivalents include:

Cash in Hand	10,679	2,935
Balances with Scheduled Banks		
- In Current Accounts	77,380	147,031
	88,059	149,966

As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 0307068E

R N CHATURVEDI
Partner
Membership No. 092087

Rakesh Samrat Bhardwaj
Chairman & Managing Director
DIN: 00029757

Kailash Chand Kedia
Director
DIN: 01243510

MeghnaRawat
Company Secretary
PAN: AWLPR5299P

Place : New Delhi
Date : 30th May, 2015

Notes on Accounts to the Balance Sheet and Statement of Profit & Loss

Notes forming part of the Balance Sheet as at March 31, 2015

Note No.		As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
1	SHARE CAPITAL		
	Authorised Capital 25,000,000 (Previous Year 25,000,000) Equity Shares of `10/- each	250,000,000	250,000,000
	Issued , Subscribed & Paid up 16,742,459 (Previous Year 16,742,459) Equity Share of `10/- each (fully paid up)	167,424,590	167,424,590
	Total	167,424,590	167,424,590
a)	The reconciliation of number of shares outstanding is set out below: Number of Equity Shares at the beginning	16,742,459	16,742,459
	Add: Number of Equity Shares Issued during the year	-	-
	Number of Equity Shares at the end	16,742,459	16,742,459

b) Details of Shareholders holding more than 5 percent Shares :

Name	% Held	As at March 31, 2015 Number of Shares	% Held	As at March 31, 2014 Number of Shares
<u>Equity Shares:</u>				
Rakesh Samrat Bhardwaj	9.40	1,573,370	9.40	1,573,370
Shachi Bhardwaj	5.84	977,600	5.84	977,600
Bhagawati Steels Private Limited	6.22	1,040,600	6.22	1,040,600
		3,591,570		3,591,570

2 Reserves and Surplus

Securities Premium Reserve

Balance at the beginning of the year	66,700,165	66,700,165
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General Reserve

Balance at the beginning of the year	12,511,248	12,511,248
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Surplus/(Loss) in Statement of Profit and Loss

Balance at the beginning of the year	(57,304,107)	(40,639,177)
Add : (Loss) for the year	(6,321,690)	(16,664,930)
Balance at the end of the year	(63,625,797)	(57,304,107)

Total	15,585,616	21,907,306
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3 Long Term Borrowings

Secured

From Banks	3,689,332	4,340,005
From Others		-
Total	3,689,332	4,340,005

4 Long-term Provisions

Provision for Employment Benefits

For Gratuity	1,411,277	1,995,341
For Leave Encashment	1,098,386	2,298,039
Total	2,509,663	4,293,380

5 Short Term borrowings

Unsecured

Inter Corporate Loan	3,500,000	3,500,000
Total	3,500,000	3,500,000

Term and Condition

1. Loan is repayable on demand
2. Interest rate @15% on monthly balance rest.

6 Trade Payables

Due to Micro Small and Medium Enterprises (Refer note 32)		-
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Other Sundry Creditors	1,344,456	1,377,756
	1,344,456	1,377,756

Notes on Accounts to the Balance Sheet and Statement of Profit & Loss (Contd.)

7 Other Current Liabilities

Current maturities of Long Term Debt	2,899,992	4,416,896
Interest accrued and due on borrowings		
Security from Customers	2,505,823	2,505,823
Other payables		
i. Employee salaries and benefits Payable	3,707,427	3,323,119
ii. Statutory Dues Including Provident Fund and Tax Deducted at Source	256,005	398,400
iii. Other payables	39,373,155	34,872,434
	48,742,402	45,516,672

8 Short-term Provisions

Provision for Employee Benefits :

For Gratuity	1,285,231	1,174,788
For Leave Encashment	98,082	165,677
Total	1,383,313	1,340,465

(a) Term Loans available from bank by way of securities. Details are as follows:

Name of Lender	Rate of Interest	March 31, 2015	March 31, 2014	Security
Central bank of India T/L A/C No. 3207352107	BPLR+4.50%	6,589,324	8,756,901	Secured by way of book debts, receivables, second charge on the block of assets of the company and personal guarantee of the Chairman and Managing Director.
Total		6,589,324	8,756,901	
Current maturities of long term Borrowings		2,899,992	4,416,896	
Grand Total		9,489,316	13,173,797	

Default In Borrower Schedule:

Details of defaults in repayment of Loans and Interest as on the Balance Sheet date.

Particulars	Period of default as at 31.03.2015	Amount in Rs.
Repayment of term Loan from Banks	152	241,666
	122	241,666
	91	241,666
	60	241,666
	32	241,666
	1	241,666
Interest of Term Loan from Banks	152	19,277
	122	90,905
	91	93,163
	60	87,723
	32	79,773
	1	84,790

9. FIXED ASSETS

PARTICULARS	Rate of Deprn.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At April 1, 2014 (At Cost) (Rs.)	Additions March 31, 2015 (Rs.)	Sales/Adj- Ustments (Rs.)	AS AT AS AT March. 31, 2015 (AT COST) (Rs.)	Upto Mar. 31, 2014 (Rs.)	For the Current Period (Rs.)	Sales/Adj- ustments (Rs.)	Upto March. 31, 2015 (Rs.)	As At March 31, 2015 (Rs.)	As At March 31, 2014 (Rs.)
Tangible Assets											
Freehold Land		6,675,340	-	-	6,675,340	-				6,675,340	6,675,340
Building	1.63	53,287,099	-	-	53,287,099	25,659,119	1,505,143		27,159,262	26,127,837	27,627,980
Lease Hold Improvement		7,141,212	-	-	7,141,212	5,407,996	173,274		5,581,270	1,559,942	1,733,216
Plant & Machinery	4.75	148,593,070	-	4,735,341	148,857,729	120,280,313	2,039,902	4,735,341	117,584,874	26,272,855	26,312,757
Truck & Tankers	16.21	1,469,102	-	-	1,469,102	1,402,746	12,333		1,415,079	54,023	66,356
Furniture & Fixture	6.33	3,100,166	1,590	-	3,101,756	2,554,153	199,414		2,753,567	348,189	546,013
Office Equipment	4.75	7,512,470	-	-	7,512,470	6,463,124			6,463,124	1,049,346	1,049,346
Vehicles	16.21	6,008,055	-	-	6,008,055	5,468,846	449,419		5,898,264	109,790	539,209
Total Tangible Assets		233,786,514	1,590	4,735,341	229,052,763	167,236,297	4,354,485	4,735,341	166,855,441	62,197,322	66,550,217
For previous year		234,602,814	-	816,300	233,786,514	162,081,669	5,939,372	(784744)	167,236,297	66,550,217	

Notes on Accounts to the Balance Sheet and Statement of Profit & Loss (Contd.)

10 Long Terms Loans and Advances

Capital Advances	6,700,000	6,700,000
Advance Tax And Tax Deducted At Source (Net)	1,417,225	1,381,225
-MAT Credit Entitlement	7,511,025	7,511,025
Total	15,628,250	15,592,250

11 Other Non-Current Assets

- In Deposit Accounts with more than 12 months maturity	-	-
- Interest Accrued	-	-
Total	-	-

12 Current Investments

Other Investments

Investment in Equity Fund	50,000	50,000
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Investment in Equity Shares

In Equity Shares - Quoted , Fully paid up 89,800 (190,000) BOL of Rs. 10 each	898,000	1,900,000
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In Equity Shares - Quoted , Fully paid up 65,000 (65,000) C.M.P.L. of Rs. 10 each	650,000	650,000
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Less:- Provision for diminution in value of Shares	(650,000)	(2,265,000)
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Total	948,000	335,000
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13 Inventories

Stores & Spares	522,631	522,631
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Total	522,631	522,631
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Notes on Accounts to the Balance Sheet and Statement of Profit & Loss (Contd.)

14 Trade Receivables

Unsecured, Considered Good

Out standing for a period exceeding six months from the date they are due for repayment (Refer note 28) 57,731,233 57,731,233

Others - -

Total **57,731,233** **57,731,233**

15 Cash and Bank Balance

Cash and Cash equivalents

Cash on Hand 10,679 2,935

Balances With Banks :-

- In Current Accounts 77,380 147,030

Other Bank Balances

- In Deposit Accounts with more than 3 months and less than 12 month maturity - 142,415

Total **88,059** **292,380**

16 Short Term Loans and Advances

Unsecured Considered Good

-Loans to Related Parties (Refer note 30) 17370108 17,964,928

-Loan To Body Corporate 3,648,000 3,655,989

- Security deposits 150,541 150,541

-Other loans and advances (Refer note 29) 15,622,104 16,605,543

Deposit with Government Authority 579,703 595,122

Notes on Accounts to the Balance Sheet and Statement of Profit & Loss (Contd.)

<u>Unsecured Considered Doubtful</u>		
- Other Advances	2,162,900	2,162,900
Less:- Provision for Doubtful Debts	<u>2,162,900</u>	<u>2,162,900</u>
Total	<u>37,370,456</u>	<u>38,972,123</u>
17 Other Current Assets		
Other Receivables from customers (Refer note 28)	81,909,910	81,909,910
Interest accrued on deposits	<u>-</u>	<u>10,917</u>
Total	<u>81,909,910</u>	<u>81,920,827</u>
18 REVENUE FROM OPERATIONS		
Sale of Product	-	-
Other Operating Revenue	<u>75,670</u>	<u>-</u>
Revenue from Operations	<u>75,670</u>	<u>-</u>
19 OTHER INCOME		
Interest Income	360,000	365,362
Profit on sale of shares	400,800	-
Profit on Sale of Fixed Asset	395,955	243,444
Rent Received	58,400	750,000
Diminution in value of investments	<u>1,615,000</u>	<u>-</u>
Total	<u>2,830,155</u>	<u>1,358,806</u>
20 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	1,010,996	3,370,166
Contribution to Provident and other Funds	98,278	95,428
Staff Welfare Expenses	27,693	33,652
Director's Remuneration	<u>900,000</u>	<u>2,100,000</u>
Total	<u>2,036,967</u>	<u>5,599,246</u>
21 FINANCE COST		
Interest Expense		
-On Fixed Loans	1,139,423	1,628,356

-On Others	101923	543,472
Total	1,241,346	2,171,828

22 OTHER EXPENSES

Bank Charges	-	4,659
Travelling & Conveyance	290,771	147,685
Power & Water Charges	285,903	501,452
Rent	42,000	286,200
Balances/Bad Debts Written Off	16,124	-
Auditors Remunertions	217,980	274,160
Security Service Expenses	867,244	1,189,490
Legal & Professional Charges	65,400	102,769
Telephone Expenses	35,977	163,256
Repairs And Maintenance - Plant & Machinery		
Repairs And Maintenance - Others	7,700	10,400
Insurance Chargess	10,804	50,954
Other Miscellaneous Expenses	654,814	1,582,265
Total	2494717	4,313,290

23 Prior Period Expense

Provision for remuneration Reversed	(900,000)	
Total	(900,000)	-

Note 24

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

- i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013.
- ii) The company follows the mercantile system of accounting & recognizes income & expenditure on accrual basis except those with significant uncertainties.

2. Fixed Assets

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and borrowing costs related to such acquisition or construction.

3. Depreciation

During the year ended March 31, 2015, pursuant to the requirements of Schedule II to the Companies Act, 2013, based on an internal evaluation, management has reassessed the remaining useful life of all fixed assets with effect from April 1, 2014. Consequently, the useful life of fixed assets required a change from the previous estimates. Accordingly, the Company has adjusted the excess depreciation of `15,39,161 in the reporting package in terms of provisions of the said Schedule II. Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended March 31, 2015 would have been higher by `15,39,161.

Depreciation on fixed assets is provided on a pro-rata basis at SLM rates prescribed in schedule II Part A to companies Act 2013.

Assets	Life (Years)
Computers & Software	3.00
Building (Non Factory)	60.00
Building (Factory Shed)	30.00
Trucks Tankers	25.00
Vehicles	8.00
Leasehold Improvemnet	12.00
Furniture & Fixtures	10.00
Air Conditioner & Other Office Equipement	5.00
Plant & Machinery	25.00

4. Inventories

Inventories have been valued at lower of cost or net realizable value. In respect of stores and spares, cost has been arrived at on FIFO basis. Scrap has been valued at estimated net realizable value.

5. Revenue Recognition

- i) Revenue from sales is recognized on dispatch of goods from the factory. Sales are inclusive of excise duty but exclusive of sales tax.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

6. Foreign Currency Transactions

- i) Transactions denominated in the foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies other than those covered by forward exchange contracts are translated in to rupee equivalent at the rates of exchange prevailing on the Balance Sheet date. In the case of forward contract the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract.
- iii) All exchange differences arising on settlement/ conversion of foreign currency transactions, are recognized as income or expenses in the Profit & Loss account, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the carrying cost of the asset.

7. Investments

Investments are classified in to current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

8. Employee Benefits

- i) **Defined Contribution Plan:** the Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Profit and Loss Account.

- ii) **Defined Benefit Plan:** The Company's liabilities towards defined benefits schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account in the period of occurrence of such gains and losses.
- iii) **Short Term Employee Benefits:** Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services.

9. Segment Reporting

The business of the company consists of manufacturing of single product *i.e.* Gases. Therefore the Accounting Standard (AS-17) on Segment Reporting is not applicable.

10. Leases

Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a basis, which reflect the time pattern of such payment appropriately.

11. Earnings per Share

The earnings considered in ascertaining the company's Earnings per Share (EPS) comprises the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless they are issued at a later date. The diluted potential equity shares are adjusted for the proceeds receivable assuming that the shares are actually issued at fair value. The number of shares and potentially dilutive shares are adjusted for shares splits/reverse share splits (consolidation of shares) and bonus shares, as appropriate.

12. Taxes on Income

Tax expense for the year comprises of current tax and deferred tax. Current taxes are computed at the current rate of tax in accordance with provisions of the Income Tax Act, 1961

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Profit & Loss Account in the year of change.

13. Impairment

The carrying values of assets of the cash-generating units at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

14. Contingent Liabilities

Contingent liabilities are determined on the basis of available information and are disclosed by way of note to accounts.

(Figures in Rs.)

25. Contingent liabilities not provided for:

Particulars	For the Year Ended	For the Year Ended
	March 31, 2015	March 31, 2014
Counter Guarantee given to bankers for guarantees issued by the banker (Net of margins)	nil	10,000
Security provided against amount withdrawn from the Hon'ble High Court. (refer note 26)	23,083,887	23,083,887

26. The company had, in an earlier year, won an arbitration award in respect of an amount aggregating to ` 23,083,887 recoverable from Hindustan Copper Limited (HCL) along with interest. The Additional District Judge, Khetri, Rajasthan has dismissed the appeal filed by HCL against the arbitration award and passed an order for decree. The HCL has preferred an appeal against the said order in the High Court of Judicature for Rajasthan at Jaipur bench, Jaipur. The Hon'ble High Court have admitted HCL's appeal and granted interim stay and directed HCL to deposit the award amount of ` 23,083,887. The Honorable Supreme Court on an appeal of HCL had modified the award and the company was permitted to withdraw the said amount by furnishing security to the satisfaction of the Court. The company has withdrawn the money by furnishing the said Security. The case is pending in the High Court of Rajasthan.

- 27.** An arbitration award in respect of an amount aggregating to ` 107,980,044(including interest up to 09.05.2009. claimed from HCL is passed by the arbitral tribunal in favour of the company. Hindustan Copper Limited (HCL) has preferred an application under Section 34 of The Arbitration and Conciliation Act, 1996 against the award in the court of the District Judge, Jhunjhunu. The Hon'ble Court of District Judge, Jhunjhunu, has dismissed the said application filed by HCL. The HCL has preferred an Appeal against the said order in the High Court of Judicature for Rajasthan at Jaipur Bench, Jaipur. The Hon'ble High Court have admitted HCL's appeal and granted interim stay and directed HCL to deposit 25% of the award amount i.e. Rs.26,995,011 within ten weeks from 25.5.2015 and that amount can be withdrawn by the company by furnishing Security and Undertaking to the satisfaction of the Court.
- 28.** Trade Receivable aggregating to ` 57,731,233 and other Receivable ` 81,920,827 are overdue for recovery. The management is hopeful of recovering the amount in due course of time and therefore provision there against is not considered necessary.
- 29.** Advances of ` 6,684,618 (7,218,468) are considered doubtful of recovery. The management is hopeful of recovering the amount in due course of time and therefore provision there against is not considered necessary.
- 30.** The company has given interest free loan aggregating to ` 17,370,108 as at March 31, 2015 to a borrower company. The borrower company has given a proposal to the Company to convert its borrowings into Equity. The company is still in the process of finalization/ acceptance of the proposal.
- 31.** During the year, Long term gas supply agreement with the customer has expired. The company is negotiating to extend the same as the customer was not able to purchase minimum guaranteed quantity as per the agreement and their plant remained closed. The restoration of operation of the company dependent upon the extension of the supply agreement.
- 32.** There are no dues of micro, small and medium enterprises. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis to information available with the company.

33. Related Party Disclosure:

List of related parties

Relationship	Name of the related party
Parties under common control	Bhagawati International Limited
	Bhagawati Combat Systems Limited
	Lavino Portfolios Private Limited
	KamakshiBricon Private Limited
	Flow Tech Hotels Private Limited

Key management personnel and their relatives	Mr. Rakesh S. Bhardwaj (Managing Director)
	Mrs. Shachi Bhardwaj (Relative of Managing Director)
	Mr. Vivek Sharma (Whole Time Director)

Summary of the Transactions with the above related parties are given below:

Nature of transaction	Key management personnel and their relatives		Parties under common control		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Advances Given	-	-	137,372	1,37,372	137,372	137,372
Advances Received	-	-	550,000	6,20,000	550,000	620,000
Advances Repaid	-	-	12,84,900	10,292,894	1,284,900	10,292,894
Remuneration	9,16,500	2,109,360	-	-	9,16,500	2,109,360
Balance outstanding at the year end	(Cr) 8,488,036	(Cr) 5,435,417	(Dr) 13,347,934	(Dr) 14,492,754	(Dr) 4,859,898	(Dr) 9,057,337

Disclosure of Material Transactions with Related Parties:

Particulars	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
Advances Given		
Bhagawati International Limited	690,080	137,372

Advances Received

KamakshiBricon Private Limited	4,022,174	3,472,174
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Advances Repaid

Bhagawati International Limited	1,284,900	10,292,894
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34. Following are the major components of deferred tax liabilities / (assets):

Component	As at March 31, 2015	As at March 31, 2014
Deferred Tax Liabilities		
Difference in depreciation between accounting books and tax return	15,307,042	15,307,042
Total	15,307,042	15,307,042
Deferred Tax (Assets)		
Provision for retirement benefits	(1,748,900)	(1,748,900)
Others	(1,341,654)	(1,341,654)
Total	(3,090,554)	(3,090,554)
Net Deferred Tax Liability/(Assets)	12,216,488	12,216,488

35. Earnings per Share

	Year Ended	Year Ended
Basic and diluted earnings per share	March	March
	31, 2015	31, 2014
A. Number of shares	16,742,459	16,742,459
B. Weighted average number of shares during the year	16,742,459	16,742,459
C. Profit/Loss after tax (in Rs.)	(63,21,690)	(16,664,930)
D. Basic & Diluted EPS (in Rs.)	(0.38)	(1.00)

36. Managerial Remuneration

Managerial remuneration paid during the financial year to the executive directors.

Particulars	Year Ended	Year Ended
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	March 31, 2015	March 31, 2014
Mr. Rakesh S. Bhardwaj (Managing Director)		
Salary & allowances	6,00,000	1,800,000
Contribution to Provident Fund	16,500	9,360
Other benefits	-	-
Total (A)	6,16,500	1,809,360
Mr. Vivek Sharma (Whole Time Director)		
Salary & allowances	300,000	300,000
Total (B)	300,000	300,000
Total (A+B)	9,16,500	2,109,360

Since the employee-wise break-up of liability on account of gratuity and leave encashment based on actuarial valuation is not ascertainable, the amount relatable to Managing Director could not be included in the above figures.

37. Payment to Auditors

	Year Ended March 31, 2015	Year Ended March 31, 2014
(A) Statutory Auditors		
Audit Fee	191,012	191,012
Tax Audit Fee	-	56,180
Limited Review of Results	26,968	26,968
Total (A)	2,17,980	274,160
(B) Cost Auditors		
Audit Fee	-	-
Total (B)	-	-
Total (A+B)	2,17,980	274,160

38. Balance due to/ from various parties are subject to confirmations/ reconciliations thereof. Management does not consider any adjustment on completion of reconciliation/ confirmation.

39. Employee Benefits

The following table sets out the status of the gratuity plan and leave encashment and the amounts recognized in the Company's financial statements as at March 31, 2015.

i) Gratuity Plan (Non-Funded):

Particulars	As at March 31, 2015	As at March 31, 2014
Change in Benefit Obligation		
Liability at the beginning of the year	31,70,129	32,69,044
Interest Cost	2,69,461	2,61,524
Past Service Cost	-	-
Current Service Cost	1,00,696	1,54,216
Benefit Paid	(3,71,278)	-
Actuarial (gain)/loss on obligations	(4,72,500)	(5,14,655)
Liability at the end of the year	26,96,508	31,70,129
Expenses recognized in the Income Statement		
Current service cost	1,00,696	1,54,216
Past service Cost	-	-
Interest cost	2,69,461	2,61,524
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized	(4,72,500)	(5,14,655)
Expense recognized in the Profit and Loss Account	(1,02,343)	(98,915)
Assumptions		
Discount rate	8.00%	8.50%

Salary Escalation	5.50%	6.00%
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ii) Leave Encashment	As at 31 st March, 2015	As at 31 st March, 2014
Particulars		
Change in Benefit Obligation		
Liability at the beginning of the year	24,63,716	25,50,322
Interest Cost	2,09,416	2,04,024
Past Service Cost	-	-
Current Service Cost	51,833	1,08,763
Benefit Paid	(71,481)	(22,596)
Actuarial (gain)/loss on obligations	(14,57,016)	(3,76,799)
Liability at the end of the year	11,96,468	24,63,716
Expenses recognized in the Income Statement		
Current service cost	51,833	1,08,763
Past service Cost	-	-
Interest cost	2,09,416	2,04,026
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized	(14,57,016)	(3,76,799)
Expense recognized in the Profit and Loss Account	(11,95,767)	(64,010)
Assumptions		
Discount rate	8.00%	8.50%
Salary Escalation	5.50%	6.00%

40. Figures of previous year have been regrouped or rearranged wherever found necessary.

As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 0307068E

R N CHATURVEDI
Partner
Membership No. 092087

Rakesh Samrat Bhardwaj
Chairman & Managing Director
DIN: 00029757

Kailash Chand Kedia
Director
DIN: 01243510

MeghnaRawat
Company Secretary
PAN: AWLPR5299P

Place : New Delhi
Date : 30th May, 2015

BHAGAWATI GAS LIMITED

(CIN: L24111RJ1974PLC005789)

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

E-mail: bhagwatigases@gmail.com . Website: www.bglgroup.in

Tel.: +91 120 474 9901, Fax: +91 120 474 9919

BALLOT FORM

1. Name(s) & Registered Address :
of the Sole / First named Member
2. Name(s) of the Joint holder(s) :
if any
3. Registered Folio Number /
DP ID No. / Client ID No. *
(*Applicable to investors
holding shares in
dematerialized form)
4. Number of Share(s) held :
5. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 41st Annual General Meeting (AGM) of the Company to be held on Wednesday, 30th September, 2015 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Description of Resolution	No. of Ordinary Shares for which votes cast	(FOR)	(AGAINST)
			I/We assent to the Resolutions	I/We dissent to the Resolutions
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2015			
2.	Ordinary Resolution under Section 139 of the Companies Act, 2013 for the ratification of the appointment of M/s Chaturvedi & Partners, Chartered Accountants (FRN: 307068E) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the forty third Annual general Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company.			
3	Ordinary Resolution for the appointment of Mrs. Shachi Bharadwaj (DIN: 07232850) as Director of the Company			

Place :

Signature of the Member
Or Authorized Representative

Date :

Notes: If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.

BGL

BHAGAWATI GAS LIMITED

(CIN: L24111RJ1974PLC005789)

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

E-mail: bhagwatigases@gmail.com, Website: www.bglgroup.in

Tel.: +91 120 474 9901, Fax: +91 120 474 9919

ATTENDANCE SLIP for the 41st ANNUAL GENERAL MEETING

I/ We hereby record my/our presence at the 41st Annual General Meeting of the Company at the registered office of the Company at Banawas, Khetri Nagar, Jhunjhunu, Rajasthan – 333504 on Wednesday, 30th September, 2015 at 11 A.M.

Client ID & DP ID/Registered Folio No.

Full Name of Shareholder / Proxy.....

If Proxy, Full Name of Shareholder

.....

Signature of Shareholder/Proxy

Note:

1. Please complete the Client ID & DP ID/Registered Folio and name, sign this Attendance slip and handover at the entrance of the meeting hall.
2. Electronic copy of the Annual Report for FY 2014-15 and the Notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is being sent to all the members whose email address is registered within the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy Annual Report for FY 2014-15 and the Notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

BHAGAWATI GAS LIMITED

(CIN: L24111RJ1974PLC005789)

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

E-mail: bhagwatigases@gmail.com, Website: www.bhagawatiinternational.com

Tel.: +91 120 474 9901, Fax: +91 120 474 9919

E-Voting particulars

EVEN (E-Voting Event Number)	USER ID	Password/ PIN

Note: Please read instructions given at Note No. 12 of the Notice of the 41st Annual General Meeting carefully before voting electronically.

BHAGAWATI GAS LIMITED
(CIN: L24111RJ1974PLC005789)
Regd. Office: Banawas, Khetri Nagar, Jhunjhunu, Rajasthan – 333504
E-mail: bhagwatigases@gmail.com, Website: www.bglgroup.in
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Form No. MGT-11
FORM OF PROXY

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

41^s ANNUAL GENERAL MEETING
Wednesday, September 30, 2015 at 11 A.M.

Name of the Members (s)	
Registered Address	
No. of shares held	
Email ID	
Folio No/ DP. Id/ Client Id	

I/We being member(s) of Bhagawati Gas Limited holding shares , hereby appoint hereby appoint:

- 1) Mr./Mrs.....(Name of the Proxy)
Registered address.....
Email id.....
Signature or failing him/her
- 2) Mr./Mrs.....(Name of the Proxy)
Registered address.....
Email id.....
Signatureor failing him/her
- 3) Mr./Mrs.....(Name of the Proxy)
Registered address.....
Email id.....
Signatureor failing him/her

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company to be held on September 30, 2015 at 11 a.m. at Banawas, Khetri Nagar, Jhunjhunu, Rajasthan – 333504 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	Optional ^	
		For	Against
Ordinary Business			
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2015		
2.	Ordinary Resolution under Section 139 of the Companies Act, 2013 for the ratification of the appointment of M/s Chaturvedi & Partners, Chartered Accountants (FRN: 307068E) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the forty third Annual general Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company.		
3.	Ordinary Resolution for the appointment of Mrs. Shachi Bharadwaj (DIN: 07232850) as Director of the Company		

Signed this ----- day of ----- 2015.

Affix One
Rupee
Revenue
Stamp

Signature of the shareholder

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than **FORTY EIGHT HOURS** before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. ^ This is optional. Please put a tick mark (v) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.