

BHAGAWATI GAS LIMITED

(CIN: U24111RJ1974PLC005789)

REGISTERED ADDRESS:

REG. OFFICE: BANAWAS, KHETRI NAGAR, JHUNJHUNU RAJASTHAN

ANNUAL ACCOUNTS 2025-26

STATUTORY AUDITORS:



JAIN PARAS BILALA & CO.
CHARTERED ACCOUNTANTS
JAIPUR



Jain Paras Bilala & Co.
CHARTERED ACCOUNTANTS

GSTIN : 08AADFJ5301L1ZF

50 Ka 2, Jyoti Nagar, Jaipur - 302005 (Raj.)

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Branches: Delhi, Kolkata, Mumbai, Indore (MP),
Tirupur (TN), Dibrugarh (Assam), Kota, Jodhpur

INDEPENDENT AUDITOR'S REPORT

To
The Members
Bhagawati Gas Limited

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of Bhagawati Gas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters described in **Annexure A** the possible effects of which, individually or in aggregate, are material but not pervasive to the Financial Statements and matters where we are unable to obtain sufficient and appropriate audit evidence. The effects of matters described in said **Annexure A** which could be reasonably determined are quantified and given therein. Our opinion is qualified in respect of these matters as per **Annexure-A**.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for Audit of the Financial Statements for the year ended March 31, 2026, section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements for the year ended March 31, 2026 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on Financial Statements.

Emphasis of Matter- Other Income

- i) We draw attention to Note-21 of the accompanying financial statements, which describes the recognition of an amount of Rs. 235.24 lakhs under "Other Income" during the year, representing balances payable to a creditor written back by the Company. The write-back has been recognized based on management's assessment that no claims, correspondence, or follow-up communications have been received from the said creditor for more than 10 years and that no obligation for settlement of the liability is expected to arise in the future.





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- ii) We draw attention to Note-21 to the financial statements regarding the continued recognition of a receivable amounting to Rs. 322.44 lakhs arising under the "Vivad se Vishwas II (Contractual Disputes) Scheme". The receivable has been recognised and continues to be carried in the books based on legal opinions obtained by the Company, independent expert evaluations, and management's assessment regarding the validity, eligibility, and recoverability of the claim under the Scheme. While the claim remains pending for processing and settlement by the concerned authorities, management believes that the ultimate recovery of the amount is reasonably certain as the claim has been made under a Government-notified settlement framework.

Our opinion is not modified in respect of the above matters.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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





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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters (if any). We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Further to our comments in Annexure C, as required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements except matters stated in the Basis of Qualified Opinion section of our report.
 - ii. Except for the effects of the matter described in the Annexure A to the Basis of Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. The financial statements dealt with by this report are in agreement with the books of account;
 - iv. Except for the effects of the matter described in the Annexure A to the Basis of Qualified Opinion paragraph of our report, in our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act;
 - v. On the basis of the written representations received from the directors of the Company as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in





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"Annexure C". Our report expresses an Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements subject to the possible effect of matters stated in the Basis for Qualified Opinion section of our main audit report.

4. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed pending litigations which could impact its financial position in note no. 31 & 32 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
5. (a). The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

(b). The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly, or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

(c). Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
6. Based on our examination, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2026 which does not has a feature of recording audit trail (edit log) facility.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention. Company has not preserved audit trail for the financial year ended March 31, 2026.





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7. The Company has not declared or paid any dividend during the year ended 31st March 2026.
8. During part of the period under review, the composition of the Board of Directors was not in conformity with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, owing to a vacancy in the office of Independent Director. The requirement was complied with by the end of the financial year.
9. During part of the financial year under review, the Company's website was not fully maintained in accordance with the applicable provisions of the Companies Act, 2013 and SEBI Guidelines. However, necessary corrective measures have been taken and, as on date, the website is duly updated and maintained.

For JAIN PARAS BILALA & CO.

Chartered Accountants

Firm Registration No.: 011046C

Piyush Goyal

(CA. Piyush Goyal)



Partner

Membership No.: 466010

Place: Jaipur

Date: 30.05.2026

UDIN: 26466010HGULZN2918

"Annexure A" – Referred in the "Basis for Qualified Opinion" Section of our report

1. Loans/advances given by the company considered doubtful for recovery & non recognition of expected credit loss (ECL) as per IND AS 109

The Company has not provided balance confirmation regarding Advances given for purchase of property amounting to Rs. 79.10 lakhs included under other non-current asset, Advances to Material and Service providers amounting to Rs. 236.22 lakhs included under other-current asset and Rs. 51.15 lakhs shown under non-current assets as loans.

All these loans/advances are outstanding since long time raising significant doubt regarding their recoverability. Furthermore, in the case of advances to material and service providers, no agreements or supporting documentation such as copies of purchase/work orders were available on record to substantiate the purpose or terms of such advances.

Therefore, we are unable to comment on the consequential impact of the same if any on the statement because of uncertainty about recoverability of these advances.

Due to the prevailing uncertainties regarding the recoverability and settlement of these balances' recognition of provision for expected credit loss was considered necessary in accordance with Ind As-109. However, in the absence of a formally documented Expected Credit Loss (ECL) policy or assessment to evaluate the collectability of these balances, no provision has been made. Consequently, we are unable to determine the potential impact, if any, of non-recognition of such provision on the accompanying financial statements.

2. Bank statement not available on record

During the course of audit, company has not provided bank statement and confirmation of the current status of ICICI Bank Account having a balance of Rs. 0.53 Lakhs shown as part of cash and cash equivalents as on March 31, 2026. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.

3. Uncertainty Relating to Outstanding Current Borrowings and Financial Liabilities

The Company has not provided us with external balance confirmations in respect of Current Borrowings amounting to Rs. 27.00 lakhs and Other Current Financial Liabilities amounting to Rs. 11.86 lakhs.

Therefore, we are unable to comment on the existence, accuracy, and completeness of these balances. These amounts have remained outstanding for a long period, and there exists an uncertainty regarding their ultimate settlement. Consequently, we are unable to determine the potential impact, if any, on the accompanying financial statements.

4. Non-renewal of Bank Guarantee

The Hon'ble Supreme Court of India, vide its order dated August 2, 2018 in the matter of Hindustan Copper Limited (HCL) versus Bhagawati Gas Limited [Civil Appeal No. 7454/2018], directed the Company to furnish a bank guarantee equivalent to 50% of the amount of Rs. 1,733 lakhs deposited by HCL before the High Court of Rajasthan at Jaipur and permitted release of the balance amount without furnishing security. The company complied with the direction by providing bank guarantee of Rs. 866.50 lakhs.

During the course of our audit in the current financial year, we observed that the bank guarantee furnished by the Company through Canara Bank of Rs. 400 lakhs has not been renewed, notwithstanding that the matter is still pending for final adjudication before the



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Court. We further observed that the Company has redeemed fixed deposits aggregating to Rs. 250 lakhs out of total fixed deposits of Rs. 400 lakhs that were maintained as security against the aforesaid bank guarantee.

In the absence of renewal of the bank guarantee and considering the pending status of the litigation, we are unable to determine the financial consequences, if any, arising from non-compliance with the aforesaid judicial directions, including any consequential liabilities, penalties. Accordingly, we are unable to determine the impact of this matter on the accompanying financial statements.





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Annexure-B: The Annexure referred to in paragraph 2 of Our Report on "Other Legal and Regulatory Requirements" of even date to the members of Bhagawati Gas Limited on the financial statements for the year ended 31st March 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

Property, Plant & Equipment and Intangible Assets

- (i) (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B) The company is not having any intangible assets; hence this clause is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property Plant and Equipment have not been physically verified by the management during the year. Further, the company does not have a programme for physical verification of its Property, Plant and Equipment.
- (c) As explained to us, all the title deeds of immovable properties are held in the name of the company (other than properties where the Company is the Lessee and the lease agreements are duly executed in favor of the lessee).
- (d) The Company has not revalued its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated or are pending against the Company as at 31st March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Inventory & Working Capital:

- (ii) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the management has not carried out physical verification of inventories during the year, and the Company has not maintained any records evidencing such physical verification.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year from banks or financial institutions on the basis of security of current assets. Accordingly, the reporting requirements under clause 3(ii)(b) of the order are not applicable to the company.





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Investments, any guarantee or security or advances or loans given:

- (iii) (a) A) According to the information and explanation given to us and the records produced to us for our verification, the company has not provided any loans or advances and guarantees or security to subsidiaries, joint ventures and associates during the year and there are no such balances outstanding as at the balance sheet date;
- B) According to the information and explanation given to us and the records produced to us for our verification, the company has not provided any loans or advances and guarantees or security to others during the year.
- (b) In our opinion, and According to the information and explanation given to us and the records produced to us for our verification, the investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. Further the Company has not provided any guarantees, advances in the nature of loans or given any security.
- (c) According to the information and explanation given to us and the records produced to us for our verification, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are outstanding. In respect of advance in the nature of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayment of principal has remained outstanding for a prolonged period with irregular recoveries. - **Refer note no. 9 of the Financial Statements.**
- (d) There is an overdue amount in respect of one loan granted by the Company to a party, which has remained outstanding for more than 90 days as at March 31, 2026. The total outstanding amount of such loan is Rs. 51.15 lakhs. Based on the information and explanations provided to us and the verification performed by us, the borrower has reported the corresponding interest liability through its TDS Returns, which is also reflected in Form 26AS of the Company, indicating acknowledgement of the liability by the borrower.

The Company has represented that it is regularly following up with the borrower for recovery of the outstanding amount. However, considering that the amount has remained overdue for a prolonged period, the recoverability of the outstanding amount requires close monitoring and the Company needs to take expeditious and appropriate recovery measures to mitigate the risk of non-recovery.

- (e) The Company has not renewed or extended any loan or advance which has fallen due during the year. Further no fresh loans have been granted during the year to settle over dues of existing loans of the same parties.
- (f) As explained to us and the records produced to us for our verification, the Company has not granted loans which are repayable on demand or issued any loan without specifying any terms or period of repayment.





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Loan to directors:

- (iv) According to the information and explanation given to us and the records produced to us for our verification, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments as applicable. There are no guarantees or security given by the Company.

Deposits accepted:

- (v) According to the information and explanation given to us and the records produced to us for our verification, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

Maintenance of costing Records:

- (vi) According to the information and explanation given to us and the records produced to us for our verification, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

Deposit of statutory liabilities:

- (vii) (a) Undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the Company have not been deposited with the appropriate authority. Refer Note no. 27 (statutory liabilities) of the financial Statements.

There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable except as stated below.





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Nature of the Statute	Nature of Dues	Amount in Rs.	Period to which Amount relates	Due date	Date of Payment
Service Tax (Indirect Tax)	Service Tax	1,96,853	Opening Balance, and April 2017 to June 2017	6 th of Succeeding month	Not paid
TDS (Direct Tax)	TDS	3,92,650	Multiple Years till 31 st March 2026		

Note: TDS demand has been taken as per Traces Portal.

- (b) According to the information and explanations given to us and the records produced before us for our verification, there are no statutory dues which have not been deposited on account of disputes.

Unrecorded income:

- (viii) According to the information and explanation given to us and the records produced to us for our verification, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

Default in repayment of borrowings:

- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Nil					

- (b) According to the information and explanations given to us, the records produced before us for our verification, and based on the representation received from the management, we report that the Company has not been declared a willful defaulter by any bank or financial institution or any other lender.





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CHARTERED ACCOUNTANTS

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50 Ka 2, Jyoti Nagar, Jaipur - 302005 (Raj.)
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Email: pbilala@yahoo.com, pbilala@cajpb.com
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Branches: Delhi, Kolkata, Mumbai, Indore (MP),
Tirupur (TN), Dibrugarh (Assam), Kota, Jodhpur

- (c) According to the information and explanation given to us and the records produced to us for our verification and representation received from the management of the company, company has used the amount of bank overdraft for the purpose for which limit is obtained.
- (d) According to the information and explanations given by the management and the records produced to us for our verification, the funds raised by the company on short term basis have not been utilized for long term purposes.
- (e) Reporting under this clause not applicable as the company does not have subsidiaries, joint venture or associate companies.
- (f) Reporting under this clause not applicable as the company does not have subsidiaries, joint venture or associate companies.

Funds raised and utilization:

- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and the records produced to us for our verification, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x) (b) of the Order is not applicable to the Company.

Fraud and whistle-blower complaints:

- (xi) (a) According to the information and explanation given to us and the records produced to us for our verification, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanation given to us and the records produced to us for our verification including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

Compliance by a Nidhi Company:

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2020 are not applicable

Related Party:

- (xiii) According to the information and explanation given to us and the records produced to us for our verification, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party





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transactions have been disclosed in the financial statements, as required Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

Internal audit system:

(xiv) (a) According to the information and explanation given to us by the management, the Company does have an internal audit system.

(b) As per requirement of Sec. 138 of the Act read with Rule 13(1) of the Companies (Accounts) Rules 2014, the company is required to appoint internal Auditor. However, for the current year, we have not been provided with the internal audit report. In the absence of the internal audit report, we are unable to comment on the appropriateness of the internal audit system in accordance with the size and nature of the entity's business.

Non-cash dealings with directors:

(xv) According to the information and explanation given to us and the records produced for our verification, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

Registration under section 45-IA of RBI Act, 1934:

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any non-banking finance or housing finance activity therefore, reporting under this clause is not applicable to the company.

(c) The company is not a Core Investment Company therefore, reporting under this clause is not applicable to the company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the company (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the group

Cash losses:

(xvii) The Company has incurred cash losses of **Rs. 54.82 Lakhs** during the current financial year 2025-26 covered by our audit. The Company had not incurred cash losses in the immediately preceding financial year i.e. 2024-25.





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Resignation of statutory auditors:

- (xvii) There has been no resignation of the statutory auditor during the year therefore, reporting under this clause is not applicable.

Material uncertainty on meeting liabilities:

- (xviii) According to the information and explanation given to us and the records produced to us for our verification and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xix) The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly reporting under clause 3(xx) of the Order is not applicable to the Company.

For Jain Paras Bilala & Company

Chartered Accountants

Firm Registration No. **011046C**

Piyush Goyal

(CA. Piyush Goyal)

Partner

Membership No. 466010

Place: Jaipur

Date: 30.05.2026

UDIN: 26466010HGULZN2918





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**"ANNEXURE -C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENT OF BHAGAWATI GAS LIMITED**

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

We have audited the internal financial controls with reference to the financial statements Bhagawati Gas Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Responsibilities of Management and Those Charged with Governance for
Internal Financial Controls**

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

**Auditors' Responsibility for the Audit of the Internal Financial Controls with
Reference to Financial Statements**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and the Guidance Note issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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





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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses were identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2026:

- (i) The Company did not have adequate internal financial controls for obtaining periodic balance confirmations from debtors, creditors, lenders and other parties.
- (ii) Adequate controls were not established for periodic assessment of the recoverability of financial assets in accordance with the Expected Credit Loss (ECL) model prescribed under Ind AS 109.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to the financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the





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Guidance Note on Audit of Internal Financial Controls Over Financial Reporting
issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in
determining the nature, timing and extent of audit tests applied in our audit of the
financial statements of the Company for the year ended March 31, 2026.

Our opinion on the adequacy and operating effectiveness of the Company's internal
financial controls with reference to financial statements is qualified in respect of
the above matters.

For Jain Paras Bilala & Company
Chartered Accountants
Firm Registration No.: **011046C**

Piyush Goyal



(CA. Piyush Goyal)
Partner
Membership No. 466010
Place: Jaipur
Date: 30.05.2026
UDIN: 26466010HGULZN2918

BHAGAWATI GAS LIMITED
(FORMERLY KNOWN AS BHAGAWATI GASES LIMITED)
REG. OFFICE: BANAWAS, KHETRI NAGAR, JHUNJHUNU RAJASTHAN
CIN - U24111RJ1974PLC005789
E mail id - bhagwatigascs@gmail.com
BALANCE SHEET AS AT 31ST MARCH 2026

(Amount in Rs. Lakhs)

PARTICULARS	Notes	As at 31 March 2026 Audited	As at 31 March 2025 Audited
(1) ASSETS			
Non-current assets	1	212.55	220.44
a) Property, plant and equipment		-	-
b) Capital Work-in Progress		-	-
c) Investment property		-	-
d) Goodwill		-	-
e) Other Intangible Asset		-	-
f) Intangible asset under development		-	-
g) Biological asset other than bearer plant		-	-
h) Financial assets	9A	51.15	48.45
(i) Loans	2	3.62	4.06
(ii) Investments		-	-
(iii) Trade Receivable	3	150.10	400.10
(iv) Other non current financial asset	4	119.97	93.66
i) Deferred Tax Asset (Net)	5	79.10	79.10
j) Other non-current asset		616.49	845.81
Total non-current assets			
Current assets	6	25.38	25.38
a) Inventories		-	-
b) Financial assets		-	384.16
(i) Investments	7	397.46	47.00
(ii) Trade receivables	8A	56.33	466.75
(iii) Cash and cash equivalents	8B	466.75	-
(iv) Other bank balances	9B	-	5.57
(v) Loans	10	3.57	60.63
(vi) Other current financial assets	11	12.67	290.15
c) Current Tax Asset (Net)	12	294.95	-
d) Other Current Assets		1,257.10	1,279.65
Total current assets		1,873.59	2,125.46
Total assets			
(2) EQUITY AND LIABILITIES			
Equity	13	1,674.25	1,674.25
a) Equity share capital	14	(103.58)	(205.23)
b) Other equity		1,570.66	1,469.02
Total equity			
Liabilities			
(I) Non-current liabilities			
a) Financial liabilities	15	-	-
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other financial liabilities	16A	8.99	14.64
b) Provisions		-	-
c) Deferred tax liabilities (net)		-	-
d) Other non-current liabilities		8.99	14.64
Total non-current liabilities			
(II) Current liabilities			
a) Financial liabilities	17	149.14	284.50
(i) Borrowings		-	-
(ii) Trade payables	18	50.93	280.28
(iii) Other financial liabilities	19	14.55	15.29
b) Other current liabilities	16B	79.31	61.72
c) Provisions		-	-
d) Current Tax Liabilities (Net)		293.93	641.80
Total current liabilities		302.93	656.45
Total liabilities		1,873.59	2,125.46
Total equity and liabilities			

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

For Jain Paras Bilala & Company
Chartered Accountants
FRN: 011046C

For and on behalf of the Board of Directors
Bhagawati Gas Limited



CA. PIYUSH GOYAL
PARTNER
M.No. 466010
Place: Jaipur
Date: 30.05.2026
UDIN: 26466010HGULZN2918



Rakesh Samrat Bhardwaj
Chairman and Managing Director
[DIN:00029757]

Nidhi Babbar
Company Secretary

Shachi Bhardwaj

Shachi Bhardwaj
Director
[DIN:07232850]

Dyuman S. Bhardwaj
Chief Financial Officer

BHAGAWATI GAS LIMITED
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E mail id - bhagwatigases@gmail.com

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(Amount in Rs. Lakhs)

PARTICULARS	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
I. Revenue from operations	20	24.84	46.16
II. Other income	21	254.45	389.46
III. Total Income (I+II)		279.29	435.62
IV. Expenses			
Purchase of Stock in Trade & Cost of Material Consumed	22	17.17	42.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	0.00	(6.07)
Employee benefits expense	24	77.27	82.30
Finance costs	25	30.57	30.92
Depreciation and amortisation expense	1	7.89	14.09
Other expenses	26	71.66	183.54
Total expenses		204.56	347.54
V. Profit/(Loss) before exceptional items and Tax		74.73	88.08
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax		74.73	88.08
VIII. Tax expense	27	-	-
(1) Current tax		-26.31	32.96
(2) Deferred tax		1.96	40.88
(3) Tax on Earlier Year		99.08	14.24
IX. Profit/(Loss) for the year		-	-
X. Other comprehensive income		-	-
Items that will not be reclassified to profit or loss		2.57	3.08
Re-measurement gains (losses) on defined benefit plans		101.65	17.31
XI. Total comprehensive income/(loss) for the year		-	-
XII. Earnings per equity share	28		
Basic (in Rs.)		0.61	0.10
Diluted (in Rs.)		0.61	0.10

The accompanying notes are integral part of the standalone financial statements.
This is the standalone Profit and Loss Statement referred to in our report of even date.

For Jain Paras Bilala & Company
Chartered Accountants
FRN: 011046C

Piyush Goyal
CA. PIYUSH GOYAL
PARTNER
M.No. 466010
Place: Jaipur
Date: 30.05.2026
UDIN : 26466010HGULZN2918



Rakesh Samrat Bhardwaj
Rakesh Samrat Bhardwaj
Chairman and Managing Director
[DIN:00029757]

Nidhi Babbar
Nidhi Babbar
Company Secretary

For and on behalf of the Board of Directors
Bhagawati Gas Limited

Shachi Bhardwaj
Shachi Bhardwaj
Director
[DIN:07232850]

Dyuman S. Bhardwaj
Dyuman S. Bhardwaj
Chief Financial Officer

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Cash Flow Statement for the year ended 31st March 2026

(Amount in Rs. Lakhs)

A) CASH FLOWS FROM OPERATING ACTIVITIES	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit before tax	74.73	88.08
Adjustments for:		
Depreciation of property, plant and equipments	7.89	14.09
Interest income on bank deposits and financial assets measured at amortised cost	-62.15	-67.46
Excess provision for expenses written back	2.57	3.08
Net (gain)/loss arising on financial instruments at FVTPL	0.44	0.44
Finance costs	30.57	30.92
DTA/DTL	-26.31	32.96
Debit Balances Written Off	46.70	4.51
Credit Balances Written Off	-235.24	2.76
Operating profit before working capital changes	-160.80	109.37
Changes in working capital:		
(Increase)/Decrease in Inventories	0.00	-6.07
(Increase)/decrease in Other current assets	-4.79	22.63
(Increase)/decrease Other current financial assets	2.00	-0.03
(Increase)/Decrease in Trade receivables	-13.29	-357.97
(Increase)/Decrease in current tax assets	1.26	37.13
Increase/(Decrease) in Other current financial liabilities	5.88	20.70
Increase/(Decrease) in Other current liabilities	-0.75	-13.24
Increase/(Decrease) in Provisions	11.94	1.78
Cash flow/(used in) from operations	-158.54	-185.70
Income tax paid/Deferred Tax (net of refunds)	24.35	-73.84
Net cash flow/ (used in) from operating activities (A)	-134.19	-259.54
B) CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/Decrease in other non-current financial assets	250.00	0.00
(Increase)/Decrease in other non-current assets	0.00	0.01
Interest received	62.15	67.46
(Increase)/Decrease in Loans	-2.70	7.02
Sale/(Purchase) of property, plant and equipment	0.00	-17.22
Net cash flow/(used in) from investing activities (B)	309.45	57.26
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-135.36	0.00
Proceeds from borrowings	0.00	194.33
Finance cost paid	-30.57	-30.92
Net cash flow/(used in) from financing activities (C)	-165.93	163.41
Increase/(decrease) in cash and cash equivalents (A+B+C)	9.33	-38.87
Opening balance of Cash and Cash Equivalent	47.00	85.87
Closing balance of Cash and Cash Equivalent	56.33	47.00

Notes:

1 Cash and Cash Equivalent consists of following:-

Cash in hand	28.07	5.74
Balances with banks		
In current accounts	3.70	16.38
Cheques in hand	24.56	24.88
Closing balance of Cash and Cash Equivalent	56.33	47.00

2 This is the standalone cash flow statement referred to in our report of even date.

3 Cash Flow has been prepared under indirect method as set out in IND AS-7

4 Previous Year's figures have been recasted/regrouped, wherever necessary, to confirm to the current year figures

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

For Jain Paras Bilala & Company
Chartered Accountants
FRN: 011046C

Piyush Goyal

CA. PIYUSH GOYAL
PARTNER
M.No. 466010
Place: Jaipur
Date: 30.05.2026
UDIN : 26466010HGULZN2918



For and on behalf of the Board of Directors
Bhagwati Gas Limited

Rakesh Samrat Bhardwaj
Rakesh Samrat Bhardwaj
Chairman and Managing Director
[DIN:00029757]

Nidhi Babbar
Nidhi Babbar
Company Secretary

Shachi Bhardwaj
Shachi Bhardwaj
Director
[DIN:07232850]

Dyuman S. Bhardwaj
Dyuman S. Bhardwaj
Chief Financial Officer

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026

A. Equity Share Capital (Refer Note 13)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the year		
Issued, subscribed and fully paid-up Shares	1,674.25	1,674.25
Changes in equity share capital during the year	-	-
Closing Balance	1,674.25	1,674.25

B. Other Equity (Refer Note 14)

Particulars	Reserves and Surplus			Total
	Securities Premium Account	General Reserve	Retained Earnings	
As at 31st March 2025				
Balance at the beginning of 1st April 2024	667.00	125.11	(1,014.66)	(222.54)
Net Profit/Loss for the year	-	-	14.24	14.24
Other comprehensive income for the year	-	-	3.08	3.08
Balance at the end of 31st March 2025	667.00	125.11	(997.34)	(205.23)
As at 31st March 2026				
Balance at the beginning of 1st April 2025	667.00	125.11	(997.34)	(205.23)
Net Profit/Loss for the year	-	-	99.08	99.08
Other comprehensive income for the year	-	-	2.57	2.57
Balance at the end of 31st March 2026	667.00	125.11	(895.69)	(103.58)

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

For Jain Paras Bilala & Company
Chartered Accountants
FRN: 011046C

Piyush Goyal
CA. PIYUSH GOYAL
PARTNER
M.No. 466010
Place: Jaipur
Date: 30.05.2026
UDIN : 26466010HGULZN2918



For and on behalf of the Board of Directors
Bhagawati Gas Limited

Rakesh Samrat Bhardwaj
Rakesh Samrat Bhardwaj
Chairman and Managing Director
[DIN:00029757]
Nidhi Babbar
Nidhi Babbar
Company Secretary

Shachi Bhardwaj
Shachi Bhardwaj
Director
[DIN:07232850]
Dyuman S. Bhardwaj
Dyuman S. Bhardwaj
Chief Financial Officer

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Notes to the financial statements for the year ended 31 March 2026

(All Amounts in Rs. Lakhs unless otherwise stated)

Note 1:

Property, plant and equipment as on 31st March 2026

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at 01 April 2025	Additions/ Adjustment	Deductions/ Adjustments	As at 31 March, 2026	Upto 31 March, 2025	For Current period	Deductions/ Adjustments	As at 31 March, 2026	As at 31 March, 2026	As at 31 March, 2025
Freehold Land	66.75	-	-	66.75	-	-	-	-	66.75	66.75
Building	564.70	-	-	564.70	415.57	7.61	-	423.18	141.52	149.13
Improvement to Building	71.41	-	-	71.41	67.84	-	-	67.84	3.57	3.57
Furniture & Fixture	0.58	-	-	0.58	0.13	0.05	-	0.18	0.39	0.45
Plant & Machinery	4.65	-	-	4.65	4.65	-	-	4.65	-	-
Computers	0.72	-	-	0.72	0.18	0.23	-	0.40	0.32	0.54
Total	708.81	-	-	708.81	488.37	7.89	-	496.26	212.55	220.44

Property, plant and equipment as on 31st March 2025

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at 01 April 2024	Additions/ Adjustment	Deductions/ Adjustments	As at 31 March, 2025	Upto 31 March, 2024	For Current period	Deductions/ Adjustments	As at 31 March, 2025	As at 31 March, 2025	As at 31 March, 2024
Freehold Land	66.75	-	-	66.75	-	-	-	-	66.75	66.75
Building	548.35	16.36	-	564.70	401.71	13.86	-	415.57	149.13	146.63
Improvement to Building	71.41	-	-	71.41	67.84	-	-	67.84	3.57	3.57
Furniture & Fixture	0.43	0.15	-	0.58	0.08	0.05	-	0.13	0.45	0.35
Plant & Machinery	4.65	-	-	4.65	4.65	-	-	4.65	-	-
Computers	-	0.72	-	0.72	-	0.18	-	0.18	0.54	-
Total	691.59	17.22	-	708.81	474.28	14.09	-	488.37	220.44	217.31

a) PPE is measured on cost model.

b) Depreciation is charged on Straight Line Method in accordance with the Companies Act 2013.



(All Amounts in Rs. Lakhs unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Note 2:		
Investments		
Amount of quoted investments		
Investment in Equity Shares of Bhagwati Oxygen Limited	3.62	4.06
[10,000 equity shares of Rs 10 each @ Market Price 36.15 as on 31.03.2026]		
[10,000 equity shares of Rs 10 each @ Market Price 40.57 as on 31.03.2025]		
Aggregate amount of unquoted investments		
Total	3.62	4.06

- (a) Investment in equity shares of Bhagwati Oxygen Limited measured at fair value through profit & loss (FVTPL).
(b) Market Price is the closing value of share on the last trading day of the financial year.

	As at 31 March 2026	As at 31 March 2025
Note 3:		
Other Non Current Financial Asset		
Security Deposit with Parties	0.10	0.10
Bank deposits with more than 12 months maturity	150.00	400.00
Total	150.10	400.10

	As at 31 March 2026	As at 31 March 2025
Note 4:		
Deferred Tax Assets (Net)		
Deferred Tax Asset	119.97	93.66
Total	119.97	93.66

- a) A review of Deferred tax assets has been carried out by the management and The Net Deferred Tax Asset INR 119.97 lakhs has been recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
b) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Refer Note 40 for calculation of Deferred Tax Asset.

	As at 31 March 2026	As at 31 March 2025
Note 5:		
Other Non-Current Asset		
Advance for property	79.10	79.10
Total	79.10	79.10

	As at 31 March 2026	As at 31 March 2025
Note 6:		
Inventories		
Raw Material	-	-
Work In process	-	-
Finished Goods	25.38	25.38
Total	25.38	25.38

	As at 31 March 2026	As at 31 March 2025
Note 7:		
Trade receivables		
Considered Good - Secured	-	-
Considered Good - Unsecured	397.46	384.16
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total Trade Receivable	397.46	384.16
Less:- Loss allowance	-	-
Total	397.46	384.16

(a) Trade Receivables ageing schedule as on 31.03.2026

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables - considered good	3.65	6.50	344.01	36.95	6.36	397.46
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

*Trade receivables have been classified as current as they are expected to be realised within the normal operating cycle of the company.



(All Amounts in Rs. Lakhs unless otherwise stated)

(b) Trade Receivables ageing schedule as on 31.03.2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	345.58	12.39	19.84	-	6.36	384.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

	As at 31 March 2026	As at 31 March 2025
Note 8(A):		
Cash and cash equivalents		
Cash in hand	28.07	5.74
Balances with banks		
In current accounts*	3.70	16.38
Cheques in hand**	24.56	24.88
Total	56.33	47.00

* Includes balance of ICICI Bank (Account No. 002905003927), for which account statement or confirmation certificate is presently unavailable.

** Cheque in Hand amounting INR 24.56 Lakhs have been cleared till the date of signing of Balance Sheet.

	As at 31 March 2026	As at 31 March 2025
Note 8(B):		
Other Bank Balances		
Bank deposits with less than 12 months maturity*	466.75	466.75
The above bank deposit has been given as a margin against bank guarantee. (Refer Note no 31)		
Total	466.75	466.75

	As at 31 March 2026	As at 31 March 2025
Note 9 (A):		
Loans & Advances- Non Current		
1. Loans to related parties		
2. Others*	51.15	48.45
	51.15	48.45
(i) Considered good - Secured	-	-
(ii) Considered good - Unsecured*	51.15	48.45
(iii) Loan receivables which have significant increase in credit risk	-	-
(iv) Loan receivables - credit impaired	-	-
	51.15	48.45
(v) Less: Allowance for bad and doubtful loans	-	-
Total	51.15	48.45

	As at 31 March 2026	As at 31 March 2025
Note 9 (B):		
Loans & Advances- Current		
1. Loans to related parties	-	-
2. Others	-	-
	-	-
(i) Considered good - Secured	-	-
(ii) Considered good - Unsecured	-	-
(iii) Loan receivables which have significant increase in credit risk	-	-
(iv) Loan receivables - credit impaired	-	-
	-	-
(v) Less: Allowance for bad and doubtful loans	-	-
Total	-	-

*The principal component of the loan granted is INR 30.00 lakhs. Interest has accrued at the rate of 10% per annum as per the agreed loan terms.



	As at 31 March 2026	As at 31 March 2025
Note 10:		
Other Current Financial Asset		
Interest Receivable	3.57	5.57
Total	3.57	5.57

	As at 31 March 2026	As at 31 March 2025
Note 11:		
Current Tax Assets (Net)		
Advance Tax /TDS (net of provision)	12.67	60.63
Total	12.67	60.63

	As at 31 March 2026	As at 31 March 2025
Note 12:		
Other Current Assets		
Security Deposits	-	1.60
Advance to Material/Service Providers	253.47	252.13
Advance to Employees & Others (Exp.)	26.12	26.26
Balances with Government Authorities	15.36	10.16
Total	294.95	290.15

- a) We are in the process of re-collecting detailed business information of some parties. In the absence of specific business details of the companies to whom advances have been made, the classification of such advances has been made based on information available with management.
- b) We are also in the process of re-collecting relevant documentation, including agreements, Purchase Orders, and Work Orders, to formally confirm the purpose of the advances made.
- c) Advance to Material/Service Providers include INR 74.35 Lakhs given to related parties.
- d) Balance with Government Authorities is subject to reconciliation.



(All Amounts in Rs. Lakhs unless otherwise stated)

Note 13:				
Equity share capital	As at 31 March 2026		As at 31 March 2025	
	Number	Amount(in Rs.)	Number	Amount(in Rs.)
Authorised				
Equity Shares of Rs. 10 each	25,000,000.00	2,500.00	25,000,000.00	2,500.00
		2,500.00		2,500.00
Issued, subscribed and paid up				
Equity Shares of Rs. 10 each	16,742,459.00	1,674.25	16,742,459.00	1,674.25
		1,674.25		1,674.25

Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	16,742,459.00	1,674.25	16,742,459.00	1,674.25
Add: Call money received				
Balance at the end of the year		1,674.25		1,674.25

Description of the rights, preferences and restrictions attached to equity shares

(a) The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if declared, are paid in Indian rupees.

(b) No dividend has been proposed by the board of directors.

(c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Details of shareholders holding more than 5% of equity share capital				
Name of the equity shareholder	As at 31 March 2026		As at 31 March 2025	
	Number	%	Number	%
Rakesh Samrat Bhardwaj	2,347,610	14.02%	2,347,610	14.02%
Shachi Bhardwaj	977,600	5.84%	977,600	5.84%
Bhagwati Steels Private Limited	1,040,600	6.22%	1,040,600	6.22%

Promoters shareholding					
Equity shareholding of promoters as on March 31, 2026 & 2025					
Promoter name	As at 31 March, 2026		As at 31 March, 2025		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
INDIVIDUAL/HUF					
RAKESH SAMRAT BHARDWAJ	1,541,220	9.2055%	1,541,220	9.2055%	-
SHACHI BHARADWAJ	967,300	5.7775%	967,300	5.7775%	-
RAKESH S BHARADWAJ	462,400	2.7618%	462,400	2.7618%	-
HIMANSHU SHARMA	432,163	2.5812%	432,163	2.5812%	-
R S BHARADWAJ	307,140	1.8345%	307,140	1.8345%	-
SARBATI DEVI SHARMA	146,450	0.8747%	146,450	0.8747%	-
RAMRUP SHARMA	87,510	0.5227%	87,510	0.5227%	-
R.R. SHARMA	55,300	0.3303%	55,300	0.3303%	-
B.P. BHARADWAJ	50,100	0.2992%	50,100	0.2992%	-
PADMA BHARADWAJ	34,300	0.2049%	34,300	0.2049%	-
KANTA DEVI BHARDWAJ	33,110	0.1978%	33,110	0.1978%	-
RAKESH SAMRAT BHARDWAJ	32,150	0.1920%	32,150	0.1920%	-
S.K. SHARMA	30,400	0.1816%	30,400	0.1816%	-
RAM RUP SHARMA	25,000	0.1493%	25,000	0.1493%	-
VIVEK SHARMA	24,400	0.1457%	24,400	0.1457%	-
SURESH KUMAR SHARMA	22,750	0.1359%	22,750	0.1359%	-
HIMANSHU SHARMA	17,200	0.1027%	17,200	0.1027%	-
DYUMAN BHARDWAJ	14,000	0.0836%	14,000	0.0836%	-
TARA DEVI SHARMA	11,700	0.0699%	11,700	0.0699%	-
SURESH KUMAR SHARMA	11,500	0.0687%	11,500	0.0687%	-
SHACHI BHARDWAJ	10,300	0.0615%	10,300	0.0615%	-
SUMAN SHARMA	6,000	0.0358%	6,000	0.0358%	-
RAKESH S BHARDWAJ	4,700	0.0281%	4,700	0.0281%	-
RAMRUP SHARMA	4,000	0.0239%	4,000	0.0239%	-
SHASHI SHARMA	1,000	0.0060%	1,000	0.0060%	-
GOKULA NANDA MUKHERJEE	500	0.0030%	500	0.0030%	-
KANTA DEVI BHARDWAJ	300	0.0018%	300	0.0018%	-
MURLIDHAR GUPTA	10	0.0001%	10	0.0001%	-
MANSACHARAN CHAKRABARTY	10	0.0001%	10	0.0001%	-
DHARAMPAL SAROWA	10	0.0001%	10	0.0001%	-
LAXMICHAND SHARMA	10	0.0001%	10	0.0001%	-
RAMPRATAP SHARMA	10	0.0001%	10	0.0001%	-
ANY OTHER					
BHAGAWATI STEEL PVT LTD	1,040,600	6.2153%	1,040,600	6.2153%	-
BHAGAWATI OXYGEN LIMITED	90,000	0.5376%	90,000	0.5376%	-
S K STEELS PVT LTD	81,900	0.4892%	81,900	0.4892%	-
BLUE CROSS SERVICES PVT LTD	70,000	0.4181%	70,000	0.4181%	-
NGP INDUSTRIES	50,000	0.2986%	50,000	0.2986%	-
LAVINO PORTFOLIOS PVT LTD	40,000	0.2389%	40,000	0.2389%	-
BHAGAWATI INTERNATIONAL PVT LTD	25,000	0.1493%	25,000	0.1493%	-
Total	5,730,443	34.23%	5,730,443	34.23%	NIL

- a) There are no bonus shares issued, or shares bought back during the period of five years immediately preceding the reporting date.
b) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.



	As at 31 March 2026	As at 31 March 2025
Note 14:		
Other Equity		
Securities Premium Account	667.00	667.00
General Reserve	125.11	125.11
Retained Earnings	-895.69	-997.34
Total	-103.58	-205.23

Nature and scope of Reserves:

(a) General Reserve represents profits appropriated in earlier years and retained in the business to strengthen the financial position of the Company.

(b) Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Retained Earning in the Statement of Profit and Loss represents accumulated profits and losses retained in the business after appropriations

(All Amounts in Rs. Lakhs unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Note 15:		
Borrowings - Non-Current		
Secured Loans:		
Bonds or debentures;	-	-
Term loans;	-	-
(i) from banks;	-	-
(ii) from other parties;	-	-
Deferred payment liabilities;	-	-
Deposits;	-	-
Loans from related parties;	-	-
Liability component of compound financial instruments;	-	-
Other loans	-	-
Total	-	-
Unsecured loans		
Bonds or debentures;	-	-
Term loans;	-	-
(i) from banks;	-	-
(ii) from other parties;	-	-
Deferred payment liabilities;	-	-
Deposits;	-	-
Loans from related parties;	-	-
Liability component of compound financial instruments;	-	-
Other loans	-	-
Total	-	-

	As at 31 March 2026	As at 31 March 2025
Note 16A:		
Provisions - Non-current		
Provision for employee benefits:		
Gratuity	3.10	5.41
Compensated absences	5.90	9.23
Total	8.99	14.64
Note 16B:		
Provisions - Current		
Provision for Employee Benefits:		
Gratuity	36.39	32.21
Compensated absences	41.42	28.01
Provision for Audit Fees	1.50	1.50
Provision for Income Tax	-	-
Total	79.31	61.72



	As at 31 March 2026	As at 31 March 2025
Note 17:		
Borrowings - Current		
Secured Loans:		
Bonds or Debentures;	-	-
Term Loans (Current Maturities);	-	-
(i) from banks	-	-
(ii) from other parties;	-	12.22
Deferred Payment Liabilities;	-	-
Deposits;	-	-
Loans from Related Parties;	-	-
Liability Component of Compound Financial Instruments	-	-
Overdraft Limit - Canara Bank	122.14	245.28
Other Loans	-	-
Total Current Secured Borrowings	122.14	257.50
Unsecured loans		
Bonds or Debentures;	-	-
Term Loans;	-	-
(i) from banks;	-	-
(ii) from other parties;	27.00	27.00
Deferred Payment Liabilities;	-	-
Deposits;	-	-
Loans from Related Parties;	-	-
Liability Component of Compound Financial Instruments	-	-
Other Loans	-	-
Total Current Unsecured Borrowings	27.00	27.00
Total Current Borrowings	149.14	284.50

a) Company has taken Overdraft Facility from Canara Bank of INR 2.00 Crores. Having Rate of Interest @ 11.40% p.a. for Working Capital requirements. The Limit is secured by hypothecation of Current Assets (Stock, Book debts etc) both Current & Future and also by mortgaging of Industrial Land & Building situated at " Khasra No. 71 to 80, Revenue village Banwas, Tehsil Khetri Buhana Jhunjhunu Rajasthan".

	As at 31 March 2026	As at 31 March 2025
Note 18:		
Other financial liabilities - Current		
Payable to related parties	12.56	8.30
Interest Payable (On Overdraft & Term Loan)	0.00	0.86
Advance received against Order	0.25	0.25
Other payables	38.12	270.88
Total	50.93	280.28

	As at 31 March 2026	As at 31 March 2025
Note 19:		
Other current liabilities		
Payable to statutory authorities	1.99	6.91
Employee payables	12.56	8.39
Total	14.55	15.29



(All Amounts in Rs. Lakhs unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 20:		
Revenue from operations/Revenue from contract with customer		
Sale of Goods	18.52	10.89
Water Treatment Income	6.31	35.27
Total	24.84	46.16

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 20(a):		
Reconciliation of revenue recognised with contract price:		
Contract Price	24.84	46.16
Adjustment for:- Discount, Refund & Rebate Liabilities	-	-
	24.84	46.16

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 21:		
Other Income		
Interest income on bank deposits	57.67	64.40
Interest on loan	4.48	3.05
Change in fair value of investment	0.00	-0.44
Balances Written Off	191.28	-
Freight Income	0.52	-
Advertisement Income	0.50	-
Claim/Award receivable from arbitration*	-	322.44
Total	254.45	389.46

*Income has been recognised on account of a claim receivable arising from arbitration. Based on legal opinion obtained, a review by legal experts, and management's assessment thereof, the management is of the view that the entire amount is receivable and that no uncertainty exists regarding its recoverability.

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 22(a):		
Purchases		
Purchase During the Year	17.17	16.96
Note 22(b):		
Cost of Material Consumed/Direct Expenditure		
Labour expenses	-	25.80
Total	17.17	42.76

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 23:		
Change in Inventory		
Opening Inventories		
Finished Goods	25.38	19.31
Work in progress	-	-
	25.38	19.31
Less: Closing Inventories		
Finished Goods	25.38	25.38
Work in progress	-	-
	25.38	25.38
Increase/(Decrease)	0.00	-6.07

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 24:		
Employee Benefits Expense		
Salaries and wages	52.92	64.14
Staff welfare expenses	9.84	10.05
Other employee benefits	14.51	8.11
Total	77.27	82.30



	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 25:		
Finance costs		
Interest on overdraft/ working capital limit	26.46	17.52
Interest on loan	1.16	2.17
Other borrowing cost	2.95	11.23
Bank Charges 0.38		
Commission on Bank Guarantee 2.33		
Bank Penal Charges 0.25		
Total	30.57	30.92

(All Amounts in Rs. Lakhs unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 26:		
Other Expenses		
Travelling and conveyance	14.15	31.32
Electricity charges	4.10	6.99
Balances/Bad debts written off	0.00	11.29
Auditor's remuneration	1.20	1.20
Security expenses	0.47	3.97
Legal and professional	6.10	46.91
Repairs and maintenance	22.91	27.87
Change in fair value of investment	0.44	0.00
Insurance	0.31	0.37
Rates and taxes	0.11	0.05
Marketing and business promotions	3.88	3.19
Donations	0.54	0.56
General & Miscellaneous expenses	5.22	8.34
Rental expenses	0.00	0.09
Office and administrative expenses	10.50	40.98
Research and development exp	0.00	0.00
Cartage, freight and forwarding charges	1.73	0.43
Total	71.66	183.54

	For the year ended 31 March 2026	For the year ended 31 March 2025
Note 27:		
Tax Expenses		
Current tax	-	-
Deferred tax	-26.31	32.96
Tax on Earlier Years	1.96	40.88
Income tax expense recognised in the statement of profit and loss	-24.35	73.84

*No provision for current tax expense has been recognised by the Company based on the Management's assessment of the estimated tax liability for the year, availability of carried forward losses and unabsorbed depreciation available for set-off against taxable profits.

Note 28:

Earnings per share (EPS)

Earnings per share (EPS) is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit attributable to equity shareholders	101.65	17.31
Effect of dilution	-	-
Profit attributable to equity shareholders adjusted for the effect of dilution	101.65	17.31
Weighted average number of equity shares for basic EPS	16742459	16742459
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution	16742459	16742459
Earnings per equity share		
Basic	0.61	0.10
Diluted	0.61	0.10



Note 29:**Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified and certified by the management are given below:

i) Entities under common control	
	Lavino Portfolios Private Limited
	Bhagwati Steel Private Limited
	Bhagwati International Limited
	Bhagwati Combat Systems Limited
	Kamakshi Bicon Private Limited
	Dyuman Private Limited
	Bhagwati Heavy Equipments Maintenance And Services Private Limited
	Flow Tech Hotels Private Limited
	S.K Steels Private Limited
	Bhagwati Oxygen Ltd (Kolkata) A/C
	Bhagwati Oxygen Ltd (Ballabgarh) A/C

ii) Key management personnel (KMP)	
Mr. Rakesh Samrat Bhardwaj	Managing Director
Ms. Shachi Bhardwaj	Director
Mr. Vijay Gupta	Independent Director
Mr. Nawal Kishor Joshi	Director
Mr. Dyuman Samrat Bhardwaj	Chief Financial Officer
Mr. Narendra Kumar Agarwal	Independent Director (w.e.f 28.07.2025)
Ms. Nidhi Babbar	Company Secretary (w.e.f 04.07.2025)

iii) Relatives of KMP		
S No.	Name of Relatives	Relationship with KMP
1	Ms. Padmja Bharadwaj	Daughter of Mr. Rakesh S. Bhardwaj and Mrs. Shachi Bhardwaj

(iv) Transactions with related parties carried out in the ordinary course of business:					
S No.	Particulars	Year	Related parties		Total
			Entities under common control	Key management personnel and their relatives	
1			Remuneration		
	Rakesh Samrat Bhardwaj	2025-26	-	18.60	18.60
		2024-25	-	18.60	18.60
	Shachi Bhardwaj	2025-26	-	-	-
		2024-25	-	0.96	0.96
	Dyuman Samrat Bhardwaj	2025-26	-	12.00	12.00
		2024-25	-	9.00	9.00
	Nidhi Babbar	2025-26	-	2.20	2.20
		2024-25	-	-	-
	Padmja Bharadwaj	2025-26	-	3.24	3.24
		2024-25	-	3.24	3.24
	Vijay Gupta	2025-26	-	1.90	1.90
		2024-25	-	0.36	0.36
	Narendra Kumar Agarwal	2025-26	-	2.25	2.25
		2024-25	-	-	-

Category wise key management personnel compensation:

Employee benefits	For the period ended 31.3.2026	For the period ended 31.3.2025
Short term employee benefits	40.19	32.10
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-

2	Business Advance Given to Creditors/ Supplier (Net)/Expenses/ Payment paid on behalf of / Amount Paid/Loan Repaid				
	Rakesh Samrat Bhardwaj	2025-26	-	7.32	7.32
		2024-25	-	4.89	4.89
	Bhagwati International Limited	2025-26	20.89	-	20.89
		2024-25	14.74	-	14.74
	Bhagwati Steel Pvt. Ltd.	2025-26	0.21	-	0.21
		2024-25	-	-	-
	Dyuman Samrat Bhardwaj	2025-26	-	19.87	19.87
		2024-25	-	11.80	11.80
	Dyuman Private Limited	2025-26	0.17	-	0.17
		2024-25	26.97	-	26.97
	Shachi Bhardwaj	2025-26	-	11.40	11.40
		2024-25	-	13.31	13.31
	S.K.Steel Pvt Ltd	2025-26	0.14	-	0.14
		2024-25	0.02	-	0.02
	Lavino Portfolios Private Limited	2025-26	0.04	-	0.04
		2024-25	0.02	-	0.02
	Kamakshi Bicon Private Limited	2025-26	1.02	-	1.02
		2024-25	0.01	-	0.01
	Bhagwati Combat Systems Limited	2025-26	2.04	-	2.04
		2024-25	0.04	-	0.04
	Bhagwati Oxygen Ltd (Kolkata)	2025-26	-	-	-
		2024-25	-	-	-
	Bhagwati Oxygen Ltd (Ballabgarh)	2025-26	-	-	-
		2024-25	-	-	-



3	Amount received/ Cheque received/ Paid on behalf of Company				
	Rakesh Samrat Bhardwaj	2025-26		11.80	11.80
		2024-25		3.17	3.17
	Bhagwati International Limited	2025-26	20.80		20.80
		2024-25	14.74		14.74
	Dyuman Samrat Bhardwaj	2025-26		23.02	23.02
		2024-25		3.48	3.48
	Dyuman Private Limited	2025-26	0.02		0.02
		2024-25	16.90		16.90
	Shachi Bhardwaj	2025-26		11.19	11.19
		2024-25			
	S.K.Steel Pvt Ltd	2025-26	0.04		0.04
		2024-25	0.02		0.02
	Kamakshi Briton Private Limited	2025-26	1.02		1.02
		2024-25	0.01		0.01
	Bhagwati Combat Systems Limited	2025-26	2.04		2.04
		2024-25	0.04		0.04
4	Sales				
	Dyuman Pvt Limited A/C	2025-26	-	-	
		2024-25	10.47		10.47
Note:	Cheque received against advances given to Bhagwati International Limited was not cleared from Bank till 31.03.2026 and the same realised after 31.03.2026 (INR 19.56 Lakhs)				
	Cheque received against advances given to Shachi Bhardwaj was not cleared from Bank till 31.03.2026 and the same realised after 31.03.2026 (INR 5 Lakhs)				

(v) Closing balance with related parties in the ordinary course of business :

17. Closing balance with related parties in the ordinary course of business:					
S No.	Particulars	Year	Related parties		Total
			Entities under common control	Key management personnel and their relatives	
1	Advances to related parties for materials/ Others Current Transactions(Business Transaction)				
	S.K.Steel Pvt Ltd	31-Mar-26	64.64	-	64.64
		31-Mar-25	64.34	-	64.34
	Dyuman Private Limited	31-Mar-26	10.47	-	10.47
		31-Mar-25	10.47	-	10.47
	Lavino Portfolios Private Limited	31-Mar-26	-	-	-
		31-Mar-25	-	-	-
	Shachi Bhardwaj	31-Mar-26	-	3.82	3.82
		31-Mar-25	-	3.61	3.61
	Dyuman Samrat Bhardwaj	31-Mar-26	-	5.75	5.75
		31-Mar-25	-	8.90	8.90
2	Advances from related party				
	Rakesh Samrat Bhardwaj	31-Mar-26	-	4.48	4.48
		31-Mar-25	-	-	-
	Shachi Bhardwaj	31-Mar-26	-	-	-
		31-Mar-25	-	-	-
3	Other financial liabilities				
	Narendra Kumar Agarwal	31-Mar-26	-	0.40	0.40
		31-Mar-25	-	-	-
	Vijay Gupta	31-Mar-26	-	1.10	1.10
		31-Mar-25	-	-	-
	Bhagwati Steel Private Limited (consolidated)	31-Mar-26	8.09	-	8.09
		31-Mar-25	8.30	-	8.30



(All Amounts in Rs. Lakhs unless otherwise stated)

Note 30:

Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. The Company monitors capital using debt equity ratio which is presented below:

Particulars	As at 31 March 2026	As at 31 March 2025
Total borrowings	149.14	284.50
Total equity	1,570.66	1,469.02
Net debt to equity ratio	0.09	0.19

Note 31:

Contingent Liabilities and Commitments:

Particulars	As at 31 March 2026	As at 31 March 2025
Counter Guarantee given to bankers for guarantees issued by the banker (Net of margins)*	466.75	866.75

*As of 31.03.2026, Bhagwati Gases Limited has provided financial guarantees to the Registrar Administrator, Rajasthan High Court Bench, Jaipur, Rajasthan.

The maximum potential liability under the financial guarantees amounts to Rs. 466.75 Lakhs, representing the face value of the guarantees.

Asset Hypothecated = Mortgage of Industrial Land & Building situated at " Khasra No. 71 to 80, Revenue village Banwas, Tehsil Khetri Buhana Jhunjhunu Rajasthan"

Note 32:

Contingent asset

Bhagwati Gas Limited (hereinafter referred to as "the Company") is a party to legal proceedings involving M/s. Hindustan Copper Limited (hereinafter referred to as "HCL") in respect of a claim arising from the matter under consideration.

Pursuant to the orders of the Hon'ble Supreme Court, HCL is required to deposit the decretal amount with the Court. However, the amount deposited by HCL is presently not in full satisfaction of the amount claimed by the Company. The matter is presently pending before the Hon'ble Supreme Court for final disposal.

The amount, if any, ultimately recoverable by the Company from HCL, including any applicable interest, shall be determined pursuant to the final order of the Hon'ble Supreme Court. Accordingly, the Company has not recognised any asset or income in respect of the aforesaid claim in the financial statements as at the reporting date. The matter is being actively pursued by the Company and the contingent asset will be recognised when the realisation of the related economic benefits becomes virtually certain.



Note 33:

Financial Ratios

Particulars	Numerator (refer notes below)	Denominator (refer notes below)	As at 31st March 2026	As at 31st March 2025	% of change	Reasons for more than 25% increase/(decrease):
a. Current Ratio	Current Assets (CA)	Current Liabilities (CL)	4.28	1.99	114.50%	Variance is due to decrease in current liability as compared to current assets
b. Debt-Equity Ratio	Debt	Equity	0.09	0.19	-50.97%	The variance is due to decrease in short term borrowings
c. Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	4.50	1.92	134.79%	The variance is due to an increase in profits of the company leading to higher earning available for service of debt.
d. Return on Equity Ratio/ Return on investment	Profit after tax	Average Shareholder Equity	6.69%	1.19%	464.14%	The company reported higher profit as compared to FY 2024-2025 which has resulted in the change in return on equity.
e. Inventory turnover ratio	Cost of goods sold or Sales	Average Inventory	0.68	0.49	38.87%	The increase in inventory turnover ratio is due to relatively higher consumption / cost of materials in proportion to average inventory held during the year.
f. Trade Receivables turnover ratio	Net Credit Sales	Average Receivables	0.06	0.22	-71.44%	The variance is due to decrease in Revenue
g. Trade payables turnover ratio	Net Credit Purchases	Average Payables	-	-	NA	
h. Net capital turnover ratio	Net Sales	Working Capital	0.03	0.07	-64.37%	The variance is due to increase in working capital and decrease in net sales
i. Net profit ratio	Profit after tax	Revenue from Operation	3.99	0.31	1193.49%	The variance is due to increase in Profits & decrease in Revenue of the company.
j. Return on Capital employed	Earning before interest and tax	Capital employed	6.67%	8.02%	-16.88%	The variance is due to a slight decrease in EBIT and increase in Capital employed.
k. Return on Investment	Change in value of investment minus any net external cash flows	The market value at the beginning, plus the weighted effect of each external cash flow	(0.11)	(0.10)	-11.12%	The variance is due to decrease in the value of investments.

i) Debt = Long Term Borrowing + Short Term Borrowing

ii) Equity = Share Capital + other Equity

iii) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Finance Cost

iv) Debt Service = Interest + Lease payments + Principal repayments

v) Average Shareholder Equity = (Opening total equity + Closing total equity) / 2

vi) Average Inventory = (Opening Inventory + Closing Inventory) / 2

vii) Average Receivable = (Opening Receivable + Closing Receivable) / 2

viii) Average Payables = (Opening Payables + Closing Payables) / 2

vii) Working Capital = Current assets - Current Liabilities

viii) Capital employed = Total Asset - Goodwill - Current Liabilities



(All Amounts in Rs. Lakhs unless otherwise stated)

Note 34:

Defined benefit plans

The Company provides gratuity (which is unfunded) as employee benefit schemes to its employees. The following table sets out the status of the defined benefit scheme and the amount recognised in the financial statements.

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

Particulars	Gratuity	
	Year ended 31.03.2026	Year ended 31.03.2025
Defined Benefit obligation at beginning of the year	37.62	36.42
Current Service Cost	1.92	1.68
Interest Cost	2.52	2.60
Benefits paid	-	-
Actuarial (gain)/ loss	-2.57	-3.08
Defined Benefit obligation at year end	39.49	37.62

ii) Expenses recognised during the year:

Particulars	Gratuity	
	Year ended 31.03.2026	Year ended 31.03.2025
In Income Statement		
Current Service Cost	1.92	1.68
Interest Cost	2.52	2.60
Net Cost	4.44	4.27
In Other Comprehensive Income		
Actuarial (gain)/loss on defined benefit obligation	(2.57)	(3.08)
Net (Income) /Expense recognized in OCI	(2.57)	(3.08)

iii) Actuarial assumptions:

Particulars	Gratuity	
	Year ended 31.03.2026	Year ended 31.03.2025
Mortality Table (I.A.L.M)	2012-14	2012-14
Discount rate (per annum)	7.54	6.71
Rate of escalation in salary (per annum)	5.50	5.50

*The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

iv) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee

Particulars	Gratuity	
	As at 31st March	
	2026	2025
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	39.49	37.62
i) Impact due to increase of 0.5%	-0.29	-0.26
ii) Impact due to decrease of 0.5%	0.32	0.30
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	39.49	37.62
i) Impact due to increase of 0.5%	0.33	0.30
ii) Impact due to decrease of 0.5%	-0.29	-0.27

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

a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest risk

A decrease in the bond interest rate will increase the plan liability.

c) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and other their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Note 35:

Corporate Social Responsibility (CSR) expenditure

The provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility (CSR), are not applicable to the Company for the financial year 2025-26 (the same was also not applicable during previous financial year 2024-25).



Note 36:**Other statutory information**

- (i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (ii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note 37:

Opening Balances has been taken as per last year's audited Balance Sheets there are some differences as per data as available on Common Portal like Income Tax, GST & TDS which are under Reconciliation.

Note 38:

Previous year figures have been regrouped/reclassified, wherever considered necessary.

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

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

Note 39:-**Debt Reconciliation Statement**

Particulars	As at 1 April 2025	Cash Flows	Exchange Rate Difference Adjustment	Accruals/Other s	As at 31 March 2026
Current Borrowings	284.50	-135.36	-		149.14

Note 40:-**Deferred Tax Calculation**

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Fixed Assets		
WDV of assets as per Books	145.80	153.69
WDV of assets as per IT Act	115.38	122.86
Net Balance	-30.42	-30.83
Unabsorbed Depreciation		
Unabsorbed Depreciation of Previous Years	46.56	46.56
Unabsorbed Depreciation of Current Year	0.00	0.00
Carried Forward Losses		
Business Losses available for set off	373.71	409.98
Provision For Gratuity	39.49	-
Provision For Leave Encashment	47.32	-
Total Timing Difference	476.66	425.72
DTA on Timing Difference	119.97	93.66
Less: DTA already recognized till Previous Year	93.66	126.62
DTA recognized/(reversed) during the year	-26.31	32.96



Note 42:-**ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III**

- (i) **Title deeds of Immovable Property held in the name of the company.**
As on 31st March 2026, all title deeds of immovable properties are held in the name of Company.

- (ii) **Revaluation of Property, Plant and Equipment, Right-of-Use Assets and Intangible Asset**

The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

- (iii) No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand or
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMP	-	-
Related Party	-	-

- (iv) **Capital-Work-in Progress (CWIP):**

CWIP aging schedule										
CWIP	Amount in CWIP for a period of 2024-2025					Amount in CWIP for a period of 2025-2026				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-	-	-	-	-	-	-	-	-	-	-

- (v) **Disclosure regarding Intangible assets under development:-** Not Applicable as no intangible assets are under development

- (vi) **Whether the Company has borrowings from banks or financial institutions on the basis of security of current assets:**

Yes, the Company is availing CC/OD Facility from Canara Bank amounting to Rs. 200.00 Lacs.

Based on the information and details made available to us, the Company is not regular in submitting statements of current assets and financials to banks or financial institutions. In the absence of proper records, we are unable to comment on the actual variations, if any, between the books of accounts and the statements submitted to the bank.

- (vii) **Compliance with number of layers of companies:**

The Company has complied with the prescribed number of layers of companies as stipulated under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017. Accordingly, no disclosure is required in respect of companies beyond the permitted layers.

- (viii) **Compliance with approved Scheme(s) of Arrangements:-**No Such case

- (ix) **Details of Benami Property held:**

No proceedings have been initiated or are pending against the Company as at 31st March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- (x) **Willful Defaulter:**

The Company has not been declared a willful defaulter/NPA by any bank or other financial institution.

- (xi) **Utilisation of Borrowed fund and share premium**

A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

B) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly, or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under subclauses (a) and (b) above contain any material misstatement.

- (xii) **Fair Valuation of Investment Property**

The Company does not hold any investment property as at the reporting date. Accordingly, the requirement to disclose the fair value of investment property and whether such valuation is based on a valuation by a registered valuer is not applicable.

- (xiii) **Relationship with Struck off Companies**

During the year, the Company has not entered into any transactions with companies that have been struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

- (xiv) **Registration of charges or satisfaction with Registrar of Companies (ROC)**

All charges and satisfactions relating to the Company have been duly registered with the Registrar of Companies (ROC) within the prescribed statutory period. Accordingly, as on 31st March 2026 there are no charges or satisfactions pending for registration beyond the statutory timeline.



BHAGAWATI GAS LIMITED

(Formerly known as Bhagawati Gases Limited)

CIN : U24111RJ1974PLC005789

REGD. OFFICE: BANAWAS, KHETRI NAGAR, JHUNJHUNU, RAJASTHAN, INDIA, 333504

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

A. CORPORATE INFORMATION

Bhagawati Gas Limited (the "Company") is a company incorporated and domiciled in India, having its corporate office at S-492/A, Greater Kailash-1, New Delhi - 110048, India. The equity shares of the Company are listed on recognised stock exchanges in India.

The Company is primarily engaged in the treatment and bioremediation of polluted water bodies, including lakes, ponds, rivers and drains, as well as industrial wastewater generated from Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs), using specialised micro-algae consortia-based technologies.

The Company also undertakes activities relating to environmental engineering solutions and medical oxygen equipment, along with other activities incidental and ancillary to its principal business activities.

B. ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other relevant provisions of the Act.

The financial statements comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and the accompanying notes, including the material accounting policies and other explanatory information.

The standalone financial statements were approved for issue by the Board of Directors at its meeting held on May 30, 2026.



B.2 BASIS OF PREPARATION AND PRESENTATION

The standalone financial statements have been prepared on the accrual basis of accounting under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value or amortised cost at the end of each reporting period, as required by the applicable Indian Accounting Standards.

The financial statements have been prepared and presented in accordance with the presentation and disclosure requirements prescribed under Division II of Schedule III to the Companies Act, 2013, as amended from time to time.

The Company's functional currency is the Indian Rupee ("INR"), which is also the presentation currency of the standalone financial statements. All amounts disclosed in the financial statements and notes thereto are presented in Indian Rupees and have been rounded off to the nearest lakh (₹ in Lakhs), unless otherwise stated.

The accounting policies have been consistently applied to all the periods presented in these standalone financial statements, except where a newly issued or amended accounting standard requires a change in accounting policy.

Previous year's figures have been regrouped, reclassified and rearranged, wherever considered necessary, to conform to the current year's presentation.

B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment:

Under the previous GAAP (erstwhile Indian GAAP), Property Plant and Equipments, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at April 1, 2016 (date of transition to Ind AS).

Recognition and De-recognition

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-progress.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.



Subsequent Measurement (Depreciation)

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on the Straight Line (SLM) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Pursuant to the enactment of the Companies Act, 2013 (the Act), cost of leasehold improvements is being amortised over the remaining period of lease of the premises. Plant and machinery - distribution equipment is being depreciated over a period of 10 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(c) Intangible Assets:

Recognition and De-recognition:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.



Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Subsequent measurement (amortisation)

The cost of intangible asset is amortized over a period of its useful life from the date of its acquisition.

Computer software is being depreciated over a period of 5 years.

(d) Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/noncurrent classification. An asset is current when it is:

- ✦ Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ✦ Held primarily for the purpose of trading;
- ✦ Expected to be realised within twelve months after the reporting period; or
- ✦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- ✦ It is expected to be settled in normal operating cycle;
- ✦ It is held primarily for the purpose of trading;
- ✦ It is due to be settled within twelve months after the reporting period; or
- ✦ There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

The Company recognises twelve months period as its operating cycle.

(e) Development Expenses:

Revenue expenditure pertaining to pre-production activity is charged to the Profit and Loss Statement. Development costs of shows are charged to the Profit and Loss Statement unless a show's feasibility has been established, in which case such expenditure is recognised as work-in-progress.

(f) Borrowing Cost:

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably.

Other borrowing costs are recognised as an expense in the year in which they are incurred.



(g) Inventories:

Items of inventories are measured at lower of cost and net realisable value. . Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

(h) Impairment of Non-Financial Assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

(i) Provisions, Contingent Liabilities and Contingent Assets:

Provisions

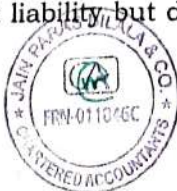
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate.

Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation can not be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



Contingent Asset

Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed when there is a possible inflow of economic benefits resulting from past events, the realization of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Alternatively, a contingent asset arises from past events where it is either not probable that an inflow of economic benefits will occur or a reliable estimate of the amount cannot be made.

(j) Employee Benefits:

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit and Loss Statement in the year of exercise of option by the employee.

(k) Taxation:

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.



Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(l) Cash and Cash Equivalents:

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(m) Foreign Currencies:

Company's financial statements are presented in INR, which is also its functional currency.

Transactions and Balances:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of fixed assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(n) Revenue Recognition:

Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers on complete satisfaction of performance obligations for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. Revenue also excludes taxes or amounts collected from customers in its capacity as agent.



Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract. The same is disclosed under Other Current Liabilities.

(o) Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(p) Financial Instruments:

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

Subsequent measurement

Non-Derivative Financial Instruments

(i) Financial assets carried at amortised cost (AC) :

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

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

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

(iii) Financial assets at fair value through profit or loss (FVTPL):

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



Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

Equity Instruments

All equity investments in scope of Ind-AS 109 are measured at fair value either as at FVTOCI or FVTPL. The company makes such election on instrument-by-instrument basis.

For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Impairment of Financial Assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables
- d) Trade receivables or any contractual right to receive cash or another financial asset
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-Recognition of Financial Instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

(q) Financial Risk Management:

The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks

The Company's activities expose it to the following financial risks, namely:

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The lower management is responsible for maintenance of liquidity, continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis-a-vis debt service fulfilment obligation.

Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.



C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Recoverability of advances/receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

