



VADODARA GAS LIMITED

(A Joint Venture of GAIL Gas Ltd. & Vadodara Municipal Corporation)

ANNUAL REPORT
2022-2023

SAFE
RELIABLE
EFFICIENT
AFFORDABLE
ECO-FRIENDLY





Corporate Information

REGISTERED OFFICE

Shri Muni Commi Gas Office,
Gas Office Building,
Dandia Bazar, Vadodara - 390001

CORPORATE OFFICE

1st Floor, Riddhi Tower,
Nr. Manisha Circle.
O. P. Road, Vadodara - 390015

Present

BOARD OF DIRECTORS

Shri Goutom Chakraborty	-	Nominee Director
Shri Dilip Rana (IAS)	-	Nominee Director
Shri Hitendra Kumar Garg	-	Managing Director
Smt. Arpit Sagar (IAS)	-	Director (Commercial)
Shri Pankaj Gupta	-	Nominee Director
Shri Dhirenbbhai Talpada	-	Nominee Director
Shri Rajeev Singhal	-	Independent Director

COMPANY SECRETARY

Smt. Palak Shah

CHIEF FINANCIAL OFFICER

Smt. Ritu Thakkar

STATUTORY AUDITORS

M/s. K. C. Mehta & Co. LLP
Chartered Accountants

COST AUDITORS

M/s. Y. S. Thakar & Co.,
Cost Accountants

SECRETARIAL AUDITORS

M/s. Swati Bhatt & Co.,
Company Secretaries

INTERNAL AUDITORS

M/s. ASM & Co.,
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

M/s. MCS Share Transfer Agent Limited
1st Floor, 88 Neelam Apartment,
Sampatrao Colony, Vadodara – 390007

BANKERS

Bank of Baroda | ICICI Bank Limited | Punjab National Bank | Axis Bank

Company Operations



Company Events





NOTICE OF AGM

Notice is hereby given that the TENTH ANNUAL GENERAL MEETING of the Members of Vadodara Gas Limited will be held on Wednesday, 27th September, 2023 at 10:30 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business(es):-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March, 2023, Board’s Report including annexures thereto and Independent Auditors’ Report thereon and to pass the following resolution as an *Ordinary Resolution*:

“**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March, 2023, Board’s Report including annexures thereto and Independent Auditors’ Report thereon be and are hereby received, considered and adopted.”

2. To appoint a Director in place of Shri Goutom Chakraborty (DIN: 09027561), who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an *Ordinary Resolution*:

“**RESOLVED THAT** Shri Goutom Chakraborty (DIN: 09027561) be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

3. To appoint a Director in place of Shri Dhirenbbhai Talpada (DIN: 09170428) who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an *Ordinary Resolution*:

“**RESOLVED THAT** Shri Dhirenbbhai Talpada (DIN: 09170428) be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

4. Ratification of Remuneration of Cost Auditors for the financial year 2023-24

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and out-of-pocket expenses at actuals, payable to M/s. Y. S. Thakar & Co., Cost Accountants, Vadodara [Firm Registration No.: 000318], appointed by the Board of Directors of the Company as the Cost Auditors to carry out the audit of Cost Records maintained by the Company and submit the Cost Audit Report thereon for the financial year 2023-24, be and is hereby ratified and confirmed.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors
For Vadodara Gas Limited

Sd/-
(Hitendra Kumar Garg)
Managing Director

Date: 06.09.2023

Place: Vadodara

Registered Office:

Shri Muni Commi Gas Office,

Gas Office Building, Dandia Bazar,

Vadodara - 390001

CIN: U40106GJ2013PLC076828 | Website: www.vgl.co.in



NOTES

1. Pursuant to the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May, 2022 and 10/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs (“MCA”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by Securities and Exchange Board of India (“SEBI”) (hereinafter collectively referred to as the “Circulars”), companies are allowed to hold the Annual General Meeting (“AGM”) Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company will be held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Since this AGM is being held through VC / OAVM, pursuant to the aforesaid Circulars, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose e-mail address are registered with the Company /RTA/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website www.vgl.co.in.
4. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
5. The members who have not yet registered their e-mail ids with the company may contact the Company Secretary on e-mail cs@vgl.co.in for registering their email IDs.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The explanatory statement, pursuant to Section 102(1) of the Act relating to business set out under Item no. 4 of the accompanying Notice are annexed hereto.
9. The relative Explanatory Statement pursuant to Section 102 of the Act, in regard to the business as set out in Item No. 4 above and the relevant details of the Director(s) seeking re-appointment as set out in Item Nos. 2 and 3 as per Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, is annexed hereto.
10. Corporate Members are requested to send to the Company, a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting through VC.
11. The VC facility shall be made available through Microsoft Teams or any other alternative platform. The link of the Meeting will be shared on the registered e-mail IDs before the Meeting commences. The facility for joining the Meeting is kept 15 minutes before the time scheduled to start the Meeting and will be closed after expiry of 15 minutes after such scheduled time.



ANNEXURE TO NOTICE

Details of Directors seeking appointment / re-appointment at the 10th AGM of the Company

Name of Director	Shri Goutom Chakraborty	Shri Dhirenbhai Talpada
DIN	09027561	09170428
Date of Birth	17.04.1966	16.03.1966
Qualification	BE (Electrical) MBA (Marketing)	B.E. (Civil)
Overall Experience	More than 32 years	More than 28 years
No. of shares held in the Company	NIL	NIL
Directorship in other companies	Goa Natural Gas Private Limited	NA
Chairman/ Member of the Statutory Committees of the Board of Directors of the Company	Chairman of the Board pursuant to Article 146 of the Articles of Association of the Company	NA
Chairman / Member of the Statutory Committees of the Board of Directors of other Companies in which he/she is a Director	NA	NA



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

Item No. 4

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records for specified products conducted by a Cost Accountant. Based on the recommendation of the Audit Committee, the Board of Directors at their Meeting held on 30th June, 2023 approved the re-appointment of M/s. Y.S. Thakar & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year 2023-24 at a remuneration of Rs. 60,000/- (Rupees Sixty Thousand only). M/s. Y.S. Thakar & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors for the financial year 2023-24 by way of an Ordinary Resolution is being sought from the Members as set out at Item no. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

None of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors
For Vadodara Gas Limited

Sd/-
(Hitendra Kumar Garg)
Managing Director

Date: 06.09.2023

Place: Vadodara

Registered Office:

Shri Muni Commi Gas Office,
Gas Office Building, Dandia Bazar,
Vadodara - 390001

CIN: U40106GJ2013PLC076828 | Website: www.vgl.co.in



BOARD'S REPORT

To
The Members of
Vadodara Gas Limited

The Board of Directors present the Tenth Annual Report of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2023.

1. FINANCIAL PERFORMANCE

The audited financial statements of the company as on 31st March, 2023 are prepared in accordance with the relevant applicable IND AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the provisions of the Companies Act, 2013.

The summarised financial highlight is depicted below:

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Revenue from operations		
(a) Sale of products	41,233.28	22,318.14
(b) Other operating Revenues	896.00	1,165.94
Less: Excise Duty	2,987.95	1,657.54
	39,141.33	21,826.54
Other income	125.69	117.18
Total Revenue	39,267.02	21,943.72
EXPENSES		
Gas consumed	31,738.53	12,108.37
Other Operating Expenses	4,405.90	3711.43
Employee benefits expenses	489.05	519.17
Other expenses	2,329.78	1,975.50
Total expenses	38,963.26	18,314.47
Earnings Before Interest, Taxation, Depreciation, and Amortization (EBITDA)	303.77	3,629.25
Finance costs	581.98	493.57
Depreciation and amortization expense	1,071.27	907.70
Profit/(loss) Before Tax and Prior Period & Extraordinary Items	(1,349.48)	2,227.98
Less: Prior Period Expense	-	-
Profit/(loss) before Tax	(1,349.48)	2,227.98
Less: Tax expense:		
Current tax	-	-



Deferred Tax	(296.67)	626.83
Tax Adjustment of Earlier Years	(1.46)	1.32
Profit/(Loss) for the period	(1,051.34)	1,599.83
Other Comprehensive Income	0.07	0.21
Total Comprehensive Income	(1,051.27)	1,600.04
Earnings per equity share:		
Basic & Diluted	(0.44)	0.67

The key aspects of company's performance during FY 2022-23 are as follows:

- ❖ The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.
- ❖ In FY 2022-23, the company has registered **Annual Turnover** of Rs.42,129.28 lakhs vis-à-vis Rs.23,484.07 lakhs in FY 2021-22.
- ❖ The company has earned **Revenue** of Rs. 24,701.35 lakhs in FY 2022-23 as against Rs. 13,061.35 lakhs in FY 2021-22 from **sale of CNG**. Sales of CNG increased by 35% in FY 2022-23 as compared to last year.
- ❖ The company has earned a **Revenue** of Rs.16,531.93 lakhs in current financial year as compared to Rs.9,256.79 lakhs in FY 2021-22 from **sale of PNG**. The company has registered an overall increase in Total Revenue by 84.75%.
- ❖ The **Other operating Revenues** during the current year are Rs.896.00 lakhs as compared to last year revenue of Rs.1,165.94 lakhs.
- ❖ In the current financial year natural gas prices skyrocketed due to global factors, further VGL was unable to timely pass on the increase in prices to customers in PNG Domestic sector. This effected the profitability of the company. Further gas purchase to gas sales ratio increased to 75% as compared to 52% in FY 2021-22.
- ❖ Moreover old UGGI & HDPE network acquired from VMSS has gas losses & due to increase in gas prices during the current period, the gas consumption cost including the line loss increased considerably. In FY 22-23 many initiatives have been taken to reduce the gas losses by DRS pressure optimization & flow controls, PRV installations, Old meter replacements & commercial smart metering, proactive leakage detection & rectification. Said efforts are leading to reduction of losses to a reasonable extent. Further, various gas infra revamping projects have been identified for reducing gas loss to industry standards.
- ❖ During the current financial year, **EBITDA** is Rs.303.77 lakhs as compared to Rs.3,629.25 lakhs in FY 2021-22.
- ❖ The company registered decrease in **Profit before Tax** from Rs.2227.98 lakhs to Rs.(1349.48) lakhs in FY 2022-23.



- ❖ The closing balance of **Retained Earnings** of the Company after appropriation for the financial year 2022-23 was Rs.3,157.72 lakhs.

BUSINESS AND OPERATIONS:

Natural Gas is the cleanest fossil fuel among the available fossil fuels. It is used as a feedstock in the manufacture of fertilizers, plastics and other commercially important organic chemicals as well as used as a fuel for electricity generation, heating purpose in industrial and commercial units. Natural gas is also used for cooking in domestic households and a transportation fuel for vehicles. The Government of India (GOI) is focusing on increasing the share of natural gas to 15% by 2030 in the energy basket from the present level of approximately 6.2% and make India a gas-based economy. The Government has taken various steps and initiatives in order to promote the expansion of City Gas Networks and enhance the usage of natural gas in cities.

Your Company is a City Gas Distribution (CGD) company which is engaged in the business of supplying Piped Natural Gas (PNG) to domestic households, industrial and commercial customers and Compressed Natural Gas (CNG) to vehicles in Vadodara Geographical Area (GA) including Chhotaudepur. Your Company also supplies PNG to various industrial units including GIDC at Waghodia on Liquefied Natural Gas (LNG) Re-gas facility.

Updates on the progress during FY 22-23:

CNG OPERATIONS

During the FY 2022-23, VGL has successfully added 06 new CNG stations which have led to an increase in compression capacity by around 26618.40 Kgs/day. As on March 31, 2023, the Company is operating 39 Nos. CNG stations in Vadodara GA i.e. 04 Mother Stations, 02 Online Station and 33 Daughter Booster Stations with total compression capacity of 349588.32 Kgs per day. The Company has achieved average sales of 94254.65 Kgs/day in the FY 2022-23 compared to 71196.39 Kgs/day during the FY 2021-22.

New Initiatives

- Existing CNG Mother Station at Nizampura was upgraded from 02 X 650 SCMH Motor Driven Compressors to 02 X 1200 SCMH Motor Driven compressors including 01 no. Dual arm Car/Auto Dispenser.
- Existing CNG Mother Station at Gajrawadi was upgraded for Retail CNG Sale in addition to an existing LCV filling station.
- Your Company reduced the opex in transportation of CNG by hiring the Type – III (9024 WL) & Type – IV (8850 WL) mounted cascades on per Kg transportation basis
- Your Company hired LCVs with 8415 WL mounted Cascade of Type – I Cylinders on per Kg basis for Transportation of CNG.
- As per the response received against the EOI issued dated 29.06.2022, VGL successfully issued LOA to 14 nos. (Online – 04 and DBS – 10) applicants for setting up CNG Stations on Full DoDo Model.



- VGL is also exploring various initiatives like CNG retrofitting of Diesel trucks, Solar power sourcing and roof top Solar Panels, revenue through advertisement and Gas sourcing from ONGC stranded onshore Gas fields for the growth and cost optimization of the company.
- Dry outs at CNG stations have been reduced significantly after optimization of LCV movements. AI based options are being explored for further reduction of logistic cost and achieve zero dry outs.

PNG Operations

In FY 2022-23, Your Company has provided additional Domestic PNG connections to 24261 households, Commercial PNG connections to 114 establishments and Industrial PNG connections to 9 industries. The cumulative Domestic PNG connections, Commercial PNG connections and Industrial PNG connections are 221653 (previous year 197392), 2829 (previous year 2715) and 25 (previous year 16) respectively as on 31st March, 2023. Further, the Company has laid 334.76 kms of PE Pipeline network in FY 2022-23, leading to 3516.26 kms of PE gas pipeline extending its footprint to new areas such as Bhayli, Gorwa, Unera, Kapurai, Chhani, Makarpura, Maneja, Atladara and Tarsali. Steel pipeline of 2.4 kms was laid to upgrade the steel network & reduce pressure issues at CNG mother stations.

New Initiatives

- (i) For Gas supply to industries located in far flung areas from existing steel pipeline of VGL, a virtual gas supply model through combination of LCV with cascades and DCU is under implementation on pilot basis at one of the industries. Same will be replicated to many industries by appointing Vendors on rental / service model for long term cost-effective basis capex light model. Same will be executed for different charge areas based on their business prudence.
- (ii) Substantial Gas loss reduction has been achieved progressively. All existing commercial customers would be changed over to smart metering system with prepaid / post-paid meters in phases. Further Gas loss reduced by approximately 20000 SCMD by DRS pressure optimization and flow controls, old meter replacement program, proactive leak identification & rectification by O &M teams. MIS for Gas Accounting System developed for monitoring on daily basis.
- (iii) 10” Steel pipeline laying work of around 2404.30 meters successfully completed and commissioned leading to completion of Steel Ring. Further, multiple connectivity of steel ring with various available gas sources is under execution.
- (iv) System of Minimum Gas unit billing for D-PNG customers for 4 SCM for 2 months billing cycle introduced from 1st June 2022.
- (v) PNG Bill recovery program under police protection in Navapura / Wadi Area was executed and bill recovery of more than 50 Lakhs done.
- (vi) Fortnightly Billing started for all commercial customers from 1st June 2022.



- (vii) Replaced 400 nos. old commercial connections with smart meters leading to improvement in billing.

SHARE CAPITAL

Presently, the paid-up equity share capital of the Company stands at Rs. 2,402,935,480/- consisting of 24,02,93,548 equity shares of Rs. 10/- each. GAIL Gas Limited (along with nominee shareholders) holds 17.07% (4,10,08,943 equity shares), GAIL (India) Limited holds 32.93% (7,91,37,831 equity shares) collectively 50% (i.e. 12,01,46,774 equity shares) and Vadodara Mahanagar Seva Sadan / Vadodara Municipal Corporation (along with nominee shareholders) holds 50 % (12,01,46,774 equity shares) in your Company.

Your Company has secured International Security Identification Number (ISIN) for its equity shares from the National Securities Depository Limited (NSDL) and has appointed M/s. MCS Share Transfer Agent Limited as its Registrar and Transfer Agent (RTA) to act as registrar and handle the transfer, if any, of the Company's shares in accordance with Rule 9A of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018.

As on 31st March, 2023, out of 11 nos. shareholders, 6 nos. shareholders (i.e. GAIL India Limited, GAIL Gas Limited and its nominee shareholders) representing a total of 120146774 equity shares of Rs. 10/ each of the Company i.e. 50% of the total paid-up share capital of the Company have dematerialized their respective shareholding. Vadodara Mahanagar Seva Sadan / Vadodara Municipal Corporation and its nominee shareholders are in process of getting their shares dematerialized and currently hold the shares in physical form.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

There are no subsidiary companies, associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ('the Act').

DIVIDEND

The Company has not declared any dividend during the financial year 2022-23.

DEPOSITS

During the year under review, your company has not accepted any deposits under Section 73 to 76 of the Companies Act, 2013 and the rules made there under.

TRANSFER TO RESERVES

Considering the Company incurred a loss of Rs. 1,349.48 lakhs during financial year under review, no amount was transferred to the Reserves. The retained earnings after appropriation for financial year 2022-23 stood at Rs.3,157.72 lakhs.



AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (“the Act”) and the rules made there under, M/s. K. C. Mehta & Co., Chartered Accountants (Firm Registration no. 106237W) were appointed as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years to hold office from the conclusion of the 6th (Sixth) Annual General Meeting until the conclusion of the 11th (Eleventh) Annual General Meeting for the financial year 2023-24 and their remuneration was approved by the shareholders of the Company.

The Notes to Financial Statements referred to in the Auditors’ Report are self-explanatory and do not call for any further comments. The statutory audit report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Cost Auditors

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has made and maintained cost accounts and records. The Board has appointed M/s. Y.S. Thakar & Co., Cost Accountants (Firm Registration No. 000318) as the Cost Auditors for conducting Cost Audit relating to the products of the Company i.e. CNG and PNG for the financial year 2023-24. The necessary resolution has been included in the Notice convening this AGM, seeking ratification by Members for the remuneration proposed to be paid to the Cost Auditors for the financial year 2023-24.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made there under, M/s. Swati Bhatt & Co., Practicing Company Secretaries, were appointed as the Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year 2022-23 and submit the Secretarial Audit Report thereon. The secretarial audit report for the financial year 2022-23 which is given as an Annexure forming part of this Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor. The report is self-explanatory and does not call for any comments.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors appointed M/s. ASM & Co., Chartered Accountants (Firm Registration No.: 131591W) as the Internal Auditors to carry out the Internal Audit of the Company for the financial year 2022-23 and submit the Internal Audit Reports thereon as per the agreed scope / terms of reference.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, none of the auditors of the Company have reported any instances of fraud committed against the Company by its officers or employees, the details of which would otherwise need to be mentioned in the Board’s report under Section 143(12) of the Companies Act, 2013.



DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and the loss of the company for the year ended on that date;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo etc., as required to be disclosed under the Act, are given in an Annexure which forms part of this Report.

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules made thereunder, the annual return for FY 2022-23 in the prescribed Form No. MGT-7 is available on the Company's website: www.vgl.co.in.

PARTICULARS OF EMPLOYEES

During the year under review, there were no employees in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Shalini Agarwal, IAS (DIN: 08172014) Municipal Commissioner of Vadodara, who was appointed as Nominee Director of Vadodara Municipal Corporation on the Board of the Company and designated as the Chairperson of the Board, ceased to be Director of the company w.e.f. 7th October, 2022 on account of her transfer vide Government of Gujarat Notification No. AIS/35.2022/39/G dated 30th September, 2022.

In her place, Shri Banchhanidhi Pani, IAS (DIN:07667671), Municipal Commissioner of Vadodara was appointed as Nominee Director of Vadodara Municipal Corporation on the Board of the Company w.e.f. 10th October, 2022 on account of his transfer vide Government of Gujarat



Notification No. AIS/35.2022/39/G dated 30th September, 2022. However, Shri Banchhanidhi Pani, IAS ceased to be Director of the Company w.e.f. 3rd April, 2023.

Shri Dilip Rana, IAS (DIN: 10205018), Municipal Commissioner of Vadodara Municipal Corporation was appointed as Nominee Director of the Company on the Board of the Company w.e.f. 30th June, 2023 on account of his transfer vide Government of Gujarat Notification No. AIS/35.2023/16/G dated 31st March, 2023.

Shri Yougesh Kumar Gupta (DIN: 09655483) was appointed as Nominee Director of GAIL Gas Limited on the Board of the Company w.e.f. 28th June, 2022 pursuant to GAIL Gas Limited letter no. GAIL Gas/Noida/CS dated 30th May, 2022. Shri Yogesh Kumar Gupta ceased to be Director pursuant to letter no. GAIL Gas/Noida/CS dated 13th September 2022 from GAIL Gas Limited.

In his place, Shri Raman Chadha (DIN: 06842809), CEO of GAIL Gas Limited was appointed as Nominee Director of the Company w.e.f. 13th September, 2022. Further, Shri Raman Chadha was designated as Chairman of the Board at the 9th Annual General Meeting of the Company held on 30th September, 2022 in accordance with Article 146(ii) of Articles of Association of Company.

Shri Raman Chadha ceased to be Director w.e.f. 25th April, 2023 and in his place Shri Goutom Chakraborty (DIN: 09027561), CEO of GAIL Gas Limited was appointed as Nominee Director of the Company w.e.f. 25th April, 2023 pursuant to letter no. GAIL Gas/Noida/CS dated 25th April, 2023 of GAIL Gas Limited.

Shri Kapil Kumar Jain (DIN: 05244878), was appointed as Nominee Director of GAIL Gas Limited on the Board of the Company w.e.f. 30th May, 2022 pursuant to letter no. GAIL Gas/Noida/CS dated 25th April, 2023 of GAIL Gas Limited, Shri Kapil Kumar Jain ceased to be Director of the Company w.e.f. 25th April, 2023 and in his place, Shri Pankaj Gupta (DIN: 10145616), CFO- GAIL Gas Limited, was appointed as Nominee Director on the Board of Company w.e.f. 2nd May, 2023.

Shri Shailesh Naik (DIN:06546482) Nominee Director of Vadodara Municipal Corporation and Director (Commercial) of the Company ceased to be Director w.e.f. 30.06.2023 on account of his retirement from his parent organization i.e. Vadodara Municipal Corporation pursuant to Order No. 333/22-23 dated 14th February, 2023 of Vadodara Municipal Corporation. In his place, Ms. Arpit Sagar, IAS was appointed as Nominee Director and Director (Commercial) on the Board of the Company w.e.f. 17th June, 2023 on account of her being nominated to the position of Additional City Engineer (GAS) pursuant to order no. 27/23-24 dated 2nd June, 2023 of the Office of Municipal Commissioner, Vadodara Municipal Corporation.

Ms. Palak Shah, Company Secretary, resigned from the Company w.e.f. 31st July, 2023.

The Board places on record its sincere appreciation for the invaluable counsel, direction and contribution of Ms. Shalini Agarwal (IAS), Shri Banchhanidhi Pani (IAS), Shri Yougesh Kumar Gupta, Shri Raman Chadha, Shri Kapil Kumar Jain, Shri Shailesh Naik and Ms. Palak Shah towards the Company's growth during their tenure as Board Members and Company Secretary respectively.

In accordance with the provisions of the Companies Act, 2013, independent directors are not liable to retire by rotation. As per Article 146 (iii) of the Articles of Association of the Company, the



Managing Director and Director (Commercial) of the Company are not liable to retire by rotation.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Shri Goutom Chakraborty (DIN: 09027561) and Shri Dhirenghai Talpada (DIN: 09170428) retire by rotation at this Annual General Meeting and being eligible, have offered themselves for re-appointment. The notice convening the ensuing 10th Annual General Meeting of the Company sets out the details.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, a total of 4 (Four) Board Meetings were held i.e. on 30th June, 2022, 6th September, 2022, 30th December, 2022 and 30th March, 2023. The intervening gap between two Board Meetings was within the period prescribed by the Companies Act, 2013. The attendance of Directors is as under:

Sr. No.	Name of the Director	Designation	No. of Board Meetings held during their tenure	No. of Board Meetings attended
1.	Smt. Shalini Agarwal, IAS (Ceased to be Director w.e.f. 07.10.2022)	Nominee Director	2	2
2.	Shri Banchhanidhi Pani, IAS (Appointed w.e.f. 10.10.2022 and ceased to be Director w.e.f. 03.04.2023.)	Nominee Director	2	0
3.	Shri Hitendra Kumar Garg	Nominee Director, Managing Director & KMP	4	4
4.	Shri Bhaskar Debnath (Ceased to be Director w.e.f. 30.05.2022)	Nominee Director	0	0
5.	Shri Kapil Kumar Jain (Appointed w.e.f. 30.04.2022 and ceased to be Director of the Company w.e.f. 25.05.2023.)	Nominee Director	4	4
6.	Shri Yougesh Kumar Gupta (Appointed w.e.f. 28.06.2022 and ceased to be Director of the Company w.e.f. 13.09.2022)	Nominee Director	2	2
7.	Shri Shailesh Naik (ceased to be director w.e.f. 31.05.2023)	Nominee Director, Director (Commercial)	4	4
8.	Shri Dhirenghai Talpada	Nominee Director	4	4
9.	Shri Ajay Sinha (Ceased to be Director w.e.f. 30.05.2022)	Nominee Director	0	0
10.	Shri Manmohan Sutaria (Completion of his tenure w.e.f. 16.07.2022)	Independent Director	1	1
11.	Shri Raman Chadha (Appointed w.e.f. 13.09.2022 and ceased to be Director w.e.f. 25.04.2023)	Nominee Director, Chairman of the Board	2	2
12.	Shri Rajeev Singhal	Independent Director	4	4



COMMITTEES OF THE BOARD

Audit Committee

During the year, the Audit Committee comprised of following members:

1. Shri Hitendra Kumar Garg – Member & Current Chairman
2. Shri Manmohan Sutaria – Chairman (until 16.07.2022)
3. Shri Shailesh Naik – Member (until 31.05.2023)
4. Shri Rajeev Singhal – Member

Notes –

1. Shri Manmohan Sutaria ceased to be Independent Director w.e.f. 16.07.2022 on account of completion of his tenure as Independent Director.
2. Shri Shailesh Naik ceased to be Director of the Company w.e.f. 31.05.2023.

The Company Secretary acts as the Secretary of the Audit Committee.

Nomination and Remuneration Committee

During the year, the Nomination and Remuneration Committee is comprised of following members:

1. Shri Rajeev Singhal – Chairperson
2. Shri Hitendra Kumar Garg – Member
3. Shri Shailesh Naik – Member

Note –

1. Shri Shailesh Naik ceased to be Director of the Company w.e.f. 31.05.2023.

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee. The Board has formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee is comprised of following members:

1. Shri Shailesh Naik – Chairman (until 31.05.2023)
2. Ms. Arpit Sagar (IAS) – Member & Current Chairperson
3. Shri Hitendra Kumar Garg – Member
4. Shri Rajeev Singhal – Member
5. Shri Manmohan Sutaria – Member & Chairman (until 16.07.2022)

Notes –

1. Shri Manmohan Sutaria ceased to be Independent Director w.e.f. 16.07.2022 on account of completion of his tenure as Independent Director.
2. Shri Shailesh Naik ceased to be Director of the Company w.e.f. 31.05.2023.
3. Ms. Arpit Sagar (IAS) was appointed as Nominee Director and Director (Commercial) w.e.f. 17.06.2023

The Company Secretary acts as the Secretary of the CSR Committee.



POLICY ON CSR INITIATIVES

The provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder relating to Corporate Social Responsibility were applicable to the Company during the year under review. During the year under review, the Company's CSR efforts were focussed towards Swachh Bharat Abhiyan and creating awareness about cleanliness and hygiene. A copy of the CSR policy is placed on the website of the Company at www.vgl.co.in. The Annual Report on CSR activities carried out by the Company during the financial year under review is given as an Annexure which forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not given any loan, guarantee, or provided security under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the related party transactions of the Company fall under the scope of Section 188 of the Companies Act, 2013 as all related party transactions of the Company during the financial year were in the ordinary course of business and at arm's length. The particulars of contracts or arrangements with related parties referred to in the applicable provisions of the Companies Act, 2013, during the financial year under review, are furnished in Form AOC-2 which forms part of this Report. Members may refer Note 35 to the Financial Statements which sets out related party disclosures pursuant to Ind AS.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF REPORT

During the period from the end of the financial year to the date of this Report, there were no material changes and commitments that have affected the financial position of the Company.

DISCLOSURE OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS / COURTS / TRIBUNAL

During the financial year under review, no orders were passed by the regulators / courts / tribunal impacting the going concern status and company's operations.

DISCLOSURE OF ESTABLISHMENT OF VIGIL MECHANISM POLICY

The Company has established a Whistle Blower (Vigilance Mechanism) Policy with a view to encourage its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy also aims to provide an avenue for employees and other stakeholders to raise concerns on any violations of legal

or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Policy is available on the Company's website at www.vgl.co.in.



PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has framed a Policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (POSH Act) and has constituted an Internal Committee (IC) in line with the provisions of the POSH Act to redress the complaints received regarding sexual harassment. During the financial year, there were no complaints received by the Company under the POSH Act.

RISK MANAGEMENT POLICY

Your Company has a comprehensive enterprise risk management framework including the risk management policy in place which was duly approved and adopted by the Board of Directors of the Company during the year.

INTERNAL FINANCIAL CONTROLS

Your Company has in all material respects, an adequate Internal Financial Controls system over financial reporting and the same were operating effectively as at 31st March, 2023. This is as per the requirement in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

SECRETARIAL STANDARDS

The Company has followed the Secretarial Standards issued by the Institute of Company Secretaries of India, wherever applicable.

DECLARATION BY INDEPENDENT DIRECTORS

In compliance of Section 149(6) of the Act, the Company has received the declaration from Independent Directors, Shri Rajeev Singhal and Shri Manmohan Sutaria confirming that –

- (a) they meet the criteria of independence as laid down under section u/s, 149(6) of the Companies Act, 2013 and have complied with Schedule IV of the Act.
- (b) they have registered their names in the Independent Directors' Databank.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act for their appointment as Directors.

OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the year under review, there were two Independent Directors on the Board of the Company i.e. Shri Manmohan Sutaria (upto 16th July, 2022) and Shri Rajeev Singhal. In the opinion of the Board, both the Independent Directors hold high standards of integrity and relevant proficiency to

carry out their duties on the Board. They both are professionals who bring value to the Board and the Company and add to the diversity on the Board.



DISCLOSURE OF APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DISCLOSURE OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOANS FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there is no One Time Settlement of Loans taken from Banks.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Ministry of Petroleum and Natural Gas, Petroleum & Natural Gas Regulatory Board, the Government of Gujarat, our Bankers, customers, consultants, suppliers, employees and all stakeholders of the Company for their continued support and encouragement to the Company during the year. Your Directors also gratefully acknowledge the shareholders for their support and confidence reposed in the Company.

**For and on behalf of Board of Directors
of Vadodara Gas Limited**

Sd/-
Hitendra Kumar Garg
Managing Director
DIN: 09497695

Sd/-
Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008

Date: 06.09.2023
Place: Vadodara



DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

I] Conservation of energy -

Your Company is exploring ways to reduce the energy consumption by installation of energy efficient motor driven compressors at CNG stations to reduce specific energy consumption of CNG segment.

II] Technology absorption-

- (i) the efforts made towards technology absorption - NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - N.A.
- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development – NIL

III] Foreign Exchange Earnings/ Outgo:

Particulars	FY 2022-23 (Rs.)	FY 2021-22 (Rs.)
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-

**For and on behalf of Board of Directors
of Vadodara Gas Limited**

Sd/-
Hitendra Kumar Garg
Managing Director
DIN: 09497695

Sd/-
Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008

Date: 06.09.2023
Place: Vadodara



FORM NO. MR - 3

Secretarial Audit Report

(For the financial year ended 31st March, 2023)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
M/s. Vadodara Gas Limited
CIN: U40106GJ2013PLC076828
Shri Municipal Commissioner Gas Office,
Gas Office Building, Dandia Bazar,
Vadodara, Gujarat - 390001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. VADODARA GAS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provides us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Vadodara Gas Limited** (“**The Company**”) for the year ended on 31st March, 2023 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the Rules made there under; - As the company is an Unlisted public limited company, hence, the said Act, is not applicable to it.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - The Company has secured International Security Identification Number (ISIN) for its equity shares from the National Securities Depository Limited (NSDL) and has appointed M/s. MCS Share Transfer Agent Limited as its Registrar and Transfer Agent (RTA) for facilitating dematerialisation of the Company’s equity shares. The shares are in the process of being dematerialised. Hence, the said Act is applicable to the Company.
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -

It has been observed that during the year, there is no transaction occurred which has come under the purview of the said Act, hence, the Act and the rules and regulations made there under is not applicable to the Company.

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) to the extent applicable to the Company;

As the company is an Unlisted public limited company, hence, the said Acts, and rules and regulations made thereunder are not applicable to it.

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- g) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;

VI. The Memorandum and Articles of Association of the Company.

It has been observed that during the year, the Company has complied with necessary clauses of Memorandum and Articles of Association of the Company, wherever required.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited – As the company is an unlisted public limited company, hence, the said agreement, is not applicable to it.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, ~~Listing Agreements~~ etc as mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Rules made under the said Act and the Memorandum and Articles of Association of the Company, with regard to:
 - a) Maintenance of various statutory registers and documents and making necessary entries therein;
 - b) Closure of the Register of Members;
 - c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) Notice of Board meetings and Committee meetings of Directors;
 - f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) The Annual General Meeting held on 30th September, 2022 for the financial year 2021-22;
 - h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - l) Appointment and remuneration of Auditors and Cost Auditors;
 - m) Transfers and transmissions of the Company's shares and make necessary endorsement on the reverse side of the respective Share Certificates;



During the year under review, the share transfers have been done through demat mode hence there was no requirement of endorsement of share certificates. The Company has not received any transfer request in physical mode.

n) Declaration and payment of dividends;

During the year under review, the Company has not declared and paid any dividend to its members. Therefore, the said provisions of the Companies Act, 2013 is not applicable to the Company.

o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

Since, the Company has not declared and paid any dividend since incorporation, there is no transfer of any amount to Investor Education and

Protection Fund during the year under review.

Borrowings and registration, modification and satisfaction of charges wherever applicable;

p) Investment of the Company's funds including investments and loans to others;

q) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;

r) Directors' report;

s) Contracts, common seal, registered office and publication of name of the Company; and

u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

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

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

d) The Company has obtained all necessary approvals under the various provisions of the Act; and

e) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against on the Company, its Directors and Officers.

f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

The Company is an unlisted public limited Company hence, the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under the said Act are not applicable.

4. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye



5. laws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

It has been observed that as the shares of the Company are in process of being dematerialised, hence the provisions of the said Act, is applicable and being complied by the Company.

6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

It has been observed that during the year, no transaction has occurred which has come under the purview of the said Act, hence the Act and the rules and regulations made there under is not applicable to the Company.

7. I further report that:

- a) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited or any other regional stock exchange. - As the Company is an unlisted public limited Company, hence, the said requirements are not applicable to the Company.
- b) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations - As the Company is an unlisted public limited Company, hence, the said Regulations are not applicable to the Company.
- c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations - As the Company is an unlisted public limited Company, hence, the said Regulations are not applicable to the Company.

8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Vadodara
Date: 24-08-2023

For, Swati Bhatt & Co.

Sd/-
Swati Bhatt
Company Secretary
Partner
M. No. F7323
COP: 8004
PRC No.: 3568/2023
UDIN: F007323E000859493

Note : This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.



“ANNEXURE A”

To,
The Members,
M/s. Vadodara Gas Limited
CIN: U40106GJ2013PLC076828
Shri Municipal Commissioner Gas Office,
Gas Office Building, Dandia Bazar,
Vadodara, Gujarat - 390001.

Our report of even date is to be read along with this letter:

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

Place: Vadodara
Date: 24-08-2023

For, Swati Bhatt & Co.

Sd/-
Swati Bhatt
Company Secretary
Partner
M. No. F7323
COP: 8004
PRC No.: 3568/2023
UDIN: F007323E000859493



FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto (FY 2022-23)

1 Details of contracts or arrangements or transactions not at arm's length basis								
Sr No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



2 Details of material contracts or arrangement or transactions at ordinary course of business and at arm's length basis						
Sr No .	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	GAIL (India) Limited Enterprise having significant influence	Purchase of Gas	NA	INR 34,374.54 Lakhs		
2		Payment of Supervision & Other Charges	NA	INR 7.71 Lakhs		
3	Vadodara Mahanagar Seva Sadan- Enterprise having Significant influence	Payment of Service Charges	NA	INR 12.41 Lakhs		
4		Payment of Taxes (including interest on late payment)	NA	INR 103.63 Lakhs		
5		Payment for Services received - Deputation of manpower and other charges	NA	INR 29.08 Lakhs		
6	Gail Gas Limited Enterprise having significant influence	Payment for Services received - Deputation of manpower and other charges	NA	INR 265.64 Lakhs		
7	Mr. Shailesh Naik (Vadodara Mahanagar Seva Sadan) – Key Managerial Personnel	Reimbursement of Remuneration – Deputation Allowance	NA	INR 9.85 Lakhs		



8	Gail India Limited- Enterprise having Significant influence	Security Deposit Paid	NA	INR 6.38 Lakhs paid as Security Deposit for rendering logistic services to GAIL (India) Limited for transportation of Gas from Vedanta Jaya Field to Magnad Station through Cascade mode for Gas injection to GAIL pipeline at Magnad Station for a period of one year. The transaction was approved at the Audit Committee Meeting of the Company held on 19.11.2022.		
9	Gail India Limited- Enterprise having Significant influence	Gas Transportation Services Provided to	NA	INR 98 Lakhs		

For Vadodara Gas Limited

Sd/-

Hitendra Kumar Garg

Managing Director

DIN: 09497695

Date: 06.09.2023

Place: Vadodara

Sd/-

Arpit Sagar (IAS)

Director (Commercial)

DIN: 10205008



ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company:	For VGL, Corporate Social Responsibility (CSR) is the responsibility of the company that integrates social, environmental and ethical concerns into company's business process. A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates.
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2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Shri Rajeev Singhal	Independent Director	1	1
(ii)	Shri Hitendra Kumar Garg	Managing Director	1	1
(iii)	Shri Shailesh Naik	Director (Commercial)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	www.vgl.co.in
4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Rs. 10.01 Lakhs (Excess spent in the Financial Year 2021-22)
6. Average net profit of the company as per section 135(5) (in Rs. Lakhs)	INR 1282.50 lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) (in Rs. Lakhs)	INR 25.65 lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Yes. INR 10.01 lakhs
(c) Amount required to be set off for the financial year, if any (in Rs. Lakhs)	Yes. Surplus of previous year INR 10.01 lakhs
(d) Total CSR obligation for the financial year (7a+7b-7c). (in Rs. Lakhs)	INR 15.64 lakhs



8 (a) CSR amount spent or unspent for the financial year: NIL

8(b). Details of CSR amount spent against **ongoing projects** for the financial year : NA

8(c). Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs. Lakhs).	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1.	Promotion of Sanitation (Swachh Bharat Abhiyan)	Promoting Sanitation [clause (i)]	Yes	Gujarat	Vadodara	15.64	No	Pagdand	CSR0000 2092
	TOTAL					15.64			



(d) Amount spent in Administrative Overheads	-
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	INR 15.64 Lakhs

(g) Excess amount for set off, if any: NA.

9 (a) Details of Unspent CSR amount for the preceding three financial years: NIL.

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): NIL



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).	
a. Date of creation or acquisition of the capital asset(s).	-
b. Amount of CSR spent for creation or acquisition of capital asset.	-
c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	-
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

For Vadodara Gas Limited

Sd/-
Arpit Sagar (IAS)
Chairperson of CSR Committee
DIN: 10205008

Sd/-
Hitendra Kumar Garg
Managing Director
DIN: 09497695

Sd/-
Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008

Date: 06.09.2023

Place: Vadodara

VADODARA GAS LIMITED

FINANCIAL STATEMENTS

For the year ended 31st March 2023

AUDITORS

K C Mehta & Co LLP
Chartered Accountants

Meghdhanush,
Race Course,
Vadodara - 390 007
Phone: +91 265 2341626 / 2440400
Fax: +91 265 2440455
E-Mail: connect@kemehta.com

INDEPENDENT AUDITORS' REPORT

To the Members of
VADODARA GAS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VADODARA GAS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of 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, 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 specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw your attention to the following notes of financial statements which states:

- i. Note 41: the balance with parties are subject to confirmation and adjustment if any, on reconciliation/settlement.
- ii. Note 42: In the current period, the company has incurred loss on account of increase in gas prices (purchase cost). The said increased cost has not been fully passed on to the end customers. Further since inception, VGL has old pipeline network acquired from VMSS. The said network has many leakages & due to increase in gas prices during the current period, the gas consumption cost including the line loss has increased considerably.
- iii. Note 43: The company has not achieved the profit before tax in proportion to increase in turnover over last few years on account of revenues not materialized as desired, increase in operating & fixed overheads and unable to maintain cost efficiency. The management firmly believes that the company will achieve its profit before tax in proportion to increase in turnover in due course of time on account of initiatives taken to reduce the gas loss, increase in sales, possible control over operating and fixed overhead & measures taken to achieve cost efficiency. Hence, in considered view of the management, no impairment in carrying values of Goodwill is



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envisaged, as recoverable amounts of the assets is expected to be considerably higher than their carrying amount as on March 31st, 2023.

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Message from Chairman but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditors' Responsibilities 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the



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aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.



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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - g. According to the information given to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197(16).
 - h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2023;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No.106237W/W100829


Chhaya M Dave

Partner

Membership No. 100434

UDIN: 23100434BGXKOF4703

Place: Vadodara

Date: June 30, 2023



ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the members of **VADODARA GAS LIMITED** ("the Company") on the financial statements for the year ended March 31, 2023, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including Right of use assets.

(B)The Company has generally maintained proper records showing full particulars of intangible assets.

- (b) The Property, plant and equipment and right of use assets have not been physically verified by the management during the year. As the management has not carried out any verification during the year, we are unable to comment whether the discrepancies, if any, are material.

- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/ lease deeds of the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except for as provided below:

Description of Property	Gross Carrying Value (₹ in lakh)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Building-Dashrath	56.43	GAIL India Ltd	Promoter	Held since March 21, 2005	Lease transferred by GAIL India Ltd to Vadodara Gas Ltd
Roads-Dashrath	39.87	GAIL India Ltd	Promoter	Held since March 21, 2005	Lease transferred by GAIL India Ltd to Vadodara Gas Ltd

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

- (e) No proceeding has been initiated or is pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

- ii. (a) The inventory (excluding inventory lying with third parties and stock in pipelines) has been physically verified by the management during the year and in our opinion, the frequency of



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verification is reasonable. In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets. However, as per the information and explanation provided to us from the management, no such requirement is raised by bank to submit any quarterly statements.

- iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Excise Duty, Goods and Services Tax, provident fund, income-tax, value added tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of Excise Duty, Goods and Services Tax, provident fund, income tax, value added tax, cess and any other statutory dues were in arrears, as at March 31, 2023, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues as referred to in sub clause (a) above which have not been deposited on account of any dispute except the following:



Name of the statute	Name of the disputed dues	₹ in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	106.66	A.Y. 2017-18	Pr. CIT, Vadodara

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowing or in the payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanation given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating to ₹ 6,808 Lakhs for long-term purposes.
- (e) The Company does not have any investment in subsidiaries, associates or joint ventures and therefore reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any investment in subsidiaries, associates or joint ventures and therefore reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to information and explanations given to us, no fraud by the company or on the Company has been noticed or reported during the year.



(b) No report has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.

xii. The Company is not a Nidhi Company and therefore, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors, or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a), (b) & (c) is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses amounting to Rs. 276.74 lakhs during the financial year covered by our audit and no cash loss was incurred in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us 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 and our knowledge of the Board of Directors and Management plans 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 indicating 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.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In our opinion and according to the information and explanations given to us, there are no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

xxi. The company is not required to prepare consolidated financial statements and therefore, reporting under clause (3)(xxi) of the order is not applicable to the Company.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No.106237W/W100829


Chhaya M Dave
Partner
Membership No. 100434
UDIN: 23100434BGXKOF4703
Place: Vadodara
Date: June 30, 2023



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **VADODARA GAS LIMITED** on the financial statements of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to Financial Statement and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023 based on the internal financial control with reference to financial statements 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 ICAI.

For K C Mehta & Co LLP

Chartered Accountants

Firm's Registration No.106237W/W100829


Chhaya M Dave

Partner

Membership No. 100434

UDIN: 23100434BGXKOF4703

Place: Vadodara

Date: June 30, 2023




VADODARA GAS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2023

(Rs. in Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	26,742.82	22,621.57
(b) Right of Use Assets	4	1,920.54	1,943.09
(c) Capital work-in-progress	5	2,943.72	2,881.87
(d) Goodwill	6	10,606.36	10,606.36
(e) Intangible Assets	6	15.52	10.15
(f) Financial Assets			
(i) Security Deposits	7	94.84	82.92
(g) Other non current assets	8	4.94	0.33
Total Non-current Assets		42,328.74	38,146.29
(2) Current Assets			
(a) Inventories	9	1,280.07	1,201.69
(b) Financial Assets			
(i) Trade receivables	10	4,806.38	3,461.58
(ii) Cash and cash equivalents	11	40.07	1,112.34
(iii) Other bank balances	12	2,318.21	2,203.48
(iv) Others	7	274.77	202.69
(c) Current tax assets (net)	13	79.86	76.31
(d) Other current assets	8	596.05	77.07
Total Current Assets		9,395.41	8,335.16
TOTAL ASSETS		51,724.15	46,481.45
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	24,029.35	24,029.35
(b) Other Equity	15	3,157.74	4,209.01
Total equity		27,187.09	28,238.36
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,660.37	4,188.29
(ii) Lease Liabilities	17	2.06	4.67
(b) Provisions	18	9.03	5.36
(c) Deferred Tax Liabilities (net)	19	2,301.16	2,597.82
Total Non-current Liabilities		6,972.62	6,796.14
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,743.00	1,261.56
(ii) Lease Liabilities	17	2.24	2.07
(iii) Trade Payables	20		
(iii a) Due to Micro & Small Enterprise		1,199.14	1,500.97
(iii b) Due to other than Micro & Small Enterprise		3,142.71	1,463.48
(iv) Other Financial Liabilities	21	9,042.82	6,600.92
(b) Other Current Liabilities	22	434.04	617.35
(c) Provisions	18	0.49	0.60
Total Current Liabilities		17,564.44	11,446.95
Total Equity and Liabilities		51,724.15	46,481.45
See accompanying notes to the financial statements	1-46		

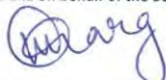
As per our report on financial statements of even date attached.

For K C Mehta & Co LLP
Chartered Accountants


Chhaya M. Dave
Partner
M. No. 100434
Place : Vadodara
Date: 30.06.2023



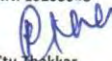
For and on behalf of the Board


Hitendra Kumar Garg
Managing Director
DIN: 09497695


Palak Shah
Company Secretary
M.No.A27260

Place : Vadodara
Date: 30.06.2023


Arpit Segar (IAS)
Director (Commercial)
DIN: 10205008


Ritu Makkar
Chief Financial Officer
M. No. 154664

VADODARA GAS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Lakhs)

Particulars	Note No	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I. Revenue from operations	23	42,129.27	23,484.08
II. Other income	24	125.69	117.19
III. Total Income (I + II)		42,254.96	23,601.27
IV. EXPENSES			
Gas consumed	25	31,738.53	12,108.37
Other Operating Expenses	26	7,393.85	5,368.98
Employee benefits expenses	27	489.05	519.17
Finance costs	28	581.98	493.57
Depreciation and amortization expense	4-6	1,071.27	907.70
Other expenses	29	2,329.76	1,975.50
Total expenses (IV)		43,604.44	21,373.29
V. Profit before Tax (III-IV)		(1,349.48)	2,227.98
VI Tax expense:	30		
Current tax		-	-
Deferred Tax		(296.68)	626.83
Tax Adjustment of earlier years		(1.46)	1.32
VII. Profit for the period (V - VI)		(1,051.34)	1,599.83
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss		0.10	0.28
Tax on above		(0.02)	(0.07)
Items that will be reclassified to profit or loss			
Other comprehensive income for the year, net of tax		0.07	0.21
IX. Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)		(1,051.27)	1,600.04
Earnings per equity share:			
Basic & Diluted		(0.44)	0.67
See accompanying notes to the financial statements	1-46		

As per our report on financial statements of even date attached.

For K C Mehta & Co LLP
Chartered Accountants


Chhaya M. Dave
Partner
M. No. 100434
Place : Vadodara
Date: 30.06.2023




For and on behalf of the Board


Hitendra Kumar Garg
Managing Director
DIN: 09497695


Pafak Shah
Company Secretary
M.No.A27260

Place : Vadodara
Date: 30.06.2023


Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008


Ritu Bhakkar
Chief Financial Officer
M. No. 154664

VADODARA GAS LIMITED**Statement of Changes in Equity for the Year ended 31st March, 2023****A Equity Share Capital**

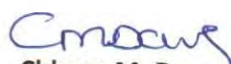
Particulars	(Rs. in Lakhs)
Balance as at 1st April, 2021	24,029.35
Changes in equity share capital during the year	-
Balance as at 31st March, 2022	24,029.35
Changes in equity share capital during the year	-
Balance as at 31st March, 2023	24,029.35

B Other Equity

Particulars	(Rs. in Lakhs)
Balance as at 1st April, 2021	Retained earnings 2,608.97
Profit for the year	1,599.83
Re-measurement of Defined benefit Plan	0.21
Balance as at 31st March, 2022	4,209.01
Profit for the year	(1,051.34)
Re-measurement of Defined benefit Plan	0.07
Balance as at 31st March, 2023	3,157.74

As per our report on financial statements of even date attached.

For K C Mehta & Co LLP
Chartered Accountants


Chhaya M. Dave
Partner
M. No. 100434



Place : Vadodara
Date: 30.06.2023

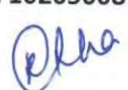
For and on behalf of the Board


Hitendra Kumar Garg
Managing Director
DIN: 09497695


Palak Shah
Company Secretary
M.No.A27260

Place : Vadodara
Date: 30.06.2023


Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008


Ritu Thakkar
Chief Financial Officer
M. No. 154664

VADODARA GAS LIMITED

Cash Flow Statement for the year ended 31st March, 2023

(Rs. in Lakhs)

Particulars	For year ended 31st March, 2023	For year ended 31st March, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(1,349.48)	2,227.98
Remeasurement of Defined Benefit Plan	0.10	0.28
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortization	1,071.27	907.70
Provision for Doubtful debts	-	-
Interest income	(125.69)	(117.19)
Finance costs	538.07	465.54
<i>Working capital adjustments:</i>		
(Increase)/ Decrease in Current Assets:		
Inventories	(78.38)	(301.56)
Trade receivables	(1,344.80)	(1,002.33)
Other financial assets	(87.63)	(5.65)
Other non financial assets	(523.59)	(6.97)
Increase / (Decrease) in Current Liabilities:		
Trade Payables	1,377.40	1,541.37
Other Financial Liabilities	3,966.62	1,811.50
Other non Financial Liabilities	(183.42)	(327.59)
	3,260.47	5,193.08
Income tax (paid)/ Refund	(2.09)	(20.28)
Net cash flows from operating activities (A)	3,258.38	5,172.80
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP)	(4,276.79)	(4,027.61)
Bank Balances not considered as Cash and Cash Equivalents	(114.73)	(154.09)
Interest received (finance income)	129.32	168.67
Net cash flows used in investing activities (B)	(4,262.20)	(4,013.03)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment(Proceeds) of Long term Borrowings	472.08	(430.74)
Interest and Finance charges paid	(538.07)	(465.54)
Payment of Lease Rent	(2.44)	(43.32)
Net cash flows from/(used in) financing activities (C)	(68.43)	(939.60)
Net increase in cash and cash equivalents (A+B+C)	(1,072.25)	220.17
Cash and cash equivalents at the beginning of the year	1,112.34	892.17
Cash and cash equivalents at year end	40.07	1,112.34



(Rs. in Lakhs)

Notes:		
1	Cash & Bank Balances consists of the following:	
	Cash & Cash Equivalents	
	a. Balances with Banks	23.11
	b. Cash on hand	16.96
	Closing Cash & Cash Equivalents	40.07
2	Reconciliation of change in liabilities arising from financial activities:	
	Long-term borrowings	
	Opening Balance	4,188.29
	Less : Cash flow	(472.08)
	Less: Non Cash Changes	-
	Closing Balance	4,660.37
3	Previous year's figures have been regrouped / rearranged to confirm to the current years presentation, wherever necessary.	

As per our report on standalone financial statements of even date attached.

For K C Mehta & Co LLP
Chartered Accountants

Chhaya M. Dave

Chhaya M. Dave
Partner
M. No. 100434

Place : Vadodara
Date: 30.06.2023



For and on behalf of the Board

Hitendra Kumar Garg

Hitendra Kumar Garg
Managing Director
DIN: 09497695

Palak Shah

Palak Shah
Company Secretary
M.No.A27260
Place : Vadodara
Date: 30.06.2023

Arpit Sagar

Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008

Ritu Thakkar

Ritu Thakkar
Chief Financial Officer
M. No. 154664

Vadodara Gas Limited

Notes to the Financial Statements

1 Corporate information

Vadodara Gas Limited ('VGL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Shri Muni Commi Gas Office, Gas Office Building, Dandiya Bazar, Vadodara - 390001. VGL is a Joint Venture Company (JVC) of Gail Gas Limited and Vadodara Mahanagar Seva Sadan. It was incorporated on 13th September, 2013 for Gas Distribution in the city of Vadodara and its adjoining areas. Presently Gail (India) Ltd holds 32.93 % , Gail Gas Ltd holds 17.07 % & Vadodara Mahanagar Seva Sadan holds 50% of equity shares of Vadodara Gas Limited. VGL operates Compressed Natural Gas (CNG) stations and also supplies Piped Natural Gas (PNG) to consumers in domestic and commercial sectors.

2 Significant Accounting Policies

2.1 Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time).

The financial statements are prepared, on a historical cost basis except for certain assets and liabilities which are measured at fair value at the end of each reporting period; as explained in the accounting policies below. These accounting policies have been applied consistently over all periods presented in these financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees which is Company's presentation and functional currency and all amounts are rounded off to the nearest Lakhs (up to two decimals) except when otherwise indicated.

Application of Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

New Standards/ amendments and other changes effective April 1,2022 or thereafter

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards have been notified which will be applicable from April 1, 2022, or thereafter.

New Standards/ amendments and other changes effective April 1,2023

Ind AS 1 – Presentation of Financial Statements

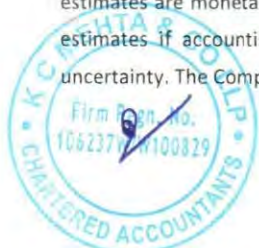
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning, restoration and similar obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – 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.



2.2 Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

2.3 Property, Plant & Equipment

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, less accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy. The Company has determined the last mile connectivity i.e., assets upto and including at the premises of the consumer to be the unit of measure for recognition and capitalisation of assets.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Works under erection/installation /execution (including such work pertaining to a new project) are shown as Capital Work in Progress. Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of competent authority, subject to necessary adjustment in cost and depreciation in the year of settlement.

Capital Spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are capitalized at cost.

Depreciation of these PPE commences when the assets are ready for their intended use.

Freehold Land is not depreciated. Depreciation on PPE other than Land has been provided on Straight line method over the useful lives of the assets as per Schedule II to the Companies Act.



Useful lives of each class of PPE as prescribed under Part C of Schedule II to the Companies Act, 2013:

Asset Description	Assets Useful life (in Years)
CNG Stations Building	30
Other Buildings	60
Roads	5
Plant & Machinery	15-25
Furniture and Fixtures	10
Office Equipment	5
Computers	3
Electrical installation	10
Vehicle	8

Capital Spares are depreciated over the useful life of such Spares but not exceeding the remaining useful life of related tangible asset.

Leasehold land is amortised over the period of lease.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

2.4 Intangible Assets and Amortisation

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized in the statement of profit and loss when the asset is derecognized.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased and is not amortised but tested for impairment annually.

Intangible assets including Computer software are amortized on straight-line basis over a period of three years.

2.5 Impairment of Tangible and Intangible Assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal 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 assessments 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.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have decreased. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.



Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit('CGU') or group of CGUs, which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

The total impairment loss of a CGU is allocated first to reduce the carrying value of Goodwill allocated to that CGU and then to the other assets of that CGU - on pro-rata basis of the carrying value of each asset.

2.6 Inventories

Inventory of Gas in the pipeline is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Inventory of stores and spares are valued at cost or estimated net realizable value, whichever is lower on first in first out principle net off provision for non moving / slow moving inventory and other anticipated losses, wherever considered necessary.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and selling expense.

2.7 Revenue Recognition

The company earns revenue primarily from the sale of Gas.

a. Sale of Products and Services

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue is measured at the transaction price of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Contract assets are recognized when there is right to consideration in exchange for goods or services that are transferred to a customer and when that right is conditioned on something other than the passage of time.

Revenue from sale of natural gas is recognized, at the point of transfer of title to customers at delivery point. Revenue from natural gas is recognised at fair value including excise duty but excluding value added tax and service tax. Revenue recognized but not invoiced to customer is disclosed as unbilled revenue under other current assets

b. Interest Income

Interest is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

c. Other Income

Other income is recognized on accrual basis except when realization of such income is uncertain.

2.8 Leases

The Company's lease asset class primarily consist of leases for immovable properties and LCV services for transportation. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if there is an explicit or implicit identified asset in the contract and Customer controls the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset throughout the period of the lease and (3) the company has the right to direct the use of the asset.

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



The Company as a Lessee:

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

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.9 Employee Benefits

Post employment benefits

(i) Defined contribution plan

Contributions to defined contribution schemes such as provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

The company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.

(ii) Defined benefit plan

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuations under the Projected Unit Credit method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income (OCI). These gains/losses which are recognised in OCI are reflected in retained earnings and are not reclassified to Profit or Loss. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation.

(iii) Other Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date using Projected Unit Credit method.

(iv) Short term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives, etc.



2.10 Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings.

General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.11 Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

a. Current tax

The tax currently payable is based on taxable profit for the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

b. Deferred tax

Deferred tax is recognized 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 are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Current and deferred tax expense for the year

Current and deferred tax are recognized in Statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.12 Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss. However, trade receivables which is a financial asset that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial Assets

Cash and bank balances

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



Financial asset at Amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

Impairment of Financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. On derecognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

(ii) Financial liabilities and Equity Instruments

Financial liabilities are measured at amortized cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities.

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs, if any.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of directly attributable costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when its contractual obligations are discharged, cancelled or have expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.



2.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax with the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, with the aggregate of weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.14 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

2.15 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits, which are subject to insignificant risk of changes in value.

2.16 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions:

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(ii) Contingent Liabilities and Assets:

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

2.17 Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset or liability is treated as current if it satisfies any of the following conditions:

the asset/liability is expected to be realised/settled in the company's normal operating cycle

the asset is intended for sale or consumption;

the asset/liability held primarily for the purpose of trading

the asset/liability is expected to be realized/settled within twelve months after the reporting period;

the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

in case of a liability, the company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash Equivalents.

The Company has identified twelve months as its operating cycle.

3 Critical accounting judgements, assumptions and Key sources of estimation uncertainty

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

Key estimates, assumptions and judgements

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



3.1 Contingencies

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

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised.

3.2 Determining whether an arrangement contain leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3.3 Estimates and assumptions

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

3.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3.5 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. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

Deferred Tax Assets (DTA) are recognised for the unused tax losses/ credits to the extent that it is probable that taxable profit will be available against which the losses will be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.6 Impairment of Goodwill

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances indicate that the recoverable amount of the CGU is less than its carrying value. In calculating the value in use, the Company is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

3.7 Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.



VADODARA GAS LIMITED
Notes to the Financial Statements
4 Property, plant and equipment

Property, plant and equipment are as follows:

Cost or deemed cost	Freehold Land	Buildings (refer note b)	Right of Use Assets	Roads (refer note b)	Plant & Machinery (refer note c)	Furniture & Fittings	Office Equipment	Computers	Electrical Installation	Vehicles	Total
At 1 April 2021	2,869.15	420.35	2,690.88	54.80	17,161.00	13.69	76.91	26.07	18.24	4.39	23,335.47
Additions	-	19.11	-	-	5,294.97	7.67	1.38	3.26	13.00	-	5,339.40
Disposals/Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2022	2,869.15	439.46	2,690.88	54.80	22,455.97	21.36	78.29	29.33	31.24	4.39	28,674.86
Additions	-	-	-	-	5,157.11	-	2.76	0.60	-	-	5,160.48
Disposals/Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2023	2,869.15	439.46	2,690.88	54.80	27,613.08	21.36	81.05	29.93	31.24	4.39	33,835.34

Depreciation and impairment	Freehold Land	Buildings	Right of Use Assets	Roads	Plant and machinery	Furniture and fixtures	Office Equipment	Computers	Electrical Installation	Vehicle	Total
At 1 April 2021	-	90.38	685.36	51.77	2,289.50	6.14	58.12	22.48	10.79	3.33	3,217.87
Charge for the year	-	13.16	62.43	-	803.75	1.78	5.47	2.61	2.58	0.55	892.33
Disposals/ adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2022	-	103.54	747.79	51.77	3,093.25	7.92	63.59	25.09	13.37	3.88	4,110.20
Charge for the year	-	13.39	22.55	-	1,014.37	2.06	4.92	1.16	3.05	0.28	1,061.78
Disposals/ adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2023	-	116.93	770.34	51.77	4,107.62	9.98	68.51	26.25	16.42	4.16	5,171.98

Net carrying value	Freehold Land	Buildings	Right of Use Assets	Roads	Plant and machinery	Furniture and fixtures	Office Equipment	Computers	Electrical Installation	Vehicle	Total
At 31 March 2022	2,869.15	335.92	1,943.09	3.03	19,362.72	13.44	14.70	4.24	17.87	0.51	24,564.67
At 31 March 2023	2,869.15	322.53	1,920.54	3.03	23,505.46	11.38	12.54	3.69	14.82	0.23	28,663.36

Notes:

- Land and building, plant and machineries, electrical installation, furniture and fixtures, office equipments and other movable assets of the company are subject to first charge to secure Term loan from Bank of Baroda.
- Includes cost of Rs.96.29 lakhs of Building including roads at Dashrath CNG station for which the formal transfer of lease rights of the Land on which such building and related assets are standing are yet not completed. Title Deeds are in the name of one of the promoters Gail India Ltd & said property is held since 21.03.2005.



VADODARA GAS LIMITED
Notes to the Financial Statements

(Rs. in Lakhs)

5 Capital work-in -progress

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital work-in-progress	2,943.72	2,881.87
Total	2,943.72	2,881.87

5.1 The details of Capital Works-in-progress is as follows:-

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
CNG Plant and Machinery	1,680.54	2,021.66
PNG Pipelines	1,263.18	860.21
Total	2,943.72	2,881.87

5.2 The Capital Work in Progress consists of the following:-

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance as at 1st April 2022	2,881.87	3,277.67
Add: Additions during the year	5,106.76	5,125.80
Less: Capitalised during the year	5,044.91	5,521.60
Balance as at 31st March 2023	2,943.72	2,881.87

5.3 Aging of Capital Work in Progress:-

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on 31st March 2023	1,169.55	200.64	183.04	1,390.49	2,943.72
Projects in progress as on 31st March 2022	1,058.67	213.21	589.66	1,020.33	2,881.87

Notes:

- Capital work in progress includes capital inventory of Rs 1798.62 lakhs (As on 31st march 2022 Rs 1897.79 lakhs)
- The company is engaged in the business of City Gas Distribution (CGD). The company annually modulates project execution plans on the basis of developments in CGD eco system and demand potential in the GA. All the projects are executed as per rolling annual plans and annual capex budgets.



6 Intangible Assets

Intangible assets are as follows:

(Rs. in Lakhs)

Cost or deemed cost	Goodwill	Software	Total
At 1 April 2021	10,606.36	35.34	10,641.70
Additions	-	13.06	13.06
Disposals/Adjustments	-	-	-
At 31 March 2022	10,606.36	48.40	10,654.76
Additions	-	14.87	14.87
Disposals/Adjustments	-	-	-
At 31 March 2023	10,606.36	63.27	10,669.63

Accumulated amortization and impairment	Goodwill	Software	Total
At 1 April 2021	-	22.88	22.88
Charge for the year	-	15.38	15.38
Disposals/ adjustments	-	-	-
At 31 March 2022	-	38.26	38.26
Charge for the year	-	9.49	9.49
Disposals/ adjustments	-	-	-
At 31 March 2023	-	47.75	47.75

Net book value	Goodwill	Software	Total
At 31 March 2022	10,606.36	10.15	10,616.51
At 31 March 2023	10,606.36	15.52	10,621.88



VADODARA GAS LIMITED
Notes to the Financial Statements

7 Other Financial assets

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Unsecured considered good		
Non-Current		
Security deposits	94.84	82.92
Total (A)	94.84	82.92
Current		
Security deposits	6.48	-
Other receivables	146.23	193.23
Advance to Suppliers	116.23	-
Interest accrued on deposits	5.83	9.46
Total (B)	274.77	202.69
Total Other Financial Assets(A+B)	369.61	285.61

8 Other Assets

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Non current		
Balances with Government authorities	0.20	0.20
Prepaid expenses	4.74	0.13
Total (A)	4.94	0.33
Current		
Balances with Government authorities	449.10	38.51
CSR Prespent	-	10.01
Advance to Suppliers	112.11	-
Prepaid expenses	34.84	28.55
Total (B)	596.05	77.07
Total Other Assets(A+B)	600.99	77.40

9 Inventories

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Stores and spares	1,230.89	1,184.84
Natural Gas	49.18	16.85
Total	1,280.07	1,201.69

Refer note 2.6 of Significant Accounting Policies for Basis of valuation

The inventories have been charged as security against the letter of credit facility taken from the banks.

10 Trade receivables

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
(Unsecured unless otherwise stated)		
Considered Good	4,806.38	3,461.58
Considered as having significant increase in Credit Risk	517.35	517.35
Less: Impairment of receivables having significant increase in Credit Risk	(517.35)	(517.35)
Total Trade receivable	4,806.38	3,461.58

- a. Generally, the Company enters into gas sales arrangement with its customers. The average credit period on sales of gas is generally between 3 to 15 days. Interest is charged at agreed rate as per terms on the overdue balance on PNG customers.
- b. The Company assesses impairment loss on dues from its customers based on the ageing of the receivable balances and historical experience.
- c. Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on an annual basis.

d. Movement of Impairment of receivables

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	517.35	517.35
Additions	-	-
Balance at the end of the year	517.35	517.35



e. As on 31st March'2023

(Rs. in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
i) Undisputed Trade Receivables- considered good	2,665.91	500.45	1,261.94	323.84	0.47	22.94
ii) Undisputed Trade Receivables- which have significant increase in the credit risk	-	-	-	-	-	517.35
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	30.82	-	-
v) Disputed Trade Receivables- which have significant increase in the credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

As on 31st March'2022

(Rs. in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
i) Undisputed Trade Receivables- considered good	1,545.15	1,169.24	492.62	199.29	55.28	-
ii) Undisputed Trade Receivables- which have significant increase in the credit risk	-	-	-	-	-	517.35
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade Receivables- which have significant increase in the credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

f. The Trade receivables have been charged as security against the letter of credit facility taken from the banks.

11 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
(a) Cash in hand	16.96	14.36
(b) Balances with banks: - Current Account	23.11	1,097.98
Total	40.07	1,112.34

12 Other Bank balances

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
(a) Bank deposits	-	1,884.58
(b) Bank deposits under lien	2,318.21	318.90
Total	2,318.21	2,203.48

13 Current tax assets (net)

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
Advance tax (net of provisions)	79.86	76.31
Total	79.86	76.31

14 Equity share capital

a. Share Capital Consists of the following

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
Share capital		
Authorised		
25,00,00,000 Equity Shares of Rs. 10 each	25,000	25,000
	25,000	25,000
Issued, subscribed and fully paid up		
24,02,93,548 Equity Shares of Rs. 10 each	24,029	24,029
Total	24,029	24,029



b. Right, preferences and restrictions attached to shares

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

c. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

(Rs. in Lakhs)

Particulars	No. of Shares	Share Capital
As at 1st April, 2021	24,02,93,548	24,029.35
Additions/(Reductions)	-	-
As at 31st March, 2022	24,02,93,548	24,029.35
As at 1st April, 2022	24,02,93,548	24,029.35
Additions/(Reductions)	-	-
As at 31st March, 2023	24,02,93,548	24,029.35

d. Shares in the company held by shareholders holding more than 5% is as under:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
GAIL Gas Limited	4,10,08,943	17.07%	4,10,08,943	17.07%
GAIL (India) Limited	7,91,37,831	32.93%	7,91,37,831	32.93%
Vadodara Mahanagar Seva Sadan	12,01,46,774	50.00%	12,01,46,774	50.00%

e. Shares in the company held by Promoters is as under:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	% of Total Shares	No of Shares	% of Total Shares
GAIL Gas Limited	4,10,08,943	17.07%	4,10,08,943	17.07%
GAIL (India) Limited	7,91,37,831	32.93%	7,91,37,831	32.93%
Vadodara Mahanagar Seva Sadan	12,01,46,774	50.00%	12,01,46,774	50.00%

There is no change in holding during the financial year

f. 24,02,93,548 Equity shares of Rs.10 each fully paid were issued for consideration other than cash pursuant to "Business Transfer Agreement" entered with GAIL (India) Limited and GAIL Gas Limited respectively for acquisition of its business relating to CNG stations and with Vadodara Mahanagar Seva Sadan (VMSS) for acquisition of its business relating to the PNG supply along with infrastructure therein with all rights and specified liabilities attached thereto as a going concern on a slump sale basis, taking effect from closing business hours of 30th September, 2014.

15 Other Equity**a Other equity consist of the following:**

(Rs. in Lakhs)

Particular	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings	3,157.74	4,209.01
Total	3,157.74	4,209.01

b Particulars relating to Other Equity

(Rs. in Lakhs)

Other Equity	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings		
Opening Balance	4,209.01	2,608.97
Add: Profit for the year	(1,051.34)	1,599.83
Add: Re-measurement of Defined benefit Plan	0.07	0.21
Balance at the end of the year	3,157.74	4,209.01

16 Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current Secured borrowings		
From Banks:		
Term Loan	4,660.37	4,188.29
Total Non Current Borrowings	4,660.37	4,188.29
Current Secured borrowings		
Current Maturities of Loans	1,261.56	1,261.56
Bank Overdrafts*	2,481.44	-
Total current borrowings	3,743.00	1,261.56

*Bank Overdrafts are secured against Fixed Deposits



a. Term Loans from Banks consists of the following:

Name of Bank	Date of Maturity	Rate of Interest	No. of Monthly Installments due after the balance sheet date	Amount of each Installments (Rs.)
Bank of Baroda (Secured against all project assets including Land and building to be financed out of fresh credit facilities)	20-07-2028	8.50%*	64 (76)	Monthly installment of Rs.89.29 lakhs and last installment of Rs.88.93 lakhs.
Bank of Baroda (Secured against all project assets including Land and building to be financed out of fresh credit facilities)	31-12-2024	9.75%*	21 (33)	Monthly installment of Rs.15.84 lakhs and last installment of Rs.12.56 lakhs.

* floating rate - 1year MCLR + Strategic premium

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Current Maturities of loans	1,261.56	1,261.56
Outstanding loan amount	5,921.93	5,449.85

17 Lease Liabilities

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Other lease financial liabilities	2.06	4.67
Total	2.06	4.67
Current		
Current maturities of other lease financial liabilities	2.24	2.07
Total	2.24	2.07

18 Provisions

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Gratuity Payable	3.80	2.23
Leave Encashment Payable	5.23	3.13
Total	9.03	5.36
Current		
Gratuity Payable	0.01	0.31
Leave Encashment Payable	0.48	0.29
Total	0.49	0.60

19 Deferred tax liabilities (net)

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities	4,597.64	4,200.58
Deferred Tax Assets	2,296.48	1,602.76
Total	2,301.16	2,597.82

As at 31st March, 2023	(Rs. in Lakhs)			
	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities / assets in relation to:				
Deferred Tax Liabilities				
Property, plant and equipment	4,200.58	397.06	-	4,597.64
Total Deferred Tax Liabilities	4,200.58	397.06	-	4,597.64
Deferred Tax Assets				
Unpaid liability allowable on payment basis	1.50	0.92	(0.02)	2.40
Unabsorbed depreciation	1,450.95	690.39	-	2,141.34
Provision for non-moving inventories	11.82	(0.00)	-	11.82
Impairment of receivables having significant increase in Credit Risk	130.21	0.00	-	130.21
Others	8.28	2.43	-	10.71
Total Deferred Tax Assets	1,602.76	693.74	(0.02)	2,296.48
Net Deferred Tax Liabilities	2,597.82	(296.68)	0.02	2,301.16



(Rs. in Lakhs)

As at 31st March, 2022	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities / assets in relation to:				
Deferred Tax Liabilities				
Property, plant and equipment	3,780.46	420.12	-	4,200.58
Total Deferred Tax Liabilities	3,780.46	420.12	-	4,200.58
Deferred Tax Assets				
Unpaid liability allowable on payment basis	11.30	(9.73)	(0.07)	1.50
Unabsorbed depreciation	1,664.74	(213.79)	-	1,450.95
Provision for non-moving inventories	-	11.82	-	11.82
Impairment of receivables having significant increase in Credit Risk	126.65	3.56	-	130.21
Others	6.85	1.43	-	8.28
Total Deferred Tax Assets	1,809.54	(206.71)	(0.07)	1,602.76
Net Deferred Tax Liabilities	1,970.92	626.83	0.07	2,597.82

20 Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Due to Micro & Small Enterprise	1,199.14	1,500.97
Due to others	3,142.71	1,463.48
Total	4,341.85	2,964.45

- a. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. Further information of the same is as follows:-

As on 31st March, 2023

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
i) MSME	1,139.88	56.68	0.93	1.65
ii) Others	2,479.20	454.86	83.39	125.26
iii) Disputed Dues - MSME	-	-	-	-
iv) Disputed Dues - others	-	-	-	-

As on 31st March, 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
i) MSME	1,334.71	157.44	-	8.82
ii) Others	1,298.12	96.59	10.82	57.94
iii) Disputed Dues - MSME	-	-	-	-
iv) Disputed Dues - others	-	-	-	-

(Rs. in Lakhs)

Trade payables -Total outstanding dues of Micro & Small enterprises*	As at 31st March, 2023	As at 31st March, 2022
(a) Principal & Interest amount remaining unpaid but due as at year end #		
- Principal	2,303.41	1,785.28
- Interest	127.73	12.03
(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	127.73	12.03
(d) Interest accrued and remaining unpaid as at year end **	145.28	17.56
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	145.28	17.56

* Contractual retentions not due for payments and security deposits are not considered here.

It also include amount payable for capital expenditure of Rs.1,104.28 lakhs(P.Y. Rs.284.31 lakhs).

**Out of total interest amounting to Rs 5.53 lakhs (P.Y. Rs. 5.53 lakhs) not provided for.



21 Other financial liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Deposits from Customers and Contractors	5,964.47	4,664.12
Retention Money and Earnest money deposit from Contractors	211.05	139.80
Payable for capital assets		
- Due to MSME (Refer note above)	1,104.28	284.31
- Due to Others	796.96	487.16
Interest Payable on MSME	139.76	12.03
Expenses Payable for CWIP	184.49	353.86
Expenses Payable	641.81	659.64
Total	9,042.82	6,600.92

22 Other Current liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues Payable	54.85	153.86
Advance from customers	275.43	355.97
Advance received for development and relocation expenses from NHRCL	103.76	107.52
Total	434.04	617.35



VADODARA GAS LIMITED

Notes to the Financial Statements

23 Revenue from Operations

(Rs. in Lakhs)

a. Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Revenue from Operations		
Sale of Compressed Natural Gas (CNG) (including excise duty)	24,701.35	13,061.35
Sale of Piped Natural Gas (PNG)	16,531.93	9,256.79
Total (a)	41,233.28	22,318.14
B. Other Operating Revenues		
Faulty meter and By-pass charges	21.80	41.77
Income from PNG installation	312.33	723.84
Interest & Penalty Income (For late payment)	216.25	197.04
Other Operating income	345.61	203.29
Total (b)	895.99	1,165.94
Total (a+b)	42,129.27	23,484.08

b Disaggregation of revenue from contracts with customers

(Rs. in Lakhs)

For the year ended 31st March, 2023	CNG	PNG	TOTAL
Sale of Natural Gas	24,701.35	16,531.93	41,233.28
Sale of services	-	312.33	312.33
Other operating Revenues	137.17	446.49	583.66
Timing of revenue recognition			
At a point in time	24,838.52	17,290.75	42,129.27

24 Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income	123.44	115.46
Interest on Income Tax Refund	2.25	1.73
Total	125.69	117.19

25 Gas Consumed

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gas consumed	31,738.53	12,108.37
Total	31,738.53	12,108.37

26 Other Operating Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Maintenance Charges	1,787.50	1,811.11
Consumption of stores and spare parts	1,405.37	730.38
Excise Duty	2,995.83	1,673.94
Forecourt charges	354.70	306.74
Transportation Charges	831.75	824.57
Testing & Weighing charges	18.70	22.24
Total	7,393.85	5,368.98

27 Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary	453.44	485.96
Contribution to provident and other funds	6.06	3.97
Staff Welfare	29.55	29.24
Total	489.05	519.17

All the employees (Except 26 (P.Y 28) employees whose total salary amounts to Rs.170.08 lakhs (Rs.140.48 lakhs)) posted at Vadodara Gas Limited during the year are on the rolls of either GAIL Gas Limited or Vadodara Mahanagar Seva Sadan. Salary inclusive of all benefits are being paid by the respective Employers and recovered from the Company. All statutory compliances in this regard are being made by respective employers.



28 Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Expenses	538.07	465.54
Other borrowings costs	43.91	28.03
Total	581.98	493.57

29 Other Expenses

(Rs. in Lakhs)

a. Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Audit Fee	6.85	6.40
Electricity expenses	302.66	240.15
Insurance expense	23.50	20.33
Legal & Professional	75.31	62.40
Interest Expense		
- On MSME Payments	127.73	12.03
- Others	10.03	9.10
Miscellaneous Expenses *	79.29	49.90
Rent	69.82	76.18
Rates & taxes	96.95	93.00
Repairs and Maintenance		
- Building	76.76	78.85
- Others	46.63	-
Security charges	104.34	96.78
Manpower Services	57.06	60.16
CSR Expense (Refer Note 29 c)	25.66	15.93
Selling & Distribution	243.26	264.19
CST expense	5.78	-
GST Expense	931.32	833.63
Travel & Conveyance	46.81	56.47
Total	2,329.76	1,975.50

* None of the items individually account for more than Rs.10 lakhs or 1% of revenue from operations whichever is higher.

b. Payment to auditors has been classified as follows :

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Payments to the auditor (excluding GST):		
(i) Auditor	6.85	6.40
(ii) For taxation matters	8.36	9.39
(iii) For company law matters	0.05	0.50
(iv) Out of Pocket Expenses	0.02	-

c. Details of CSR Expenditure are as under:

(Rs. in Lakhs)

Particulars	31-Mar-23	31-Mar-22
(i) Amount required to be spent by the company during the year	25.65	15.93
(ii) Amount of expenditure incurred	15.64	25.94
(iii) Excess amount spent in FY2021-22 set off against current year CSR*	10.01	-
(iv) (Excess)/Shortfall at the end of the year (i-ii-iii)*	-	(10.01)
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	Promoting Sanitation	Promoting health care

As per the CSR committee meeting of the Board of Directors dated 4th August'2021, it was resolved that the CSR amount present in FY 21-22 will be set-off against Company's CSR obligation upto immediate succeeding three financial years.



Amount spent in cash during the year is as below:

(Rs. in Lakhs)			
Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of an asset	-	-	-
(ii) On purposes other than above	15.64	-	15.64
	(25.94)	-	(25.94)

Amounts in bracket indicate previous year figures.

30 Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax		
- current year	-	-
- earlier years	-	-
Total Current Tax	-	-
Deferred Tax	(296.68)	626.83
Total	(296.68)	626.83

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before tax from continuing operations	(1,349.48)	2,227.98
Income tax expense calculated at 25.168% (25.168%)	(339.64)	560.74
Effect of:		
(Income) / expense (net) not (taxable) / deductible	42.99	10.91
Recognised in OCI	(0.02)	(0.07)
Tax rate difference	-	55.26
Income tax expense recognised in Statement of Profit and Loss	(296.67)	626.84

No income tax has been recognised directly in Equity.

31 Contingent liabilities and commitments (to the extent not provided for) :

(Rs. in Lakhs)

a. Particulars	As at 31st March, 2023	As at 31st March, 2022
Contingent Liabilities not provided in respect of :		
I. Claims against the company not acknowledged as debt (Refer note b. below)	1,428.85	1,428.85
II. Income tax (AY 2017-18)	106.66	-
III. Labour cases pending against the company not acknowledged as debt	Amount not ascertainable	Amount not ascertainable

b. For the claims against the Company in the previous year, the Company did not expect the outcome of few of the claims to have a material impact on its financial position. Future cash outflows in respect of the same are determinable only on receipt of decisions pending with various forums/ authorities.

c. For the claims against the Company in the previous year, the Company did not expect the outcome of few of the claims relating to interest claim and other claims of Gail (India) Limited to have a material impact on its financial position. Future cash outflows in respect of the same are determinable only on receipt of decisions pending with various forums/ authorities.

d. Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
B. Capital Commitments		
Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)	1,277.76	1,415.65



VADODARA GAS LIMITED

Notes to the Financial Statements

32 Segment Reporting

a. The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended 31st March, 2023.

b. Entity wide disclosures :

Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas".

Geographic Informations:

The company operates presently in the business of city gas distribution in Vadodara District. Accordingly, revenue from customers and all assets are located in Vadodara District, India only.

Information about major customers:

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

33 Employee Benefits

(A) Defined Contribution Plans:

The Company makes contribution towards Employee Provident Fund. The employees on the payroll of the Company include contract employees. The Company is required to contribute specified percentage of payroll cost.

The Company has recognised the following amounts in the Statement of Profit and Loss :

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contribution to Provident Fund	5.64	3.70

(B) Defined Benefit Plan:

(i) Gratuity:

The Company has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2023 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

This plan typically expose the Company to actuarial risks such as: Actuarial Risk, Investment Risk, Liquidity Risk, market Rsk & Legislative Risk.

a. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.



b. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

c. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

d. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

e. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Amounts recognized in the Financial Statements in respect of defined benefit plan are as follows:

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Service Cost:		
Current Service Cost	1.19	0.68
Past service cost and loss/(gain) on curtailments and Net interest expense/ (income)	0.18	0.14
Components of defined benefit costs recognised in Employee	1.37	0.82
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in financial assumptions	(0.12)	-
Actuarial (gains)/losses arising from experience adjustments	0.02	(0.28)
Components of Re-measurement	(0.10)	(0.28)
Total	1.27	0.54

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows :

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Present Value of funded defined benefit obligation	3.81	2.54
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	3.81	2.54



Movements in the present value of the defined benefit obligation are as follows:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening defined obligation	2.53	1.99
Current service cost	1.19	0.68
Interest cost	0.18	0.14
Re-measurement (gains)/losses :		
Actuarial (gains)/ losses arising from changes in financial assumptions	(0.12)	-
Actuarial (gains)/ losses arising from experience adjustments	0.02	(0.28)
Past Service Cost	-	-
Benefits paid	-	-
Closing defined benefit obligation	3.80	2.53

Movements in the fair value of plan assets are as follows:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening value of plan assets	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing defined benefit obligation	-	-

Classification of Non-Current and Current Liability:

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current liability	3.81	2.22
Current liability	0.01	0.31
Total	3.82	2.53

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mortality	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rates	10 % p.a. at younger age reducing to 2% p.a. at older ages	10 % p.a. at younger age reducing to 2% p.a. at older ages
Discount Rate (%)	7.50%	7.25%
Salary escalation rate (%)	7.00%	7.00%



Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Rs. in Lakhs)		
Significant actuarial assumptions	As at 31st March, 2023	As at 31st March, 2022
Discount Rate		
- Impact due to increase of 50 basis points	3.59	2.40
- Impact due to decrease of 50 basis points	4.06	2.69
Salary increase		
- Impact due to increase of 50 basis points	3.98	2.64
- Impact due to decrease of 50 basis points	3.66	2.44
Withdrawal Rate		
- Impact due to increase of 10 percent	3.81	2.52
- Impact due to decrease of 10 percent	3.81	2.55

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Maturity Profile of Defined Benefit Obligations:

(Rs. in Lakhs)		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Less Than One Year	0.00	0.31
One to Three Years	0.57	0.20
Three to Five Years	0.57	0.36
More than Five Years	1.52	0.91
Total	2.66	1.78

(C) Other long term employee benefit plans

Leave encashment

Amount of Rs. 3.00 lakhs (31st March 2022 Rs 2.25 lakhs) is recognised as expenses and included in note no.27 "Employee benefit expense".

34 Leases

Company as a lessee

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.



(a) Amounts recognised in the Balance Sheet

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Right-of-use Asset		
Cost	2,690.88	2,690.88
Accumulated Depreciation	770.33	747.78
Net Carrying Amount	1,920.55	1,943.10
(ii) Lease liabilities - Borrowings		
Beginning of the year/period	6.74	48.96
Additions	-	-
Accretion of interest	-	1.10
Payments	2.44	43.32
Deletion	-	-
Closing of the year	4.30	6.74
Current	2.24	2.07
Non-Current	2.06	4.67

(b) Amounts recognised in the Statement of Profit And Loss**(Rs. in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Finance Cost		
Interest Expense On Lease Liability	-	1.10
(ii) Depreciation		
Depreciation on right of use lease asset	22.55	62.43

(c) Amounts recognised in Cash Flow Statement**(Rs. in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
Total cash outflow for leases	2.44	43.32

(d) Expense relating to short-term leases and Low-value**(Rs. in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
Amount recognised in statement of Profit and Loss	69.82	76.18

35 Earnings Per Share (EPS)

In accordance with Ind AS 33 – 'Earnings Per Share', the Basic and Diluted Earning Per Share (EPS) has been calculated as under :

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit available to equity shareholders	(1,051.34)	1,599.83
Weighted Average number of equity shares	24,02,93,548	24,02,93,548
Earning Per Share of Rs. 10/- each		
Basic & Diluted (Rs.)	(0.44)	0.67



VADODARA GAS LIMITED
Notes to the Financial Statements
36 Related Party transactions

a. Names of Related parties and nature of related party relationships

Name of Related Parties	Nature of Relationship
GAIL Gas Limited	Enterprise having Significant influence
Vadodara Mahanagar Seva Sadan	Enterprise having Significant influence
GAIL (India) Limited	Enterprise having Significant influence
Ms. Shalini Agarwal, IAS	Nominee Director (upto 07.10.2022)
Mr. Banchhanidhi Pani, IAS	Nominee Director (w.e.f. 10.10.2022)
Mr. Raman Chadha	Nominee Director (w.e.f. 13.09.2022)
Mr. Hitendra Kumar Garg	Nominee Director & Managing Director
Mr. Shailesh Kalidas Naik	Nominee Director
Mr Ajay Sinha	Nominee Director (upto 30.05.2022)
Mr. Bhaskar Debnath	Nominee Director (upto 30.05.2022)
Mr. Kapil Kumar Jain	Nominee Director (w.e.f. 30.05.2022)
Mr. Dhirenbbhai Narsinhbhai Talpada	Nominee Director
Mr. Yougesh Kumar Gupta	Nominee Director (w.e.f. 28.06.2022 upto 13.09.2022)
Mr. Manmohan Panubhai Sutaria	Independent Director (upto 16.07.2022)
Mr. Rajeev Jagdish Saran Singhal	Independent Director
Ms. Palak Shah	Key Managerial Personnel
Ms. Ritu Thakkar	Key Managerial Personnel

b. The following transactions were carried out with the Related Parties in ordinary course of business during the year.

(Rs. in Lakhs)

Nature of Transaction	Enterprise having Significant influence	Key Management Personnel	Total
Transaction during the period			
Purchase of Gas (Inclusive of Tax)	34,374.54	-	34,374.54
	(13,649.69)	-	(13,649.69)
GAIL (India) Limited	34,374.54	-	34,374.54
	(13,649.69)	-	(13,649.69)
Supervision & Other Charges	7.71	-	7.71
	(3.52)	-	(3.52)
GAIL (India) Limited	7.71	-	7.71
	(3.52)	-	(3.52)
Service Charges paid to	12.41	-	12.41
	(135.15)	-	(135.15)
Vadodara Mahanagar Seva Sadan	12.41	-	12.41
	(135.15)	-	(135.15)
Taxes (including interest on late payment) paid to	103.63	-	103.63
	(92.95)	-	(92.95)
Vadodara Mahanagar Seva Sadan	103.63	-	103.63
	(92.95)	-	(92.95)
Services received - Deputation of manpower and other charges	294.72	-	294.72
	(394.18)	-	(394.18)
GAIL Gas Limited	265.64	-	265.64
	(340.28)	-	(340.28)
Vadodara Mahanagar Seva Sadan	29.08	-	29.08
	(53.90)	-	(53.90)
Deputation Allowance	-	9.85	9.85
	-	(9.66)	(9.66)
Vadodara Mahanagar Seva Sadan	-	9.85	9.85
-Mr. Shailesh Kalidas Naik	-	(9.66)	(9.66)
Remuneration to Key Managerial Person		26.40	26.40
		(21.93)	(21.93)
-Ms Palak Shah	-	14.41	14.41
	-	(12.56)	(12.56)
-Ms Ritu Thakkar	-	11.99	11.99
	-	(9.37)	(9.37)



Reimbursement of Expenses to	-	4.17	4.17
	-	(10.27)	(10.27)
-Mr. Ashok Das	-	-	-
	-	(2.62)	(2.62)
-Mr. Hitendra Kumar Garg	-	3.36	3.36
	-	(6.62)	(6.62)
-Ms Palak Shah	-	0.67	0.67
	-	(0.81)	(0.81)
-Ms Ritu Thakkar	-	0.14	0.14
	-	(0.22)	(0.22)
Payment made on behalf of company by	-	-	-
GAIL Gas Limited	-	-	-
	-	-	-
Payment made by company on behalf of	-	-	-
Vadodara Mahanagar Seva Sadan	(3.73)	-	(3.73)
	-	-	-
	(3.73)	-	(3.73)
Sitting fees for directors paid to	0.60	1.35	1.95
	(1.35)	(1.95)	(3.30)
GAIL Gas Limited	0.60	-	0.60
	(1.35)	-	(1.35)
Mr. Manmohan Panubhai Sutaria	-	0.45	0.45
	-	(1.05)	(1.05)
Mr. Rajeev Jagdish Saran Singhal	-	0.90	0.90
	-	(0.90)	(0.90)
Rent paid	-	-	-
Vadodara Mahanagar Seva Sadan	(6.92)	-	(6.92)
	-	-	-
	(6.92)	-	(6.92)
Security deposit paid	6.38	-	6.38
	-	-	-
GAIL (India) Limited	6.38	-	6.38
	-	-	-
Gas Transportation Services provided to	98.95	-	98.95
	-	-	-
GAIL (India) Limited	98.95	-	98.95
	-	-	-

Balance as at:

Receivable	As at 31st March, 2023	As at 31st March, 2022
Receivable		
Vadodara Mahanagar Seva Sadan	164.81	164.81
GAIL Gas Limited	6.38	32.00
GAIL Gas Limited (Security Deposit)	-	15.00
Total	171.19	211.81
Payables		
Vadodara Mahanagar Seva Sadan	165.75	153.53
GAIL (India) Limited	1,401.10	745.48
GAIL Gas Limited	525.73	307.09
Palak Shah	0.28	0.11
Hitendra Kumar Garg	0.26	6.39
Total	2,093.12	1,212.60

Previous year figures are in brackets



VADODARA GAS LIMITED
Notes to the Financial Statements

37 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed interest instruments.

Sensitivity analysis:

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

Reporting period	Increase/decrease in basis points	Effect on profit before tax (Rs in lakhs)
31-Mar-23		
Bank of Baroda Term Loan-1	+100	(3.24)
Bank of Baroda Term Loan-1	-100	3.24
Bank of Baroda Term Loan-2	+100	(55.98)
Bank of Baroda Term Loan-2	-100	55.98
31-Mar-22		
Bank of Baroda Term Loan-1	+100	(5.07)
Bank of Baroda Term Loan-1	-100	5.07
Bank of Baroda Term Loan-2	+100	(49.43)
Bank of Baroda Term Loan-2	-100	49.43

The sensitivity analysis is limited only to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year.

(b) Foreign currency risk

The Company does not have significant exposure in currency other than INR.



2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The contractual maturities of the Company's financial liabilities are presented below:

	(Rs in Lakhs)				
As at 31 March 2023	On demand	upto 1 year	1 to 3 years	more than 3 years	Total
Interest-bearing loans and borrowings	2,481.44	1,261.56	3,353.72	1,306.65	8,403.37
Trade and other payables	-	4,341.85	-	-	4,341.85
Other Financial Liabilities	105.67	8,941.45	-	-	9,047.12
Total	2,587.11	14,544.86	3,353.72	1,306.65	21,792.34

	(Rs in Lakhs)				
As at 31 March 2022	On demand	upto 1 year	1 to 3 years	more than 3 years	Total
Interest-bearing loans and borrowings	-	1,261.56	3,543.80	644.49	5,449.85
Trade and other payables	-	2,964.45	-	-	2,964.45
Other Financial Liabilities	63.32	6,544.34	-	-	6,607.66
Total	63.32	10,770.35	3,543.80	644.49	15,021.96

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit and loss as on 31st March 2023 and for the comparative period as on 31st March 2022 ; except as disclosed in note 10.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by individual customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major part of the revenue is contributed either through cash sales or within credit period of 3 - 15 days. Accordingly company does not expect any impairment loss on trade receivables; except as disclosed in note 10.

Cash and cash equivalents: The company held cash and cash equivalents of **Rs. 40.07 lakhs** as at 31 March 2023 (31st March 2022: Rs.1,112.34 lakhs). The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.



VADODARA GAS LIMITED
Notes to the Financial Statements

38 Ratios

Particulars	Formula	31-Mar-23		31-Mar-22		% Variance	Reason for variance*
		Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Numerator (Rs in lakhs)	Denominator (Rs in lakhs)		
Current ratio	Current assets/ Current liabilities	9,395.41	17,564.44	8,335.16	11,446.95	0.73	-26.54%, short term funds used for funding of long term capital projects.
Debt-equity ratio	Total debt/ Shareholder's Equity	8,407.67	27,187.09	5,456.59	28,238.36	0.19	60.04% On Account of huge increase in gas prices in FY 22-23, Overdraft facility was used to meet regular expenses, this has led to increase in debts.
Debt service coverage ratio	Earnings available for debt service/ Debt Service	259.86	1799.63	3,601.22	1,369.94	2.63	Major reduction is due to Decrease in EBITDA and Increase in Debt
Return on equity ratio	[Net Profits after taxes – Preference Dividend (if any)]/ Average Shareholder's Equity	-1,051.34	27,712.73	1,599.83	27,438.33	0.06	Decrease in on account of decrease in profits
Trade receivables turnover ratio	Net Credit Sales/ Average Accounts Receivable	31,978.60	4,133.98	16,718.82	2,960.42	5.65	Increase is on account of increase in credit sales, however major debtors are within credit period
Trade payables turnover ratio	Net Credit Purchases/ Average Trade Payables	31,738.53	3,653.15	12,108.37	2,193.77	5.52	Increase is on account of huge increase in gas prices owing to global reasons.
Net capital turnover ratio	Net Sales/ Working Capital	41,233.28	-8,169.03	22,318.14	-3,111.79	-7.17	Major reduction is on account of Negative Working Capital
Net profit ratio	Net Profit/ Net Sales	-1,051.34	41,233.28	1,599.83	22,318.14	0.07	Decrease is on account of decrease in profit owing to increase in gas prices
Return on capital employed	Earning before interest and taxes/ Capital Employed	-811.41	37,904.95	2,693.52	36,298.13	0.07	Decrease is on account of Decrease PBT



VADODARA GAS LIMITED

Notes to the Financial Statements

39 Capital management

- a. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company's management performs regular assessment of the net debt to capital employed ratio to ensure it maintains a balance between borrowings and capital position. The net debt to capital employed ratio enables the users to see how significant net debt is relative to capital employed.

The Company's net debt to equity ratio was as follows:

Particulars	(Rs. in Lakhs)	
	As at 31 March 2023	As at 31 March 2022
Interest-bearing loans and borrowings	8,403.37	5,449.85
Less: cash and cash equivalents	40.07	1,112.34
Net debt	8,363.30	4,337.51
Equity	27,187.09	28,238.36
Total capital	27,187.09	28,238.36
Net Debt-equity ratio	0.31	0.15

- b. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the bank to immediately call interest-bearing loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current or prior period.

40 Categories of financial instruments

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Measured at FVTPL		
No Assets		-
Measured at amortised cost		
(a) Trade receivables	4,806.38	3,461.58
(b) Cash and cash equivalents	40.07	1,112.34
(c) Other bank balances	2,318.21	2,203.48
(e) Other financial assets	369.61	285.61
Measured at FVTOCI		
No Assets	-	-
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	8,403.37	5,449.85
(b) Trade payables	4,341.85	2,964.45
(c) Other financial liabilities	9,047.12	6,607.66

- 41 The balances of Trade Receivables (Note No. 10), Other Current Financial Assets (Note No. 7) and Trade Payables are subject to confirmation and adjustment, if any, on reconciliation/settlement.
- 42 In the current period, the company has incurred loss on account of increase in gas prices (purchase cost). The said increased cost has not been fully passed on to the end customers. Further since inception, VGL has old pipeline network acquired from VMSS. The said network has many leakages & due to increase in gas prices during the current period, the gas consumption cost including the line loss has increased considerably.
- 43 The company has not achieved the profit before tax in proportion to increase in turnover over last few years on account of revenues not materialized as desired, increase in operating & fixed overheads and unable to maintain cost efficiency. The management firmly believes that the company will achieve its profit before tax in proportion to increase in turnover in due course of time on account of initiatives taken to reduce the gas loss, increase in sales, possible control over operating and fixed overhead & measures taken to achieve cost efficiency. Hence, in considered view of the management, no impairment in carrying values of Goodwill is envisaged, as recoverable amounts of the assets is expected to be considerably higher than their carrying amount as on March 31st, 2023.



44 Additional Disclosures under Schedule III

- a. The Company has no transactions with the companies struck off under Companies Act, 2013.
- b. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- c. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- d. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- e. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- f. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- g. The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- h. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- i. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- j. The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from a bank on the basis of security of current assets. However, no such requirement is raised by Bank to submit any quarterly returns to the Bank.

45 Figures of the previous year have been regrouped and reclassified wherever necessary.

46 The financial statements of the company for the year ended 31st March 2023 were authorized for issue in accordance with a resolution of the directors on 30.06.2023.

For K C Mehta & Co LLP
Chartered Accountants

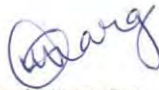


Chhaya M. Dave
Partner
M. No. 100434

Place : Vadodara
Date: 30.06.2023



For and on behalf of the Board




Hitendra Kumar Garg
Managing Director
DIN: 09497695


Parak Shah
Company Secretary
M.No.A27260
Place : Vadodara
Date: 30.06.2023



Arpit Sagar (IAS)
Director (Commercial)
DIN: 10205008


Ritu Thakkar
Chief Financial Officer
M. No. 154664