



CENTRAL U.P. GAS LIMITED

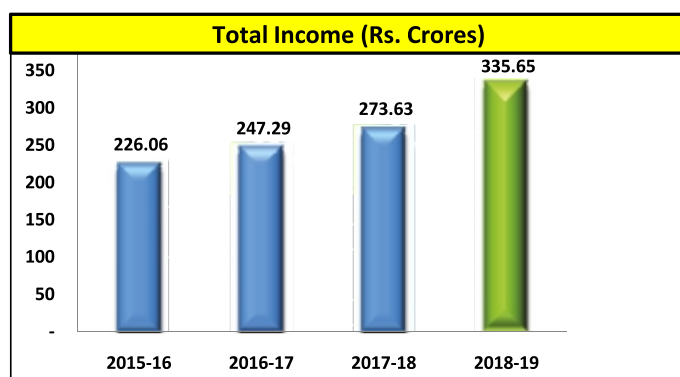
Clean Energy Green Future



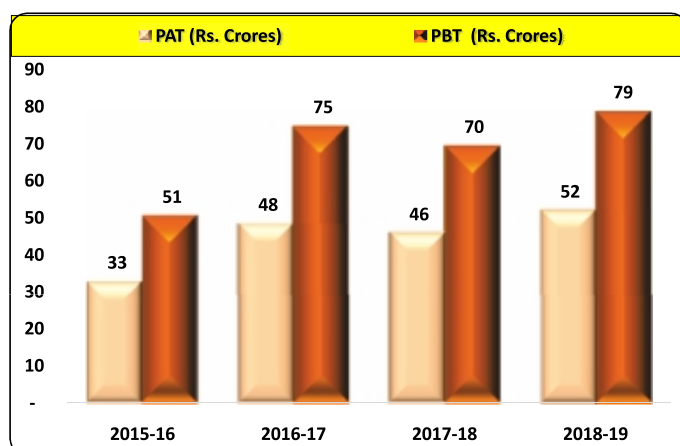
ANNUAL REPORT
2018-19



FINANCIAL HIGHLIGHTS

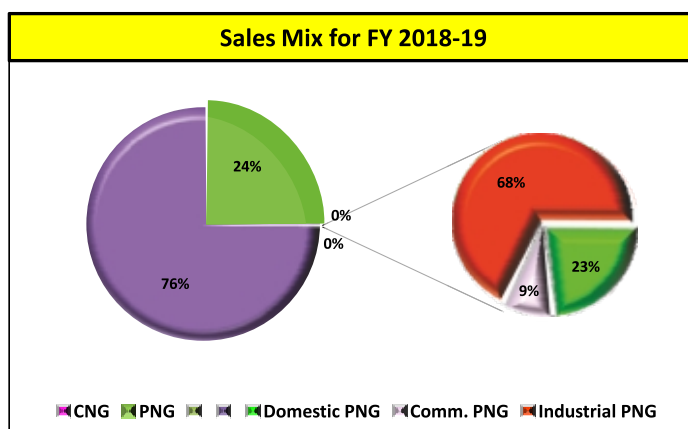


Total Income
Rs. 335.65 Crore

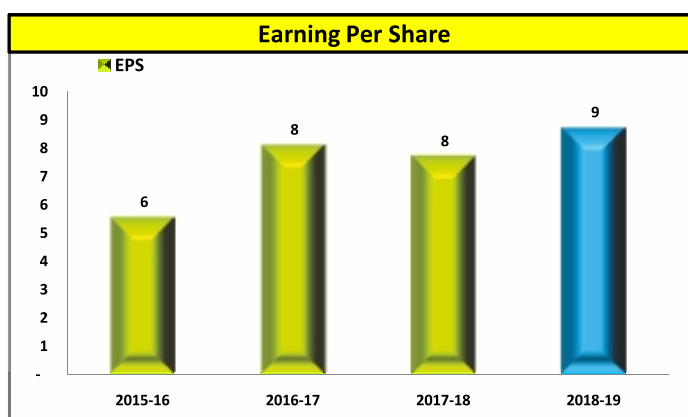


PBT
Rs. 79 Crore

PAT
Rs. 52 Crore



Sales
0.241 MMSCMD



EPS
Rs. 8.68 Per Share

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Company Secretary : Shri Deepak Bhasin

Bankers : HDFC Bank, AXIS Bank, Yes Bank, Union bank, State Bank of India & ICICI Bank

Statutory Auditors : Mittal Gupta & Co.

Cost Auditors : R. M. Bansal & Co.

Secretarial Auditors : S K Gupta & Co.

RTA : Karvy Computershare Pvt. Ltd.

Regd. Off. : Central UP Gas Limited, 7th Floor, UPSIDC Complex,
A1/4 Lakhanpur, Kanpur-208024
CIN U40200UP2005PLC029538

BOARD OF DIRECTORS



Shri D M Rao

Chairman
upto 17.12.2018



Shri A. K. Shrivastava

Chairman
w.e.f. 27.12.2018



Shri Amarendra Kumar

Managing Director
upto 08.05.2019



Shri Ranjan Dwivedi

Managing Director
w.e.f. 13.05.2019



Shri Rajiv Sikka

Director (Commercial)
upto 22.05.2018



Shri Pardeep Goyal

Director (Commercial)
w.e.f. 26.12.2018



Shri E S Ranganathan

Director



Shri Surjeet Mahalik

Director



Shri Manjeet Singh

Director



Shri P. K. Pandey

Director



Shri R. C. Gupta

Independent Director

NOTICE TO THE MEMBERS

NOTICE TO THE MEMBERS

Notice is hereby given that the 14th Annual General Meeting (AGM) of the members of Central U.P. Gas Limited will be held on Thursday, the 26th of September, 2019 at 10:00 a.m. at The Landmark Hotel, Landmark Towers, 10, The Mall, Kanpur – 208 001 (U.P.) to transact the following business (es):

A. ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March 2019 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Audited Financial Statement of the Company for the financial year ended 31st March 2019 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon be and are hereby received, considered and adopted."

- 2) To appoint a Director in place of Shri E S Ranganathan (DIN: 07417640), 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 Shri E S Ranganathan (DIN: 07417640) be and is hereby re-appointed as Director of the Company liable to retire by rotation."

- 3) To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditors of the Company in terms of provisions of Section 142 of the Companies Act, 2013 and other applicable provisions, if any, and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by Comptroller & Auditor General of India for the Financial Year 2019 - 20."

B. SPECIAL BUSINESS:

- 4) Ratification of remuneration payable to the cost auditors for Financial Year 2019-20 and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148, other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to Cost Auditor(s) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the Financial Year 2019-20, amounting to Rs. 60,000/- plus applicable taxes be and is hereby ratified and confirmed."

- 5) Appointment of Shri Ranjan Dwivedi (DIN: 08448911), as a Director and also as a Managing Director and to pass the following resolution as Special Resolution:

"RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made there under, to the Companies Act 2013, Shri Ranjan Dwivedi (DIN: 08448911),

who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th May, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, be and is hereby, appointed as a Director of the Company, not liable to retire by rotation."

"FURTHER RESOLVED THAT pursuant to the provisions of section 196 and 197, and other applicable provisions of the Companies Act, 2013 / provisions of Section 198 and 309 of the Companies Act, 1956 and Article 128 (iii) & 147 of the Articles of Association of the Company the approval of the Company be and is hereby accorded for the appointment of Shri Ranjan Dwivedi as Managing Director of the Company with effect from 13th May, 2019 on the terms and conditions of appointment including remuneration forwarded by GAIL (India) Ltd as per the terms of his deputation, which will be reimbursed by the Company to GAIL subject to the condition that the total remuneration payable to him shall not exceed the overall ceiling limit as prescribed under Schedule V to the Companies Act, 2013."

"FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Managing Director of the Company has inadequate profits the remuneration by way of salary, perquisites, incentives and allowances as per the terms of deputation shall be reimbursed as the minimum remuneration."

- 6) Appointment of Shri Pardeep Goyal (DIN: 08313137), as a Director (Commercial) whole time Director and to pass the following resolution as Special Resolution:

"RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made there under, to the Companies Act 2013, S Shri Pardeep Goyal (DIN: 08313137),, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th December, 2018 and who holds the office until the date of the AGM, in terms of section 161 of the companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Pardeep Goyal as a candidate for the office of Director of the Company, be and is hereby appointed as Director Commercial of the Company, not liable to retire by rotation."

"FURTHER RESOLVED THAT pursuant to the provisions of section 196 and 197, and other applicable provisions of the Companies Act, 2013 / provisions of Section 198 and 309 of the Companies Act, 1956 and Article 128 (iii) & 147 of the Articles of Association of the Company the approval of the Company be and is hereby accorded for the appointment of Shri Pardeep Goyal as Director Commercial of the Company w.e.f. 26th December, 2018 on the terms and conditions of appointment including remuneration forwarded by Bharat Petroleum Corporation Limited (BPCL) as per the terms of his deputation, which will be reimbursed by the Company to BPCL subject to the condition that the total remuneration payable to him shall not exceed the overall ceiling limit as prescribed under Schedule V to the Companies Act, 2013."

"FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Director Commercial of the Company has inadequate profits the remuneration by way of salary, perquisites and allowances as per the terms of deputation shall be reimbursed as the minimum remuneration."

- 7) Appointment of Shri A K Shrivastava (DIN: 08314799) as a Director and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri A K Shrivastava (DIN: 08314799) who was appointed as an Additional Director by the Board of Directors and who holds office up to the date of this Annual General Meeting and in

respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, be and is hereby, appointed as a Director of the Company, liable to retire by rotation."

- 8) Appointment of Shri P K Pandey (DIN: 08255446) as a Director and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri P K Pandey (DIN: 08255446) who was appointed as an Additional Director by the Board of Directors and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, be and is hereby, appointed as a Director of the Company, liable to retire by rotation."

- 9) Appointment of Shri R C Gupta (DIN: 07071252) as an Independent Director and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri R C Gupta (DIN: 07071252) who was appointed as an Additional Director and Independent Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, be and is hereby, appointed as a Independent Director of the Company, not liable to retire by rotation, to hold office for a period of two years upto 21.12.2020."

By Order of the Board of Directors

Sd/-

**Place: Kanpur
Date: 19.09. 2019**

**(Deepak Bhasin)
Company Secretary**

**Registered Office:
7th floor, UPSIDC Complex
A 1 / 4 Lakhanpur, Kanpur-208 024
CIN: U40200UP2005PLC029538,
Website: www.cugl.co.in
Email: dbhasin@cugl.co.in
Tel No.: 0512-2585001
Fax No.: 0512- 2582453**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED HERewith.
2. The instrument appointing proxy must be deposited at the registered office of the Company not less than 48 hours before the Commencement of the meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Businesses to be transacted at the meeting is annexed hereto.
4. Members having query relating to this Annual report are requested to send their questions to registered office of the Company at least 7 days before the date of Annual General Meeting.
5. All material documents referred to in the notice are open for inspection by the members on all working days during business hours at the registered office of the Company till the conclusion of the meeting.
6. Route map of the Venue for AGM:



Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item no 4:

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. R M Bansal & Co., Cost Accountants, Kanpur as the Cost Auditors of the Company for the Financial Year 2019 – 20.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2019-20 by way of Ordinary Resolution is being sought from the members as set out at item no. 4 of the notice.

The Board accordingly recommends the passing of the proposed Ordinary Resolution for approval by the Members.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

Item no 5:

Shri Ranjan Dwivedi (DIN: 08448911), was nominated by GAIL as Managing Director of the Company in terms of Article 128(iii) of the Article of Association of the Company.

Shri Ranjan Dwivedi has joined as Managing Director on 13th May, 2019 on the Board of Central U.P. Gas Limited (CUGL).

Shri Dwivedi has 37 years of experience in Fertilizer & Natural gas business. He is basically a Chemical Engineer graduated from H.B.T.I. Kanpur in year 1982. After graduation he has worked with National Fertilizers Limited and contributed in all affairs of Ammonia Plant operations in Nangal and Vijapur. He joined GAIL (India) Limited in year 1998. He has a rich profile working in GAIL and looked after LLDPE plant operation at UPPC Pata. Since year 2003 he is working in Marketing Department at Corporate office New Delhi at various profiles of Gas transportation, Contracts, Regulatory affairs (PNGRB) and Jaipur Zonal office as Marketing Head before assuming the charge of Managing Director in CUGL in year 2019. During his service tenure he acquired the MBA (Finance) and Master's in Business Laws from NLSUI Bangalore.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Shri Ranjan Dwivedi himself is concerned or interested in the resolution.

Item no 6:

Shri Pardeep Goyal (DIN: 08313137), was nominated by BPCL as Director (Commercial) of the Company in terms of Article 128(iii) of the Article of Association of the Company.

Shri Pardeep Goyal has joined as Director (Commercial) on 26th December, 2018 on the Board of Central U.P. Gas Limited (CUGL).

Shri Goyal has 32 years of diverse experience in Petroleum Refining and Marketing business. He passed out from REC (Now NIT) Trichy in year 1987 after completing his B.E. Civil. Subsequently completed his Post Graduate Diploma in Financial Management while in job. He got selected in BPCL through campus interview as Graduate Engineering Trainee, joined BPCL Refinery in Mumbai in July 1987 as Apprentice and got selected in BPCL after completion of Apprenticeship of one year in Aug 1988. Since then he has got vast experience in Refinery, HR Admin (construction of Office & housing etc.), pre-project activities in grass root refinery at Bina (like land acquisition & related legal cases including resettlement of displaced persons/ buildings, feasibility studies for power, water, transportation of equipment from port to Bina, geographical surveys, soil investigation, construction of approach road etc.), Retail Engineering (setting of new retail outlets, maintenance of retail network (almost 3500 retail outlets), setting of retail engineering standards, cost optimization, automation of retail network, developing retail allied business infrastructure, etc.), worked in Aviation as team leader technical Services and as Aviation Manager for Northern Region (wherein developed India's first self-bunded tank under make in India Initiative of BPCL) and in Engineering and Projects for setting up of Cryogenic LPG facilities, LPG bottling plants, developing new depots, developing all E&P manuals etc. He has thereafter taken over as Director Commercial in CUGL in year Dec' 2018.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Shri Pardeep Goyal himself is concerned or interested in the resolution.

Item no 7:

Shri A K Shrivastava (DIN: 08314799) was nominated by GAIL. The Board of Directors appointed Shri A K Shrivastava, as an Additional Director of the Company w.e.f. 27.12.2018.

Shri A K Shrivastava is presently working as EXECUTIVE DIRECTOR (HR, LIASIONING & PARLIAMENTARY AFFAIRS, CO-ORDINATION & OFFICIAL LANGUAGE in GAIL (India) Limited. He has vast experience of more than 34 years in Human Resources area as Head of the HR Department in LPG Plants, Petrochemical Plant, Pipeline O&M Headquarters and at Corporate Office. Also had experience in coordination with MoP&NG. Various study visits of Parliamentary, Lok Sabha & Rajya Sabha standing committees and Parliamentary Committees on Official Language were very well organized and handled in a systematic manner.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Shri A K Shrivastava himself is concerned or interested in the resolution.

Item no 8:

Shri P K Pandey (DIN: 08255446) was nominated by Indraprastha Gas Limited as a Director of the Company. The Board of Directors appointed Shri P K Pandey, as an Additional Director w.e.f. 23.10.2018.

Shri P K Pandey is presently working as Sr. V.P. (Marketing) in Indraprastha Gas Limited. He has more than 32 years of diverse experience of demonstrated history of working in the Fertilizer, Glass & Retail industry. Skilled in Operations & Maintenance, Projects, Energy, Engineering, Business Development, and Business Strategy. Strong Operations & Maintenance / Marketing professional with a bachelor's degree in mechanical engineering from Delhi College of Engineering.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Shri P K Pandey himself is concerned or interested in the resolution.

Item no 9:

Shri R C Gupta (DIN: 07071252) who was appointed as an Additional Director and Independent Director of the Company w.e.f. 22.12.2018 for a term of two years.

Shri. R C Gupta is an associate member of the Institute of Cost Accountants of India. He is also B.Com, M.Com & MBA. He superannuated from services of GAIL as Executive Director (Finance & Accounts) in August 2017 after serving GAIL for more than 25 years in various capacities at various locations. He has been on the Board of Directors of GAIL Global (Singapore) Pte. Ltd., GAIL Global (USA) Inc., GAIL Global (USA) LNG LLC, Ratnagiri Gas & Power Private Ltd., Tapi Pipeline Co. and GAIL Gas Ltd.

He has over 30 years of experience ranging from Teaching, Exports Management, Financial & Cost Accounting, Financial Management, System Development, Treasury & Risk Management, Project Finance, Financial Appraisal and Management Information Systems.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Shri R C Gupta himself is concerned or interested in the resolution.

By Order of the Board of Directors
Sd/-
(Deepak Bhasin)
Company Secretary

Place: Kanpur
Date: 19.09. 2019

Registered Office:
7th floor, UPSIDC Complex
A 1/4 Lakhanpur, Kanpur-208 024
CIN: U40200UP2005PLC029538,
Website: www.cugl.co.in
Email: dbhasin@cugl.co.in
Tel No.: 0512-2585001
Fax No.: 0512- 2582453

DIRECTORS' REPORT

To,

The Members,

Your Directors take pleasure in presenting the Fourteenth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2019 together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

1. FINANCIAL REVIEW

Your Company has achieved better performance in terms of all parameters of financial performance during the FY 2018-19.

The Financial results for the year ended March 31, 2019 are summarized below:

(Figures in Lacs)

Items	2018-2019	2017-2018
Net Sales and Other Income	30,608.00	24,876.26
Profit Before Depreciation & Tax	9,119.35	7993.32
Depreciation	1231.62	1042.44
PBT	7887.73	6950.88
Provision for Tax	2677.16	2355.68
PAT	5210.57	4595.20
Other Comprehensive Income for the Period, Net of Tax	0.85	(12.71)
Total comprehensive Income for the Period	5,211.42	4,582.49
Profit/(loss) brought forward from previous year	17,633.21	14,399.30
Profit/ (loss) available for appropriation	22,844.63	18,981.79
Appropriations:		
Paid Dividend	900.00	1,020.00
Corporate Dividend Tax	183.22	207.65
Transfer to General Reserve	-	120.93
Profit carried forward	21,761.41	17,633.21
Earnings Per Share(Face value of Rs. 10/- each)	8.68	7.66

2. APPROPRIATIONS

DIVIDEND

With view to conserve resources for expansion, general corporate needs and to consolidate the financial position of the Company, your Directors consider it prudent not to recommend any dividend for the year.

3. FIXED DEPOSITS

We have not accepted any Deposits within the meaning and in excess of limits prescribed under Companies Act, 2013 read with Companies acceptance of Deposits Rules, 2014. As such, no amount of principal or interest payment is outstanding as on the Balance Sheet date.

4. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

5. COMPANY PERFORMANCE

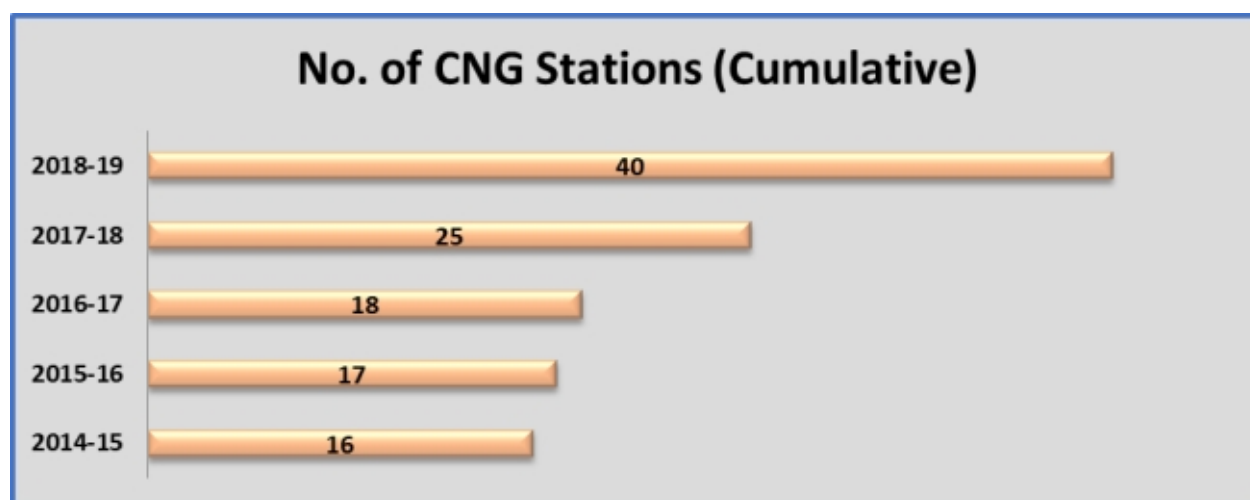
During the year, the Company recorded sales as under:

(Figures in MMSCM)

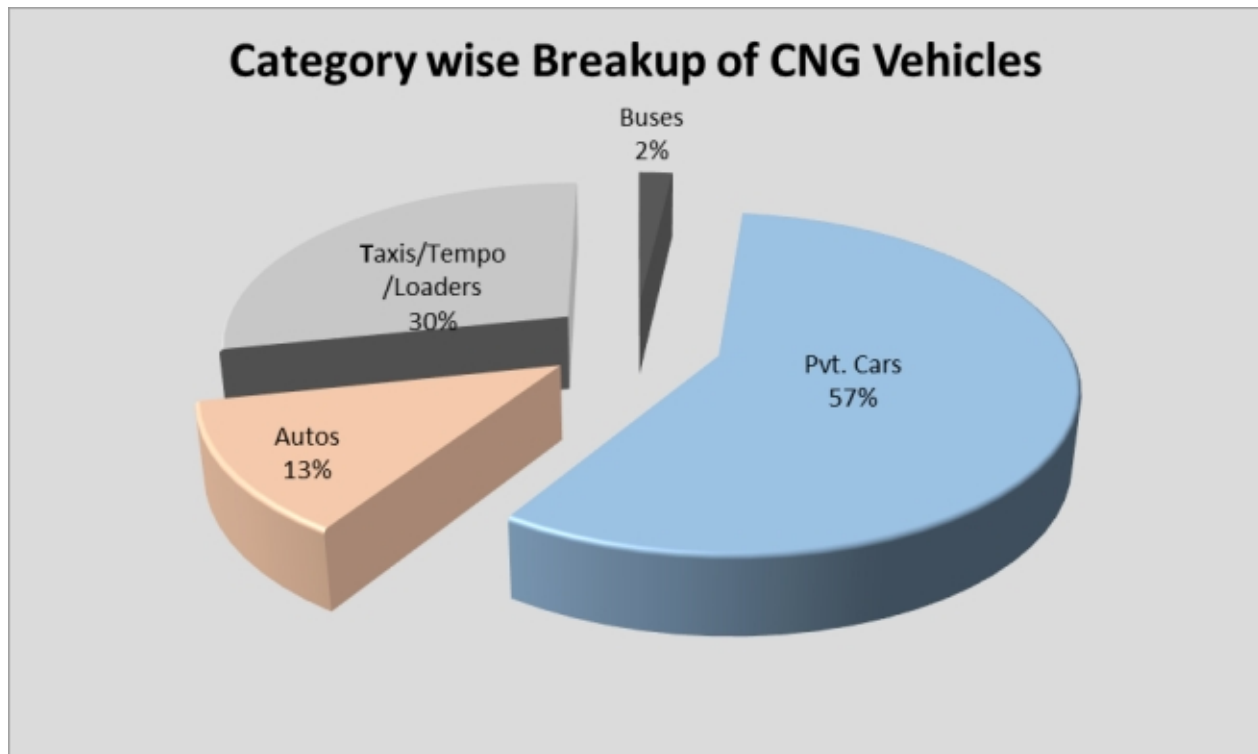
Sr. No.	Segment	FY 2018-19	FY 2017-18	Growth
1	CNG	665.37	591.18	12.55%
2	PNG- Industrial	146.06	132.55	10.19%
3	PNG- Commercial	19.78	16.96	16.63%
4	PNG- Domestic	50.36	34.86	44.46%
5	Total PNG	216.2	184.37	17.26%

a. Compressed Natural Gas Business (CNG)

During the year 2018-19, CNG business has performed well. Your Company further augmented its CNG distribution infrastructure by enhancing capacity of existing stations and adding fifteen new CNG station taking the total number of CNG Stations to 40 at the end of the Financial Year. The cumulative compression capacity has increased to 565065 Kg/day during 2018-19 from previous year's cumulative compression capacity of 404708 Kg/day (33% increase).

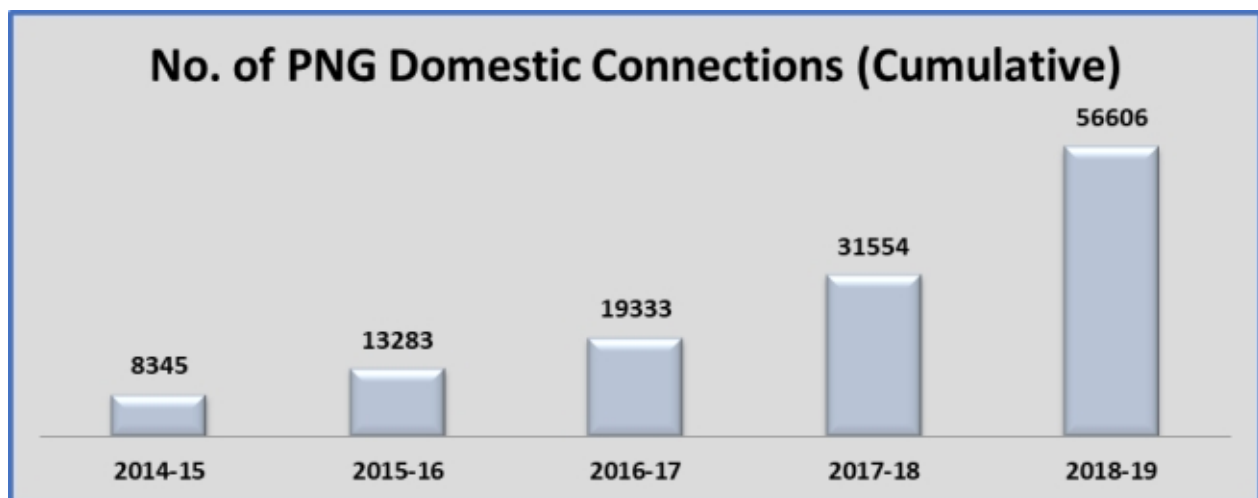


The estimated number of vehicles running on CNG in Kanpur and Bareilly as on March 31, 2019 was around 64741 vehicles.



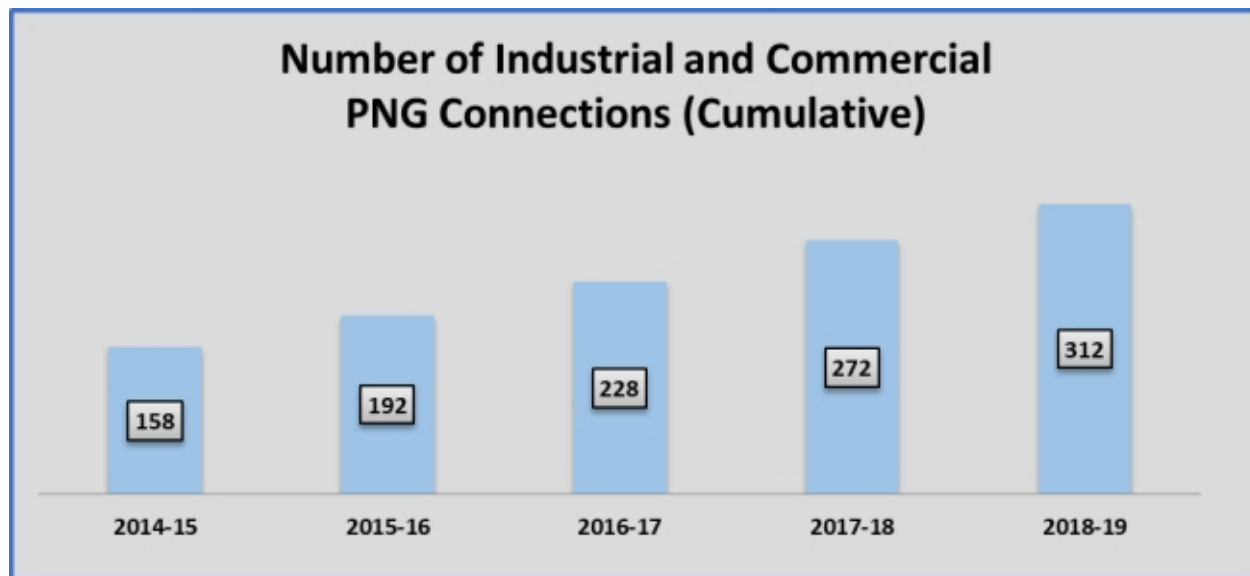
b. Piped Natural Gas (PNG) – Domestic Connections:

During the year, your Company provided 25052 PNG connections and the total number of connections scaled up to 56606 as on 31st March 2019.



c. PNG – Industrial & Commercial Connection:

Your Company has maintained its focus on the Industrial & Commercial segment as one of the potential growth areas in the forthcoming years. In spite of stiff competition from alternate fuels prices, like Furnace oil (FO)/Diesel, the prices of which have come down drastically due to lower crude prices, there was some marginal growth in sales in Commercial & Industrial segments in the financial year 2018-19. With concentrated efforts, however the total number of commercial customers increased from 212 in March 2018 to 242 in March 2019 and the industrial customers from 60 in March 2018 to 70 in March 2019.



6. PROGRESS ON THE PROJECTS UNDERTAKEN

During the year, Your Company has laid a network of 468.35 Kms MDPE pipeline and 25.88 Kms of Steel Pipeline. As on date, your Company has laid a network of 1427.72 Kms MDPE pipeline and 123.28 Kms of Steel Pipeline to cater to Vehicular, Industrial, Commercial and Domestic Customers in the allocated Geographical areas.

Your Company is currently servicing CNG vehicles through 18 Daughter Booster Stations, 18 Online Stations and 4 Mother Stations in our authorized Geographical Areas of Kanpur, Bareilly and Jhansi.

7. FUTURE OUTLOOK

Your Company has drawn out plans to further consolidate its presence in Kanpur (including some part of Unnao), Bareilly and Jhansi by investing Rs. 246.74 Crores during the financial year 2019-20.

The principal business of your Company is distribution of natural gas in the form of PNG & CNG, which is a convenient and clean fuel and helps to reduce pollution levels.

Your Company plans to make a significant investment in CGD infrastructure to expand its existing steel & PE pipeline network by an additional 100 Km steel and 1000 Km MDPE over the next 5 years.

CUGL is intends to expand its CNG customer base by setting up 21 more CNG stations. Thus number of total CNG stations is expected to reach 61 by the end of FY 2019-20. Introduction of newer CNG variant models by different vehicle manufacturers & conversion of petrol driven private vehicles into CNG mode due to the price differential of CNG versus alternate liquid fuel will continue to add to CNG sales.

The Company has innovative plans to expand its PNG customer base as a part of mission of expanding PNG launched by the Ministry of Petroleum & Natural Gas, Government of India.

The Company is looking forward to expand its footprints in new cities through participation in the bidding process of PNGRB.

8. INFORMATION TECHNOLOGY

The Company has implemented SAP B1 to streamline its operations. This has provided new and improved processes and functionalities. All the departments are very pro-active in leveraging SAP and suggesting new ways to provide up-to-date, real time and detailed data for analysis.

9. HUMAN RESOURCES

The strength of any Company lies in the competencies and skills of its employees. Your Company has been

focusing on developing the capabilities of its employees to maximize their productivity. Your Company has laid emphasis on improving work and performance management systems.

The processes of the Company are continuously being aligned to meet overall organization objectives. The thrust continues to be on improving employee productivity & engagement.

Over the years, there has been a paradigm shift in the approach towards the Employee Relations through various initiatives in different capacities. We have achieved a sustainable growth in employee relationship.

Your Company maintains momentum on building speed and simplification in ways of working and HR strategies are focused on developing ability and agility so that a pipeline of talents is created to support strategic objectives.

The Company has revised its HR policies to make them more comprehensive and aligned with best industry practices.

10. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company is in the business of supplying Piped and Compressed Natural Gas that is environment friendly and safe. To facilitate this, your Company lay, build and operates pipelines in the city of Kanpur, Unnao, Bareilly and its adjoining areas. Whilst doing this, your Company adheres to high standards of Health, Safety & Environment and as the Company believes that 'Outstanding Business Performance requires Outstanding HSE Performance'. Your Company complies with all legal and statutory requirements applicable to its operations.

Your Company was accredited to OHSAS 18001:2007 for Occupational Health & Safety Management System, ISO 14001:2004 for Environment Management System and ISO 9001:2008 for Quality Management System, Now the same is being updated with ISO 45001: 2018 for Occupational Health & Safety Management System, ISO 14001:2015 for Environment Management System and ISO 9001:2015 for Quality Management System and the same will be accredited and audited regularly at par with international requirements.

Your company was also accredited to ERDMP (Emergency Response and Disaster Management Plan)- Codes of Practices : 2010.

Your Company is committed to the Health and Safety of all its employees, the employees of our contractors and other stakeholders who may be affected by the Company's operations. Your Company considers its contractors as business partners and expects them to adhere to the Company's HSE standards. Regular Training and assistance is provided to the business partners as and when required.

Your Company also expects all of its employees and contractors to report Near Miss, Hazards and Incidents which are then investigated, and lessons learnt are shared with all concerned. Your Company also takes cognizance from other Oil & Gas companies including CGD industries across the world.

In line with Company's HSE policy, site inspections by concerned departments, regular External Safety Audits and other statutory compliances are carried out to ensure safety in all facets of CUGL's operations.

Regular HSE & Fire Safety training is imparted to employees, contract staff and consumers of CNG and PNG. Frequently safety awareness training is provided at site. During the year 7219 man hours training was provided on various HSE aspects. Apart from that, "Nukkad Naatak"/ "Dial before DIG" campaigns were imparted throughout the year to educate the third parties including all digging parties as well as local public regarding the PNG line and its severe damages.

The Environment is both a brand image as well as a core area of focus for your Company. In addition to the processes and procedures, your Company has in place, to meet the requirements of ISO 14001:2004 accreditation, every year your Company celebrates World Environment Day wherein the employees rededicate themselves to protect the environment and promote the benefits of natural gas to improve the environment through public awareness campaigns.



(Event organised on the occasion of Environment Day)



(On-site Mock drill at CNG Station)

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the development of any society. Therefore, it has made Corporate Social Responsibility (CSR) an integral part of its ethos and culture.

Following a Project-based approach towards all CSR interventions, as detailed in the CSR Policy, your Company has implemented CSR programmes primarily in the areas which are in close proximity to the major work centers/installations of your Company, as identified under Schedule VII of the Companies Act, 2013.

The policy covers matters in the field of promoting gender equality, education, skill development, sanitation etc. The policy intends to strive for economic development that positively impacts society at large by way of optimum utilization of resources.

The Annual Report on CSR activities in accordance with the companies (Corporate Social Responsibility) Rules, 2014, is appended as **Annexure "A"** to this report.



Programme organised towards CSR

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 is appended as Annexure "B"

13. PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration exceeding the limits set out under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

14. DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013, the Directors, to the best of their knowledge and belief state that:

- A. In the preparation of Annual Accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed;
- B. Accounting policies were selected and applied consistently except where otherwise stated in the Notes to Accounts and judgments and estimates made were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- C. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities was ensured; and
- D. Annual Accounts for the Financial Year ended 31st March, 2019 were prepared on a going concern basis.
- E. The Company has laid down an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of fraud and errors. The framework is reviewed periodically by Management and tested by the internal auditors and statutory auditors. Based on the periodical testing the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls.

15. DIRECTORS

Shri Amarendra Kumar, served his tenure as Managing Director of the Company till 08/5/2019 thereafter Shri Ranjan Dwivedi was appointed as an Additional Director and Managing Director of the Company by GAIL w.e.f. 13/05/2019.

Shri Rajiv Sikka, served his tenure as Director (Commercial) of the Company till 22/5/2018 thereafter Shri Pardeep Goyal was appointed as an Additional Director and Director (Commercial) of the Company by BPCL w.e.f. 26/12/2018.

Shri A K Shrivastava was appointed by GAIL as Chairman of the Company w.e.f. 27/12/2018 in place of Shri D M Rao who ceased his tenure on 17/12/2018.

Shri V. Nagarajan ceased to be Director of the Company w.e.f. 25.05.2018

Shri Manoj Jain ceased to be Director of the Company w.e.f. 19/06/2018

Shri I S Rao ceased to be Director of the Company w.e.f. 25/06/2018

Shri Rajesh Agrawal ceased to be Director of the Company w.e.f. 30.07.2018.

Shri P K Pandey was appointed as Nominee Director of the Company by Indraprastha Gas Limited w.e.f. 23/10/2018.

Shri R C Gupta was appointed as an Additional and Independent Director of the Company w.e.f. 22/12/2018.

16. CORPORATE GOVERNANCE

The Company's philosophy on the Code of Corporate Governance is as follows:

- (a) To ensure transparency, high degree of disclosure and adequate control system;
- (b) To ensure that the decision-making process is systematic and rational;
- (c) To ensure full commitment of the Management to maximize shareholders value;
- (d) To ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct.

17. AUDITORS:

- **Statutory Auditors & Audit Report**

In exercise of powers conferred by Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (CAG) vide its letter dated July 19, 2018 has appointed M/s Mittal Gupta & Co. (Firm Registration No. 01874C), Chartered Accountants as Statutory Auditors of the Company for the financial year 2018-19.

The Statutory Auditors were paid a remuneration of Rs. 5.00 Lacs towards audit fee. The above fees are exclusive of applicable taxes and reimbursement of reasonable travelling and out of pocket expenses actually incurred.

Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

The Comptroller & Auditor General of India (C&AG) have conducted a supplementary audit of Financial Statement of the Company for the year ending 31st March, 2019 as per the provisions of Companies Act, 2013.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Report given by the Statutory Auditors on the financial statements for FY 2018-19 and the Comments of Comptroller & Auditor General of India (C&AG) forms part of the Annual Report.

- **Cost Auditors**

During the year 2018-19, M/s. R M Bansal & Co. Cost Accountants were appointed as the Cost Auditors to conduct Audit of cost accounting records maintained by the Company.

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013. The Board of Directors re-appointed M/s. R M Bansal & Co., as Cost Auditors for the financial year 2019-20 at the remuneration of Rs. 60000/- plus applicable taxes.

As required under the Companies Act, 2013, remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. R M Bansal & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

- **Secretarial Auditors**

Pursuant to Section 204 of the Companies Act, 2013, Your Company had appointed M/s S.K. Gupta & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report confirming compliance by Practicing Company Secretary to applicable provisions of the Companies Act 2013 and other applicable laws forms part of this report herewith as **"Annexure C"**.

The observations made by secretarial Auditor are as under:

- (i) The Company has spent an amount of Rs. 91.75 Lakhs on CSR activities as against Rs. 129.87 Lakhs required to be spent on CSR activities during the financial year which is less than two percent of the average net profits of the Company made during the three immediately preceding financial years as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (ii) There has been considerable delay in filing of various Forms and Returns under the provisions of the Companies Act, 2013 and rules made thereunder entailing payment of additional fee.

Explanation on observations made by Secretarial auditors in seriatim is as under:

- (i) Certain projects initiated during the year could not be completed before 31.03.2019, however execution would be ramped up to ensure completion in time.
- (ii) The delay caused in filing of various forms and returns was caused basically due to various technicals and un-avoidable issues.

18. EXTRACTS OF ANNUAL RETURN

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

19. RELATED PARTY TRANSACTIONS:

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

There are no material related party transactions made by the company which may have potential conflict with interest of the company at large.

20. MANAGERIAL REMUNERATION:

The Executive and Whole-time Directors of the company are paid remuneration as per their respective contracts which are approved by the Board.

The Independent Directors and Non- Executive Directors are paid sitting fees of Rs. 20,000/- per Board Meeting and Rs. 10,000/- per committee meeting for attending the meetings.

21. RISK MANAGEMENT POLICY

Your Company has a Risk Management System including the Risk Policy & identification of the Risks which are reviewed periodically.

Your Company has laid down a set of standards, processes and structure which enables it to implement internal financial control across the organization.

Your company has put in place a critical risk management framework across the company. Your company keeps on reviewing various risks in the sphere of regulation, business, compliances etc. in a continuously changing business environment.

In the management of Risk, the probability of risk assumption is estimated on the basis of available data and information and accordingly appropriate risk treatments have been worked out. Your company is making efforts to ensure strict adherence to policies, procedures, rules and regulations.

The contents of Risk Management Policy are available on the website of the Company www.cugl.co.in.

22. VIGIL MECHANISM:

The Company has a Whistle Blower Policy as part of the vigil mechanism, which provides a platform to the employees, directors, vendors and suppliers of the Company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The Whistle Blower Policy is available on the website of the Company www.cugl.co.in.

23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any subsidiaries, Joint venture and Associate companies as on 31st March 2019.

24. CREDIT RATING

Your Company has gained the domestic credit rating of "A1+" from CARE, which indicates strong degree of safety regarding timely payment of financial obligations.

25. DISCLOSURES:

a. Board of Directors and compositions:

The Company has Eight Directors on its Board comprising two Executive Directors namely Managing Director and Director (Commercial), five Non-Executive Directors and One Non-Executive Independent

Director. The composition and category of Directors along with other Directorships as at March 31, 2019 is as under:

Sl. No.	Name of Directors	Category	Directorships in other Public Limited Companies
1	Shri A K Shrivastava	Non-Executive	NIL
2	Shri Amarendra Kumar*	Executive	NIL
3	Shri Pardeep Goyal	Executive	NIL
4	Shri Surjeet Mahalik	Non-Executive	NIL
5	Shri Manjeet Singh	Non-Executive	NIL
6	Shri E S Ranganathan	Non-Executive	1
7	Shri P K Pandey	Non-Executive	NIL
7	Shri R C Gupta	Non-Executive	NIL

b. Board Meetings:

Pursuant to the provisions of Section 173 of the Companies Act, 2013 and rules made there under, every Company shall hold a minimum of four meeting of its Board of Directors every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

During the Financial Year ended March 31, 2019, Nine Board meetings were held on May 07, 2018, June 13, 2018, July 03, 2018, August 31, 2018, September 27, 2018, November 12, 2018, December 11, 2018, January 11, 2019 and March 05, 2019. The last Annual General Meeting was held on September 28, 2018.

During the year Directors' attendance in the Board Meetings and AGM are given below:

Sl. No.	Name of Directors	Meetings Held During Tenure	Meetings Attended	Attendance at Last AGM
1	Shri I S Rao#	1	1	N/A
2	Shri Manoj Jain##	2	2	N/A
3	Shri V Nagarajan###	1	1	N/A
4	Shri Rajesh Agrawal*	3	3	N/A
5	Shri Manjeet Singh	9	8	Yes
6	Shri E S Ranganathan	7	4	Yes
7	Shri P K Pandey**	4	3	N/A
8	Shri Surjeet Mahalik	6	5	Yes
9	Shri D M Rao ####	5	5	Yes
10	Shri Amarendra Kumar***	9	8	Yes
11	Shri Rajiv Sikka ****	1	1	N/A
12	Shri A K Shrivastava####	2	2	N/A
13	Shri Pardeep Goyal****	2	2	N /A
14	Shri R C Gupta*	2	2	N/A

#Shri I S Rao ceased to be Director of the Company w.e.f. 25/06/2018.

#Shri Manoj Jain ceased to be Director of the Company w.e.f. 19/06/2018.

###Shri V. Nagarajan ceased to be Director of the Company w.e.f. 25.05.2018.

*Shri Rajesh Agrawal ceased to be Director of the Company w.e.f. 30.07.2018.

**Shri P K Pandey was appointed as Nominee Director of the Company by Indraprastha Gas Limited w.e.f. 23/10/2018.

*** Shri Amarendra Kumar, served his tenure as Managing Director of the Company till 08/5/2019 thereafter Shri Ranjan Dwivedi was appointed as an Additional Director and Managing Director of the Company by GAIL w.e.f. 13/05/2019.

****Shri Rajiv Sikka, served his tenure as Director (Commercial) of the Company till 22/5/2018 thereafter Shri Pardeep Goyal was appointed as an Additional Director and Director (Commercial) of the Company by BPCL w.e.f. 26/12/2018.

####Shri A K Shrivastava was appointed by GAIL as Chairman of the Company w.e.f. 27/12/2018 in place of Shri D M Rao who ceased his tenure on 17/12/2018.

*Shri R C Gupta was appointed as an Additional and Independent Director of the Company w.e.f. 22/12/2018.

c. General Meeting

Details of Last three Annual General Meetings held are as follows:

Sl. No.	No. of Meeting	Date of Meeting	Place of Meeting
1	11 th AGM	16-09-2016	Hotel Landmark, The Mall Road , Kanpur
2	12 th AGM	19-09-2017	Hotel Landmark, The Mall Road , Kanpur
3	13 th AGM	28-09-2018	Hotel Landmark, The Mall Road , Kanpur

No Extraordinary General Meeting (EGM) was held during Financial Year 2018-19.

d. Key Managerial Personnel

Pursuant to Section 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 following persons act as Key Managerial Personnel (KMP) of the Company:

Shri Pardeep Goyal Director (Commercial) (DC), of the Company was appointed as Whole Time Director (WTD) as part of KMP with effect from 26th December, 2018.

Shri Ranjan Dwivedi , Managing Director (MD) was appointed as KMP of the Company with effect from 13th May, 2019.

Shri Deepak Bhasin, Company Secretary was appointed as part of KMP with effect from 16th June, 2014.

Shri Asheesh Agrawal, Senior Manager (Finance & Accounts) of the Company was appointed as part of KMP with effect from 18th March, 2016.

f. Constitutions of Audit Committee, Nomination and Remuneration, Corporate Social Responsibility Committee.

1) AUDIT COMMITTEE

The Audit Committee is headed by Shri R C Gupta, Non-Executive Independent Director. Composition of the Committee as on 31.03.2019 is given below:

Sl.No.	Members of Committee	Executive/ Non-Executive/Independent	Position in the Committee
1	Shri R C Gupta	Independent & Non-Executive Director	Chairman
2	Shri Surjeet Mahalik	Non- Executive Director	Member
3	Shri Manjeet Singh	Non-Executive Director	Member

During the year 2018-19, five meetings of the Audit Committee were held.

2) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee is headed by Shri A K Shrivastava, Non-Executive Director. Composition of the Committee as on 31.03.2019 is given below:

Sl.No.	Members of Committee	Executive/ Non-Executive/Independent	Position in the Committee
1	Shri A K Shrivastava	Non-Executive Director	Chairman
2	Shri R C Gupta	Independent & Non- Executive Director	Member
3	Shri E S Ranganathan	Non- Executive Director	Member
4	Shri Ranjan Dwivedi	Executive Director	Member
5	Shri Pardeep Goyal	Executive Director	Member

During the year 2018-19, one meeting of the Corporate and Social Responsibility Committee were held.

26. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and analysis forms part of this report at Annexure 'E'.

27. GENERAL:

SIGNIFICANT AND MATERIAL ORDER

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and Company's operations in future.

28. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made there under, your Company has constituted a Internal Complaints Committee. During the year, no complaint with allegation of sexual harassment was received by the Company.

29. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Shareholding Pattern of the Company as on 31st March, 2019 is as follows:

Sl. No.	Name of Shareholders	No of Equity Shares held @ Rs. 10/- each	% of Shares held
1	GAIL (India) Limited including shares held jointly with its employees.	1,50,00,000	25.00 %
2	Bharat Petroleum Corporation Limited	1,49,99,600	25.00%
3	Others (Individuals of BPCL)	400	Negligible
4	Indraprastha Gas Limited	3,00,00,000	50.00%
Total		6,00,00,000	100%



(Stakeholders and Directors of CUGL at the 13th Annual General Meeting held on 28th September, 2018 at Kanpur)



(Proceeding of 13th AGM)

30. ACKNOWLEDGEMENT

Your Directors express their gratitude to the Ministry of Petroleum & Natural Gas, State Governments of Uttar Pradesh, Petroleum and Natural Gas Regulatory Board, and Promoter Companies (GAIL & BPCL) for their continuous patronage & support throughout the year.

The Directors also acknowledge the support of all Statutory & Local Authorities, Bankers, Media, Station Operators & their employees, contractors, vendors and suppliers.

The Directors place on record their deep appreciation towards CUGL's valued customers for their continued co-operation & support and look forward to the continuance of this relationship in future also.

The Directors wish to express their gratitude to CUGL's major stakeholder Indraprastha Gas Limited for their continued trust and support.

The Directors also sincerely acknowledge the contributions made by all the employees of CUGL for their dedicated services to the Company.

(Ranjan Dwivedi)
Managing Director

**On behalf of the Board of Directors
For Central U.P. Gas Limited
(Pardeep Goyal)
Director Commercial**

Place: Kanpur
Date: 19.09.19

Registered Office:
7th floor, UPSIDC Complex
A 1/4 Lakhanpur, Kanpur-208 024
CIN: U40200UP2005PLC029538,
Website: www.cugl.co.in
Email: dbhasin@cugl.co.in
Tel No.: 0512-2585001
Fax No.: 0512- 258245

ANNEXURE- "A"

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: -

Central U.P Gas Limited (CUGL) recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interest of its stakeholders.

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. CUGL follows the Board approved CSR Policy which is in line with requirements of Companies Act, 2013.

The contents of CSR Policy of CUGL are displayed on CUGL's website at www.cugl.co.in

2. The Composition of the CSR Committee:-

1. Shri A K Shrivastava - Chairman
2. Shri E S Ranganathan - Member
3. Shri Amarendra Kumar - Member
4. Shri Pardeep Goyal - Member
5. Shri R C Gupta - Member

3. Average profit (PBT) of the company for last three financial years under Sec 198 of Companies Act, 2013:- Rs. 6493.46 Lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):- Rs. 129.87 Lacs

5. Details of CSR spent during the financial year:-

- (a) Total amount to be spent for the financial year- Rs.91.75 Lacs
- (b) Amount unspent, if any- 38.12 Lacs
- (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (in Lacs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in Lacs)	Cumulative expenditure upto to the reporting period(in Lacs)	Amount spent : Direct or through implementing agency
1	Distribution of Educational Material/ Infrastructure facilities etc. at School for differently abled children	"Vidya,Vidyarthi & Vidyalaya Utthan" Promotion of Education and school upgradation	Kanpur	11	0	0	NA
2	Vocational training program - Tailoring, Basic of Beauty, GST with Tally,	""CUGL - Kaushal Vikash"" Skill Development Programs for Women & Youth"	Kanpur & Bareilly	15.43	13.87	13.87	NIESBUD
3	Vocational training program - Fusion welding		Kanpur				ATI, Kanpur
4	Construction of Public Toilets at ZOO Kanpur	""Svachchhata & Paryavaran Vikash "" Programs for Sanitation & Environment Sustainability" &	Kanpur	45.26	46.67	46.67	Direct
5	Construction of Public Toilets at Panki, Kanpur		Kanpur				Nagar Nigam, Kanpur
6	Construction of Public Toilets near Gov. Hospital, Unnao		Unnao				Unnao Nagar Parisad
7	Antaragni -IIT		Kanpur				Direct
8	Organized Health Checkup camp at our CNG Stations at Kanpur, Bareilly	""Swaastha & Suraksha for All"	Kanpur & Bareilly	35.18	3.8	3.8	Direct
9	Training Programme on Gender sensitization		Kanpur		6.4	6.4	Implementing Agency
10	Establishment of Krishi Gurukulam at two villages of Bareilly District	Rural Development	Bareilly	10	3.18	3.18	Implementing Agency
11	Operation & Maintenance cost of chauraha , Kanpur	Art & Culture	Kanpur	3	7.83	7.83	Direct
12	Contribution to Prime Minister's National Relief Fund			10	10	10	Direct
Total				129.87	91.75	91.75	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Certain projects initiated during the year could not be completed before 31.03.2019, however execution would be ramped up to ensure completion in time.

7. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Place : New Delhi
Date : 09.09.2019

On behalf of the Board of Directors
For Central U.P. Gas Limited
(A K Shrivastava)
Chairman of CSR Committee

ANNEXURE- "B"

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

A. CONSERVATION OF ENERGY

- (i) Conservation of energy is an ongoing process in the Company's activities. Steps have been taken on proper tuning of pressure regulating valves to ensure smooth transfer of natural gas from the blow down vessel to the suction of CNG compressor without any venting of Gas to atmosphere.
- (ii) The steps taken by the company for utilizing alternate sources of energy:

PV Solar Panels and LED Lights are to be installed as a pilot project in this financial year to reduce electrical power consumption from power distribution
- (iii) The capital investment on energy conservation equipments: Nil

B. TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption-	Continued indigenous development of various dispenser spares like high pressure filters.
2. The benefits derived like product improvement, cost reduction, product development or import substitution -	Overall reduction of cost of dispenser spares.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology has been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof -	NIL
4. The expenditure incurred on Research and Development -	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings and outgo during the year under review.

ANNEXURE- "C"

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2019

[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,
CENTRAL U.P. GAS LIMITED
(CIN:U40200UP2005PLC029538)
7th Floor, UPSIDC Complex,
A - 1/4, Lakhanpur,
KANPUR- 208024

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CENTRAL U.P. GAS LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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 Financial year ended on 31st March, 2019 ('Audit Period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
(not applicable to the Company during the Audit Period being an Unlisted Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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;
(not applicable to the Company during the Audit Period as the Company had no Foreign Direct Investment and Overseas Direct Investment and has not raised External Commercial Borrowings)
- (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations and Guidelines prescribed thereunder;
(not applicable to the Company during the Audit period being an Unlisted Company)
- (vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - (a) The Petroleum and Natural Gas Regulatory Board Act, 2006 (hereinafter called the 'PNGRB Act')
 - (b) The Explosives Act, 1884; and
 - (c) Gas Cylinders Rules, 2004

We 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 Stock Exchange(s).

(not applicable to the Company during the Audit period being an unlisted Company).

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

- (i) The Company has spent an amount of Rs. 91.75 Lakhs on CSR activities as against Rs. 129.87 Lakhs required to be spent on CSR activities during the financial year which is less than two percent of the average net profits of the Company made during the three immediately preceding financial years as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (ii) There has been considerable delay in filing of various Forms and Returns under the provisions of the Companies Act, 2013 and rules made thereunder entailing payment of additional fee.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Except in case of Board Meetings called at a shorter Notice, adequate notice is given to all the Directors to schedule the Board Meetings along with agenda in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information provided by the Company, its Officers and Authorised Representatives during the conduct of Audit and review of periodical Compliance Reports by the Internal Auditor and respective Departmental Heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion adequate systems and processes in the Company commensurate with the size and operations of the Company exist in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period there were no specific events / actions in pursuance of the above referred Law, Rules, Regulations, Guidelines etc. having major bearing on Company's affairs.

For **S.K.Gupta & Co.**
Company Secretaries

(S.K.GUPTA)
Managing Partner
F.C.S -2589
C P-1920

Place : Kanpur
Date : 19.09.2019

Note: This Report to be read with our letter of even date which is marked as **Annexure** and forms an integral part of this Report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
CENTRAL U.P. GAS LIMITED
(CIN:U40200UP2005PLC029538)
7th Floor, UPSIDC Complex,
A - 1/4, Lakhanpur,
KANPUR- 208024

Our Secretarial Audit Report for the Financial year 31st March, 2019 is to be read along with this letter

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to Secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Place : Kanpur
Date : 19.09.2019

For **S.K.Gupta & Co.**
Company Secretaries

(S.K.GUPTA)
Managing Partner
F.C.S -2589
C P-1920

ANNEXURE- "D"

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2019)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S . No.	Particulars	Facts
(i)	CIN	U40200UP2005PLC029538
(ii)	Registration Date	25 th February, 2005
(iii)	Name of the Company	Central U.P. Gas Limited
(iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Deemed Government Company
(v)	Address of the Registered office and contact details	7 th Floor, UPSIDC Complex, A-1/4, Lakhanpur, Kanpur, Uttar Pradesh- 208 024 Tel: 0512 – 2583462 Fax No: 0512 – 2582453 email: dbhasin@cugl.co.in website: www.cugl.co.in
(vi)	Whether Listed Company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad- 500 034, Tel- +91 4023312454 / 44677312, email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Natural Gas	3520	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL
IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)
(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	100	12800	12900	0.02	100	304	404	0.00	Nil
(b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	29987100	29987100	49.98	Nil	29999596	29999596	50	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	Nil				Nil			50	Nil
(2) Foreign									
(a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A) (1)+(A) (2)	100	29999900	30000000	50	100	29999900	30000000	50	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	Nil	30000000	30000000	50	Nil	30000000	30000000	50	Nil
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C) Others (Specify)									
Sub-Total (B)(2)	Nil	30000000	30000000	50	Nil	30000000	30000000	50	Nil
Total Public Shareholding (B)=(B)(1)+ (B) (2)	Nil	30000000	30000000	50	Nil	30000000	30000000	50	Nil
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	100	59999900	60000000	100	Nil	100	59999900	60000000	Nil

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	GAIL (India) Limited (GAIL) including shares held jointly with its employees.	15000000	25.00%	0.00%	15000000	25.00%	0.00	0.00
2	Bharat Petroleum Corporation Limited	14999600	25.00%	0.00%	14999600	25.00%	0.00	0.00
	Total	29999600	50.00%	0.00%	29999600	50.00%	0.00	0.00

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

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
There are no changes in the Promoter's shareholding during the Financial Year 2018-19.					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2019:

Sl. No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri Anand Khapre (Jointly with GAIL)				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %
2.	Shri Ashish Kumar Mittal (Jointly with GAIL)				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %
3.	Shri Chinmoy Mandal (Jointly with GAIL)				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %
4.	Shri Sumit Kishore (Jointly with GAIL)				
	At the beginning of the Year	1	0.00 %	1	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Transfer during the Year	1	0.00 %	1	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
5.	Shri Sushil Kumar (Jointly with GAIL)				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	1	0.00 %	1	0.00 %
	Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	1	0.00 %	1	0.00 %
6.	Shri Satish Y Oke				
	At the beginning of the Year	100	0.00 %	100	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	100	0.00 %	100	0.00 %
7.	Shri A K Bansal				
	At the beginning of the Year	100	0.00 %	100	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	100	0.00 %	100	0.00 %
8.	Shri S. Krishnamurti				
	At the beginning of the Year	100	0.00 %	100	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	100	0.00 %	100	0.00 %
9.	Shri P. Balasubramanian				
	At the beginning of the Year	100	0.00 %	100	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	100	0.00 %	100	0.00 %
10.	Indraprastha Gas Limited				
	At the beginning of the Year	30000000	50%	30000000	50%
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	30000000	50%	30000000	50%

(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2019:

Directors and Key Managerial Personnel are holding NIL equity shares in the Company as on March 31, 2019.

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL DURING THE FINANCIAL YEAR 2018-2019
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Total Amount (Rs/Lacs)			
		Shri Amarendra Kumar	Shri Rajiv Sikka	Shri Pardeep Goyal	
	Name	Managing Director	Director Commercial	Director Commercial	
	Designation				
	Gross salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.43	24.94	18.79	116.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-	-
		-		-	-
2	Stock Option	-		-	-
3	Sweat Equity	-		-	-
4	Commission	-		-	-
	- as % of profit	-		-	-
	- others, specify	-		-	-
5	Others, please specify	-		-	-
	Total (A)	72.43	24.94	18.79	116.16
	Ceiling as per the Act*			-	-

* Remuneration is within ceiling prescribed under Companies Act, 2013.

B) Remuneration to other Directors:

Particulars of Remuneration	Name of Directors					Total Amount (Rs/Lacs)
Independent Directors	Shri RC Gupta					
Fee for attending board / committee meetings	0.6					0.6
Commission	-					-
Others, please specify (Separate Meeting)	-					-
Total (1)	2.90					.06
Other Non-Executive Directors	Nominee Directors of Gail	Nominee Directors of BPCL	Nominee Directors of IGL			-
Fee for attending board committee meetings	-	1.40	4.40			5.80
Commission	-	-	-			-
Others, please specify	-	-	-			-
Total (2)	-	1.40	4.40			5.80
Total (B)=(1+2)	0.6	1.40	4.40			6.40
Ceiling as per the Act*						

* Remuneration is within ceiling prescribed under Companies Act, 2013.

C) Remuneration to Key Managerial Personnel other than MD/Manager/WT D

Sl. No.	Particulars of Remuneration			
1	Gross Salary	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	10.85	18.73	29.58
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
	others, specify			
5	Others, please specify	-	-	-
	Total	10.85	18.73	29.58

D. Details of top ten employees in terms of remuneration drawn for the financial year 2018 -19 is as under:

Sr. No	Name	Designation	Remuneration (Rs. In Lacs)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
1	Mr. Anurag Srivastava	Ch. Manager-Marketing	21.10	P.G.D in Management (Mktg)	23	02-Nov-15	51	M/s. KJS Cements
2	Mr. Siddiqui Mansoor Ali	Ch. Manager – Projects & O&M	21.10	B. Tech (Mechanical)	19	15-May-09	42	M/s. Woodgroup Kenny India Pvt. Ltd.
3	Mr. Saumya Swarup	Sr. Manager-HR & A	19.70	M.S.W (IR & PM) + M.B.A (HR) + L.L.B.	21	17-Dec-15	46	M/s. Mother Dairy
4	Mr. Asheesh Agarwal	Sr. Manager - F&A	19.70	C.A.	21	16-Mar-16	47	M/s. Polaris Financial Technology Limited
5	Mr. Shreebilas Mohapatra	DGM - Technical	18.38	B. Tech (Mechanical)	23.1	08-Apr-13	47	M/s. Woodgroup Kenny India Pvt. Ltd.
6	Mr. Pankaj Raj	Sr. Manager - Marketing	18.07	P.G.D in Business Management (Rural Marketing)	19.5	02-Nov-15	43	M/s. Sun Pharmaceuticals Industries Limited.
7	Mr. Krishna Kumar Gupta	Sr. Manager- C& P	15.79	B.E (Electrical)	15.4	24-Jul-07	39	M/s. Maharashtra Seamless Ltd.
8	Mr. Abhisar Agarwal	Sr. Manager - Projects	15.23	B. Tech (Mechanical)	12	22-Jun-07	37	M/s. Texcorp Ltd.
9	Mr. Sunil Kumar	In-charge – Bareilly	14.43	B.E (Mechanical)	16	16-Mar-09	47	M/s. ICS Pvt. Ltd.
10	Mr. Alok Verma	Manager – O&M	13.40	B. Tech (E&I) and MBA (Mkt)	14	22-Jun-07	39	M/s. Reckers Automation

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the financial year 2018-19.

ANNEXURE- "E"

MANAGEMENT DISCUSSION AND ANALYSIS

NATURAL GAS SCENARIO IN INDIA

Natural gas occupies a vital position in the world's energy basket. It is one of the cleanest, safest, and most useful among all energy sources. Natural gas is traditionally consumed in the residential, commercial, transport and in the industrial sector. The share of natural gas in India's primary energy mix is still at a nascent stage compared to other developing/ developed economies of the world and is poised to grow with increasing Pipeline infrastructure and City Gas Distribution (CGD) networks.

Natural gas in India is currently supplied mainly from the nominated blocks, operated by the ONGC and OIL, private and joint venture fields like Panna-Mukta and Tapti (PMT) and from the fields awarded under NELP like RIL's KG D-6. However, natural gas production in India has been significantly lower, as compared to its demand, hence there is a need to enhance the domestic natural gas production by developing new potential natural gas fields. This gap of natural gas production and consumption is fulfilled by imported RLNG.

GAS DISTRIBUTION

Compressed Natural Gas (CNG) has emerged as a 'fuel of future' across the world over the years. CNG vehicles have been introduced in a wide variety of commercial applications, from light-duty Trucks and Sedans-like taxi cabs, to medium-duty vehicles - like delivery vans and postal vehicles, to heavy-duty vehicles like travel buses and school buses.

CNG is an efficient fuel, emits lesser carbon dioxide, NO_x, CO, PM than coal and oil, and is available in abundance worldwide. Natural Gas can replace traditional fossil fuels due to its environment friendliness and economic benefits. With rising concern over pollution in various Cities due to use of traditional fossil fuels, CNG gives remarkable advantage over the traditional fossil fuels like Petrol and Diesel.

Your Company has been taking up proposals with State Government Authorities for ensuring availability of land on a long term lease for construction of CNG stations. Proposals of Private Individuals/Institutions are also considered for construction of CNG stations subject to meeting PESO (Petroleum and Explosive Safety Organization) prerequisites and permissions of all concerned statutory authorities.

More CNG stations will boost CNG consumption across Kanpur, Bareilly and Jhansi and help cities to become cleaner and greener. Both CNG and PNG business have performed well during the year 2018-19. On an overall basis the sales volume (CNG & PNG) has shown a growth of 14.91% over the previous year. CNG sales volume has increased from 591.18 SCM per lakh in FY 2017-18 to 665.37 SCM per lakh in FY 2018-19 and PNG sales volume has increased from 184.37 SCM per lakh in FY 2017-18 to 216.2 SCM per lakh in FY 2018-19 showing a growth of 12.55% and 17.26% respectively.

The Company has created a network of 40 CNG Stations as on 31 March 2019 for supplying CNG to the customers. The total nos. of vehicles using CNG was 64,741 as on 31st March, 2019. The Company has created wide pipeline network and is providing PNG connection to 56,606 Domestic Customers, 242 Commercial Customers and 70 Industrial Customers as on 31st March, 2019.

OUTLOOK ON OPPORTUNITIES

Increase of factory fitted CNG engines by leading car manufacturers & considerable increase in number of CNG stations has given a big boost to the CNG sector in the cities.

The convenience associated with PNG has already established it as the preferred fuel with its demand growing exponentially in domestic, commercial as well as industrial segments. Due to strict enforcement of the norms by various statutory authorities deterring use of polluting fuels by industries due to environmental concerns, the usage of Natural Gas while utilizing the existing City Gas Distribution network is bound to grow.

The Company has established itself strongly in Kanpur, Bareilly and Jhansi and surrounding areas, which have good potential for Natural gas in the coming years. Your Company has increased the infrastructure of CNG stations and Pipeline network to ensure easy availability of CNG and PNG to its customers.

Your Company is definitely looking forward to expand its Geographical Area to other feasible Cities through the bidding process being conducted by PNGRB.

OUTLOOK ON THREATS, RISKS & CONCERNS AND MITIGATIONS

Regulatory Regime

The City Gas Distribution business is under Regulatory regime wherein the Regulatory Board (PNGRB) has framed various Regulations, which have ramifications on the day to day business operations of a CGD entity.

The Company has the infrastructure exclusivity in Kanpur, Bareilly and Jhansi geographical areas (GA). Your Company has already established CGD infrastructure across all parts of the cities. Setting up of new CGD infrastructure would be a major challenge for any new entrant in the market as per the prevailing trends in the real estate market.

The Petroleum and Natural Gas Regulatory Board (PNGRB) has been inviting bids from time to time for setting up CGD network in new geographical areas. Total 10 rounds of CGD bidding has been conducted by the PNGRB and total 228 GAs covering approx. 70% of the country's population have been awarded by the PNGRB to various entities. Your Company intends to participate in the bidding for expanding its areas of operations.

Gas Sourcing

In the changing gas scenario, the assured supply of gas at competitive price will play an important role for future growth of your Company. MoP&NG, Government of India under its guidelines has directed GAIL to allocate supply of domestic gas at APM, NAPM and PMT Prices to your Company based on actual requirement along with a provision to draw 10% over and above the requested allocation.

In order to cater to the growing gas demand of industrial & commercial consumers, the Company is procuring R-LNG, both on term & spot basis. Your company is constantly on the lookout for sourcing cheapest R-LNG supplies for its customers by signing agreements with more suppliers. This helps in enrolling new customers and retaining old ones as the price of gas remains competitive in comparison to price of alternate fuels. In line with this, besides having gas supply tie ups with GAIL and BPCL, to strengthen CUGL's gas sourcing portfolio, CUGL has also signed a framework gas supply agreement with other major R-LNG supplier viz. Gujrat State Petroleum Corporation Limited (GSPCL). The Company is actively looking at a variety of options to meet the expected gas demand in future.

Gas Prices

The availability of APM, NAPM and PMT gases for CNG and Domestic PNG by Govt. of India, has helped your Company in maintaining gas selling prices both in CNG and PNG-domestic segment competitive over alternate fuels. With the availability of R-LNG at a competitive price on term and spot basis from various suppliers, your Company had accordingly corrected the selling price for its industrial and commercial customers and transparently passed the benefit to the end users

VALUE CREATION THROUGH OPERATIONAL EXCELLENCE

The endeavour of your Company is to create value for its customers and stakeholders. Your company has effectively utilized the tools like SAP in enhancing the operational efficiency in the processes with cost optimization.

INTERNAL CONTROL & THEIR ADEQUACY

The Company has adequate Internal Control Procedures commensurate with its size and nature of its business. The Company has appointed M/s S P Chopra & Co., Chartered Accountants as its Internal Auditors and the internal auditor's reports prepared by them are placed before the Audit Committee.

ENVIRONMENT CONSCIOUSNESS

Natural gas is fossil fuel and though the global warming emissions from its combustion are much lower than those from coal or oil it emits 50 to 60 percent less carbon dioxide. The increased reliance on natural gas can potentially reduce the emission of many of harmful pollutants. The Company is promoting use of natural gas among domestic consumers as well as commercial & industrial consumers through sustained campaigns whereby all the users are made aware of the economic and environmental advantages of natural gas compared to other fuels, apart from assurance of timely and uninterrupted supply of natural gas.

The Company is continuing its efforts to reduce pollution in allocated GA's and its authorised area.

CAUTIONARY STATEMENT

The Statement in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include demand-supply conditions, changes in Government and international regulations, tax regimes, economic developments within and outside India and other factors such as litigation and labour relations.

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
CENTRAL U.P. GAS LIMITED
Kanpur**

Opinion

We have audited the accompanying financial statements of CENTRAL U.P. GAS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of CashFlows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total 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 specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statement

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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of financial statements is included in Annexure "A" of this Auditors report of CENTRAL U.P. GAS LIMITED for the financial year ending March 31, 2019.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act 2013 we give in the Annexure 'B' a statement on directions issued by the Comptroller & Auditor General of India after complying the suggested methodology of audit, action taken thereon and its impact on the accounts and financial statements of the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure - 'C' a statement on the matters specified in paragraphs 3 and 4 of the Order;
3. 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure

D". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Kanpur
Date : 03.05.2019

for Mittal Gupta & Co.
Chartered Accounts
FRN 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in the auditor's report of CENTRAL U.P. GAS LIMITED for the year ended March 31, 2019.

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**for Mittal Gupta & Co.
Chartered Accounts
FRN 01874C**

**Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794**

**Place : Kanpur
Date : 03.05.2019**

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(As referred to in paragraph 1 of Report on Legal and Regulatory Requirements of our report on the statement of Directions under section 143(5) of the Companies Act, 2013 issued by the Comptroller and Auditor General of India for the year 2018-19)

Sr. No.	Directions	Action Taken	Impact on Financial Statements
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has system in place to process all accounting transactions through IT system, except for accounting of individual PPE and depreciation thereon. In our opinion there is no material adverse impact of processing these transactions outside IT system on the integrity of the accounts for the year ended 31 st March, 2019.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No	Nil
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	In our opinion and as certified by the management the company has not received any fund from Central/State agencies for any specific schemes.	Nil

for Mittal Gupta & Co.
Chartered Accounts
FRN 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

Place : Kanpur
Date : 03.05.2019

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure – 'C' referred to in our Independent Auditors' Report of even date to the members of the Company on the financial statements for the year ended March 31, 2019:

i) In respect of its fixed assets:

- a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanation given to us, there is a regular programme of verification of fixed assets by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Fixed assets have been physically verified by the management at the year end and as per the report, no material discrepancies were noticed on such verification.
- c) All the title deeds of the immovable properties are held in the name of the company except title deed of land for CNG station at Fazalganj of Rs. 48.07 lacs (Previous year Rs. 48.07 lacs) which have not yet been executed so far.

ii) In respect of its Inventory:

- a) Inventory comprises gas, stores and spares. According to the information and explanation given to us, inventory of stores has been physically verified at reasonable intervals by the management. In our opinion, the frequency of verification of stores and spares is reasonable. According to information and explanation given to us, the stock of gas in pipeline cannot be physically verified and is estimated on volumetric basis.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) According to the information and explanation given to us, no material discrepancies have been noticed on physical verification of inventories.

iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loans to companies, firms, LLP or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, therefore paragraph (iii) of the Order is not applicable to the company.

iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Companies Act 2013. Therefore, the provision of clause 3(iv) of the said order is not applicable to the Company.

v) According to the information and explanations given to us, in our opinion, the Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act read with the Companies (Acceptance & Deposit) Rules 2014 and other relevant provisions of the Act, to the extent notified.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made

by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

vii) In respect of statutory dues:

- a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Sales Tax, value added tax (VAT), Goods and Service Tax (GST), Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it, with the appropriate authorities.
- b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, Goods and Service Tax, which have not been deposited on account of any dispute as on 31.03.2019 are as under:

Name of statute	Nature	Amounts unpaid* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of claims made by the Company	5,038,292	Assessment Year 2008-2009	Supreme Court of India
Income Tax Act, 1961	Short deduction of tax at source	3,553,050	Assessment Year 2007-2008 and 2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Short deduction of tax at source	1,878,954	Assessment Year 2009-2010 to 2011-2012	Dy. Commissioner of Income Tax (TDS)
Income Tax Act, 1961	Disallowance of claims made by the Company	4,163,440	Assessment Year 2011-2012	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of claims made by the Company	1,141,150	Assessment Year 2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of claims made by the Company	653,200	Assessment Year 2014-2015	Commissioner of Income Tax (Appeals)
Central Excise Act	Excise duty On discounts	3,074,603	Financial year 2008-09 to 2011-12	CESTAT, Delhi
Central Excise Act	Excise duty On discounts	13,04,608	April, 2012 to February, 2013	Joint Commissioner of Central Excise
Central Excise Act	Excise duty On discounts	11,70,770	December, 2013 to August, 2014	Joint Commissioner of Central Excise
Central Excise Act	Excise duty On value of exempted services	82,301,521	Financial year 2009-10 to 2013-14	CESTAT, Delhi

- viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institutions or banks or government or debenture holders as at the balance sheet date. Therefore, the provision of paragraph (viii) of the said order is not applicable to the company.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provision of paragraph (ix) of the Order is not applicable to the company.

- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi) According to the information and explanations given to us and based on our examinations of the records, the Company has not paid managerial remuneration to any director during the year. The provision of paragraph (xi) of the Order is not applicable to the company.
- xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provision of Paragraph (xii) are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly Convertible Debenture during the year under review. Accordingly, the provision of paragraph (xiv) of the Order is not applicable to the company.
- xv) The Company has not entered into any non- cash transactions with its directors or persons connected with him. Accordingly, the provision of paragraph (xv) of the Order is not applicable to the company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of paragraph (xvi) of the Order is not applicable to the company.

Place : Kanpur
Date : 03.05.2019

for Mittal Gupta & Co.
Chartered Accounts
FRN 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

ANNEXURE "D" TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure – 'D' referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2019)

1. We have audited the internal financial controls over financial reporting of Central U.P. Gas Limited ("the Company") as of March 31st, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of the 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 fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kanpur
Date : 03.05.2019

for Mittal Gupta & Co.
Chartered Accounts
FRN 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

BALANCE SHEET AS AT 31 MARCH, 2019

Sr. No	Particulars	Note No.	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
A	Assets			
1	Non-current assets			
a)	Property, plant and equipment	4	22,715.64	15,949.55
b)	Capital work in progress	5	4,052.43	4,503.41
c)	Other intangible assets	6	84.08	35.24
d)	Financial assets			
(i)	Loans	7(c)	-	2.88
(ii)	Other non-current Financial Assets	7(b)	772.38	1,627.88
e)	Income-tax Assets	9(b)	328.47	121.53
f)	Other non current assets	9(c)	66.00	66.00
	Total non-current assets		28,019.00	22,306.49
2	Current assets			
a)	Inventories	8	16.52	13.17
b)	Financial assets			
(i)	Trade receivables	7(a)	1,710.51	969.71
(ii)	Cash and cash equivalents	7(d)	224.39	412.39
(iii)	Bank balances other than above	7(e)	5,788.99	6,793.53
(iv)	Loans	7(c)	0.65	0.09
(v)	Other current Financial Assets	7(b)	154.99	110.78
c)	Current tax Assets (Net)	15	-	206.94
d)	Other current assets	9(a)	108.76	115.62
	Total current assets		8,004.81	8,622.23
	Total Assets		36,023.81	30,928.72
B	Equity and liabilities			
1	Equity			
a)	Equity share capital	10	6,000.00	6,000.00
b)	Other equity			
	Reserves and surplus	11	22,201.40	18,073.20
	Total equity		28,201.40	24,073.20
2	Liabilities			
	Non-current liabilities			
a)	Deferred tax liabilities	12	1,821.33	1,455.71
	Total non-current liabilities		1,821.33	1,455.71
3	Current liabilities			
a)	Financial liabilities			
(i)	Trade payables	13(a)		
(a)	Dues of MSME		253.95	244.16
(b)	Dues of Creditors other than MSME		1,033.90	1,169.44
(ii)	Others Current Financial liabilities	13(b)	4,495.50	3,763.91
b)	Provisions	14	19.76	18.46
c)	Other current liabilities	16	126.23	203.84
d)	Current tax liabilities (Net)	15	71.74	-
	Total current liabilities		6,001.08	5,399.81
	Total liabilities		7,822.41	6,855.52
	Total equity and liabilities		36,023.81	30,928.72

See accompanying notes forming part of the financial statements

1 to 36

In terms of our report attached

for Mittal Gupta & Co.
Chartered Accounts
Firm Registration 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

Place: Kanpur
Date: 03.05.2019

For and on behalf of the Board of Directors

Sd/-
Amarendra Kumar
Managing Director

Sd/-
Pardeep Goyal
Director (Commercial)

Sd/-
Asheesh Agarwal
Chief Financial Officer

Sd/-
Deepak Bhasin
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Notes	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Income			
Revenue from operations	17	32,802.88	26,606.27
Other income	18	762.60	756.95
Total income		33,565.48	27,363.22
Expenses		58%	
Purchases	19	17,354.13	13,018.94
Changes in inventories of finished goods	20	(3.35)	0.74
Excise duty		2,957.48	2,486.96
Employee benefit expenses	21	842.09	1,038.22
Depreciation and amortisation expense	22	1,231.62	1,042.44
CSR Expenses		91.72	101.57
Other expenses	23	3,204.06	2,723.47
Total Expenses		25,677.75	20,412.34
Profit Before Tax		7,887.73	6,950.88
Income Tax Expense			
Current tax		2,312.00	2,158.32
Deferred tax		365.16	197.36
Profit for the Period		5,210.57	4,595.20
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		1.31	(19.43)
Income tax relating to these items		(0.46)	6.72
Other Comprehensive Income for the Period, Net of Tax		0.85	(12.71)
Total comprehensive Income for the Period		5,211.42	4,582.49
Earnings per equity share			
Basic and Diluted earnings per share		8.68	7.66
See accompanying notes forming part of the financial statements	1 to 36		

In terms of our report attached

**for Mittal Gupta & Co.
Chartered Accounts
Firm Registration 01874C**

**Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794**

**Place: Kanpur
Date: 03.05.2019**

For and on behalf of the Board of Directors

**Sd/-
Amarendra Kumar
Managing Director**

**Sd/-
Pardeep Goyal
Director (Commercial)**

**Sd/-
Asheesh Agarwal
Chief Financial Officer**

**Sd/-
Deepak Bhasin
Company Secretary**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Year ended 31 March, 2019 (₹ in Lakhs)	Year ended 31 March, 2018 (₹ in Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,887.73	6,950.88
Adjustments for:		
Depreciation and amortisation expense	1,231.62	1,042.44
Loss on sale of assets	0.05	0.07
Assets written off during the year	0.19	-
Depreciation written back during the year.	(99.64)	-
Interest income	(482.01)	(609.77)
Operating profit before working capital changes	8,537.94	7,383.62
Adjustments for movement in working capital:		
(Increase)/decrease in inventories	(3.36)	0.74
(Increase)/decrease in trade receivables	(740.79)	(68.53)
(Increase)/decrease in non current and other current financial Assets	(59.86)	6.32
(Increase)/decrease in non current and other current assets	6.86	79.53
Increase/(decrease) in trade payables	(125.75)	747.94
Increase/(decrease) in other financial current liabilities	587.15	764.05
Increase/(decrease) in other current liabilities	(77.61)	86.38
Increase/(decrease) in provisions	1.30	9.97
Cash generated from/(used in) operations	8,125.88	9,010.02
Net income taxes (paid)/refund	(2,240.27)	(2,527.82)
Net cash flow from/(used in) operating activities	5,885.61	6,482.20
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Plant, Property and equipments	(7,352.77)	(5,853.11)
Sale of Plant, Property and equipments	2.38	0.05
Interest received	488.68	678.55
Changes in Fixed deposit with banks	1,871.32	267.28
Net cash flow from/(used in) investing activities	(4,990.39)	(4,907.23)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(900.00)	(1,020.00)
Dividend distribution tax paid	(183.22)	(207.65)
Net cash flow from/(used in) financing activities	(1,083.22)	(1,227.65)
Net increase/(decrease) in Cash and cash equivalents	(188.00)	347.32
Cash and cash equivalents as at the beginning of the year	412.39	65.07
Cash and cash equivalents as at end of the period	224.39	412.39
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and bank balances as per Balance Sheet (refer note 07)	224.39	412.39
Cash and cash equivalents as per Cash Flow Statement	224.39	412.39
Cash and cash equivalents at the end of the period		
(a) Cash on hand	60.99	28.14
(b) Balances with banks in current accounts	163.40	384.25
	224.39	412.39

Note: Disclosure requirement as per Ind AS 7(amended), Statement of Cash Flow, related to changes in liabilities arising from financing activity is not applicable to the Company.

See accompanying notes forming part of the financial statements

1 to 36

In terms of our report attached

**for Mittal Gupta & Co.
Chartered Accounts
Firm Registration 01874C**

**Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794**

**Place: Kanpur
Date: 03.05.2019**

For and on behalf of the Board of Directors

**Sd/-
Amarendra Kumar
Managing Director**

**Sd/-
Pardeep Goyal
Director (Commercial)**

**Sd/-
Asheesh Agarwal
Chief Financial Officer**

**Sd/-
Deepak Bhasin
Company Secretary**

STATEMENT OF CHANGES IN EQUITY

I) Equity Share Capital

	Notes	Amounts (₹ in Lakhs)
Balance as at March 31, 2017	10.2	6,000.00
Changes in equity share capital during the year		-
Balance as at March 31, 2018	10.2	6,000.00
Changes in equity share capital during the year		-
Balance as at March 31, 2019		6,000.00

II) Other equity

Particulars	Notes	Reserves and surplus		Other Comprehensive Income	Total
		General Reserve (₹ in Lakhs)	Retained earnings (₹ in Lakhs)	Remeasurement of Defined Benefit Plan (₹ in Lakhs)	
Balance as at March 31, 2017	11	319.06	14,399.30	-	14,718.36
Profit for the Year		-	4,595.20		4,595.20
Other Comprehensive Income /(loss) for the Year		-	-	(12.71)	(12.71)
Transfer to Retained Earning		-	(12.71)	12.71	-
Transfer to General Reserve from Profit & Loss during the year		120.93	(120.93)		-
Dividends including Dividend Distribution Tax		-	(1,227.65)		(1,227.65)
Balance as at March 31, 2018	11	439.99	17,633.21	-	18,073.20
Profit for the Year			5,210.57		5,210.57
Other Comprehensive Income /(loss) for the Year				0.85	0.85
Transfer to Retained Earning		-	0.85	(0.85)	-
Dividends including Dividend Distribution Tax			(1,083.22)		(1,083.22)
Balance as at March 31, 2019		439.99	21,761.41	-	22,201.40
See accompanying notes forming part of the financial statements					
1 to 36					

In terms of our report attached

for Mittal Gupta & Co.
Chartered Accounts
Firm Registration 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

Place: Kanpur
Date: 03.05.2019

For and on behalf of the Board of Directors

Sd/-
Amarendra Kumar
Managing Director

Sd/-
Pardeep Goyal
Director (Commercial)

Sd/-
Asheesh Agarwal
Chief Financial Officer

Sd/-
Deepak Bhasin
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 COMPANY OVERVIEW

Central U.P. Gas Limited (the 'Company') was incorporated on 25 February 2005 under the Companies Act, 1956.

The Company is a joint venture between GAIL (India) Limited and Bharat Petroleum Corporation Limited. The Company's business comprises manufacturing of Compressed Natural Gas (CNG) and sale of Piped Natural Gas (PNG) and Compressed Natural Gas (CNG).

The registered office is located at 7th Floor, UPSIDC Complex, A 1/4 Lakhanpur, Kanpur -208024.

The financial statements of the Company for the year ended 31st March, 2019 are approved for issue by the Company's Board of Directors on 3rd May 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 ; and the other relevant provisions of the Act and rules there under.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Define benefit plan- Plan assets measured at fair value.

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest lakhs, except otherwise indicated.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2.2 Inventories

- Stocks of CNG in cascades, Natural Gas in pipeline and Mak Lubes are valued at lower of cost or net realizable value. Cost is ascertained on First in First out (FIFO) basis and includes all charges in bringing the goods to the point of sale, including royalty, VAT/trade tax, transmission charges, excise duty and other taxes paid/payable on the same.
- Closing stock of Natural Gas in pipelines and cascades is estimated on a volumetric basis.

2.3 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

Asset class	Depreciation
Tangible Property, Plant and Equipment	
- Mother Compressors, Online Compressors and Booster Compressors (Forming part of plant and equipment)	10 years
- Other Plant and Machinery (Dispenser, Cascade, Meter & Regulator, DRS, MRS and Fittings)	15 years
- Pipeline (Forming part of plant and equipment)	25 Years
- Desktops, Laptops	3 years
Right to use of land is amortised over a period of 90 years	
Asset class	Amortisation
Intangible Assets	
- Computer Software & Licenses	5 years

2.6 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of natural gas is recognised when it satisfies its performance obligation by transferring gas to the customer. It is measured at fair value considerations received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue includes excise duty but excludes taxes collected from customers.

Revenue from Extra GI (pipes)- Extra Pipeline cost is being charged from the customers. Cost of the Extra pipeline has directly debited in P&L. As a result, amount received from customers also recognized in same year on the basis of matching principle.

Customers billings in case of piped natural gas are substantially based on meter readings calculated in accordance with applicable tariffs and related agreements. The Company accrue unbilled revenues for natural gas that has been delivered but not yet billed at the end of the accounting period.

Income from bank deposits is recognised on a time proportion basis. Interest from customer on account of delayed payment is recognized on accrual basis.

Use of significant judgements in revenue recognition

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.7 (a) Property, Plant and Equipment

- i. Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any.
- ii. Property, Plant and Equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.
- iii. Gas distribution systems are commissioned when ready for commencement of supply of gas to consumer. In the case of commissioned assets where final payment to the contractors is pending, capitalisation is made on an estimated basis pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.
- iv. Insurance spares are capitalised with the cost of plant and machinery and depreciated over the useful life of the principal item of the relevant Property, Plant and Equipment.
- v. The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.
- vi. Spares which meet the definition of Property, Plant & Equipment are capitalised with the cost of plant and machinery and are fully depreciated when issued for consumption.
- vii. Major Overhauling cost is recognised as separate part of the asset and cost incurred on overhauling is charged proportionately till the next overhauling is due. Remaining carrying amount of the cost of the previous overhaul, if any, will be derecognized at the time of the overhauling.

(b) Intangible Assets

Intangible assets like software, licenses and right-of-use of land with other entities which are expected to provide future enduring economic benefits are capitalized as Intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.

(c) Capital Work in Progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective Property, Plant and Equipment. Capital Work in Progress includes capital inventory.

2.8 Employee benefits

Employee benefits include provident fund, employee state insurance, pension fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

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 service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the any plan assets out of which the obligations are expected to be settled.

2.9 Leases

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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Lease Rental payables under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(ii) As a lessor

Lease rental income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless receipt are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

2.10 Earnings per share

Basic earning per share is computed by dividing the profit for the year (before other comprehensive income), attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

2.11 Taxes on income

Income tax expense comprises current tax and deferred tax. Current Tax is amount of tax for the period determined in accordance with the Income-tax Act, 1961. Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Income tax expense comprises current tax and deferred tax. Current Tax is amount of tax for the period determined in accordance with the Income-tax Act, 1961

2.12 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, the Company estimates that asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (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 a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and its written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using 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.

2.13 Provisions and contingencies

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligations at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company operates in a single segment of natural gas business in the National Capital Region and therefore disclosure requirements as per Ind AS 108 "Operating Segments" is not applicable to the company.

2.15 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between purchase of natural gas and their realisation in cash or cash equivalents, the company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.16 Dividend Payable

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's board of directors. A corresponding amount is recognized directly in equity.

2.17 Financial Instruments

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

Financial assets

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets are recognized initially at fair value. Financial assets which are not recorded at fair value through profit or loss are recognised at fair value plus transaction cost attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories:

Debt instruments

There are three measurement categories into which the company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at Amortized cost. Interest Income from these financial Assets is included in Finance Income using the effective interest rate (EIR) method.
- Fair Value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- A financial assets which is not classified in any of the above categories are subsequently fair valued through the statement of profit and loss.

Impairment of financial assets

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note— details how company determines whether there has been significant increase in credit risk.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets

Financial liabilities

All financial liabilities are initially recognized at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement of financial liabilities depends on their classification at fair value through Profit and loss (FVTPL) or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortized cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of profit or loss.

Offsetting of financial instruments

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

3.1 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

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

i) Estimation of defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii) Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

iii) Estimation of current tax and deferred tax

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

3.2 Recent Indian Accounting Standards(Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing

its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statement.

4. PROPERTY, PLANT AND EQUIPMENT

(Refer Notes 2.5, 2.7 and 2.17)

As at 31 March 2019

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at 01.04.2018	Additions for the year	Sales/ Adjustments	As at 31.03.2019	For the year	On sales/ adjustments*	As at 31.03.2019	As at 31.03.2018
Freehold land	1,094.23	-	-	1,094.23	-	-	1,094.23	1,094.23
Leasehold land	48.07	-	-	48.07	-	-	48.07	48.07
(Refer Note 4.1)								
Buildings	753.11	10.12	-	763.23	29.24	-	657.25	676.37
Plant and equipment	16,671.20	7,860.21	74.79	24,456.62	1,159.43	147.42	20,842.49	14,069.08
Office Equipment	71.58	11.26	8.84	74.00	13.78	13.23	28.66	26.79
Furniture and fixtures	49.79	1.38	0.83	50.34	5.01	10.19	21.82	16.09
Computers	51.32	6.40	1.08	56.64	12.85	11.73	23.12	18.92
Total	18,739.30	7,889.37	85.54	26,543.13	1,220.31	182.57	22,715.64	15,949.55

4.1. Title deeds of land for CNG station at Fazalganj amounting to Rs. 48.07 Lakhs (previous Year Rs. 48.07 Lakhs) have not been executed till date.

* It include Depreciation written Back of Rs 99.64 during the Year.

5. CAPITAL WORK IN PROGRESS

As at 31 March 2019

Particulars	As at 01.04.2018	Additions for the year	Transfers during the year	As at 31.03.2019
	4,503.41	7,349.46	7,800.44	4,052.43
Total	4,503.41	7,349.46	7,800.44	4,052.43

6. OTHER INTANGIBLE ASSETS

As at 31 March 2019

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at 01.04.2018	Additions for the year	Sales/ Adjustments	As at 31.03.2019	For the year	On sales/ adjustments	As at 31.03.2019	As at 31.03.2018
Computer software/license	23.21	57.91	-	81.12	10.94	2.24	52.50	3.29
Right to use	33.06	-	-	33.06	0.37	-	31.58	31.95
Total	56.27	57.91	-	114.18	11.31	2.24	84.08	35.24

7 Financial assets

(a) Trade receivables

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Trade receivables	1,710.51	969.71
Less: Allowance for doubtful debts	-	-
Total receivables	1,710.51	969.71
Current portion	1,710.51	969.71
Non-current portion	-	-
Break-up of security details		
Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Trade receivables Secured, considered good	1,087.86	757.87
Trade receivables Unsecured, considered good	622.65	211.84
Trade receivables Significant Increase in Credit Risk	-	-
Trade receivables -Credit Impaired	-	-
Total	1,710.51	969.71
Allowance for doubtful debts	-	-
Total trade receivables	1,710.51	969.71

(b) Other financial assets

Particulars	March 31, 2019 (₹ in Lakhs)		March 31, 2018 (₹ in Lakhs)	
	Current	Non-current	Current	Non-current
Security deposits	10.38	22.15	-	21.17
Balances with banks in fixed deposits with maturity of more than twelve months	-	427.97	-	1577.51
In Deposit held as security or margin against guarantees	-	308.36	-	25.61
Interest accrued	90.60	13.90	107.60	3.59
Insurance Claim Receivable	-	-	0.33	-
Unbilled Revenue	54.01	-	2.85	-
Total other financial assets	154.99	772.38	110.78	1,627.88

(c) Loans

Particulars	March 31, 2019 (₹ in Lakhs)		March 31, 2018 (₹ in Lakhs)	
	Current	Non-current	Current	Non-current
Other Loans				
Loans Receivable Secured, considered good	0.65	-	0.09	2.88
Loans Receivable Unsecured, considered good	-	-	-	-
Loans Receivable Significant Increase in Credit Risk	-	-	-	-
Loans receivable -Credit Impaired	-	-	-	-
Total loans	0.65	-	0.09	2.88

(d) Cash and cash equivalents

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Cash and cash equivalents		
(i) Bank Balance in current accounts	163.40	384.25
(ii) Cash on hand	60.99	28.14
Total cash and cash equivalents	224.39	412.39

(e) Bank Balances Other than cash and cash equivalents

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
(i) Balances with banks in fixed deposits with maturity of less than twelve months	5,490.20	6,793.53
(ii) In Deposit held as security or margin against guarantees	298.79	-
Total Other Bank balances	5,788.99	6,793.53

8 Inventories

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Finished goods	16.52	13.17
Total inventories	16.52	13.17

9 (a) Other Current Assets

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Excise duty under protest	63.78	65.67
Prepaid expenses	31.65	32.72
Balances with government authorities	13.33	17.23
Total other current assets	108.76	115.62

(b) Income-tax Assets

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Advance tax	311.47	104.53
Income Tax under Protest	17.00	17.00
Income-tax Assets	328.47	121.53

(c) Other Non Current Assets

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Advance for Land	66.00	66.00
Total other non current assets	66.00	66.00

10 SHARE CAPITAL

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
(a) Authorised Equity Shares of ₹ 10/- each	60,000,000	6,000	60,000,000	6,000
(b) Issued, Subscribed and Fully Paid up Equity Shares of ₹ 10/- each	60,000,000	6,000	60,000,000	6,000

- 10.1 The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

10.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<i>Equity shares:</i>				
Shares outstanding at the beginning of the year	60,000,000	6,000	60,000,000	6,000
Shares outstanding at the end of the year	60,000,000	6,000	60,000,000	6,000

10.3 Details of shares held by each shareholder holding more than 5% shares:

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Indraprastha Gas Limited	30,000,000	50.00%	30,000,000	50.00%
Bharat Petroleum Corporation Limited	14,999,600	24.99%	14,999,600	24.99%
GAIL (India) Limited*	15,000,000	25.00%	15,000,000	25.00%

* Including joint holder with GAIL (India) Limited

11 Reserves and surplus

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
(a) General reserve:		
Opening balance	439.99	319.06
Add: Transferred from surplus in Statement of Profit and Loss	-	120.93
Closing balance	439.99	439.99
(b) Surplus in Statement of Profit and Loss:		
Opening balance	17,633.21	14,399.30
Add:		
Profit for the year	5,210.57	4,595.20
Transfer from Other comprehensive income	0.85	(12.71)
Less:		
- Dividends distributed to equity shareholders (₹ 1.50 per share (Previous year ₹ 1.70 per share))	900.00	1,020.00
- Corporate dividend tax	183.22	207.65
- Transfer to General reserve	-	120.93
Closing balance	21,761.41	17,633.21
Other Comprehensive Income		
Opening balance		
Add: Other Comprehensive Income /(loss) for the Year	0.85	(12.71)
Less: Transfer to Retained Earning	(0.85)	12.71
Closing balance	-	-
Total reserves and surplus	22,201.40	18,073.20

Note:

- The general reserve represents amount kept by the Company out of its profits for future purposes
- Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.
- Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain / (loss) of defined benefit obligation. This would not be re-classified to Statement of Profit and Loss.

12 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Deferred tax liabilities On:		
Difference between book balance and tax balance of Property plant & equipment	1,830.32	1,462.10
Other	21.64	
	1,851.96	1,462.10
Deferred tax Assets		
Provision for Employee Benefit	30.63	6.39
	30.63	6.39
Deferred Tax Liabilities (Net)	1,821.33	1,455.71

Movement in Deferred Tax Liabilities

Particulars	Difference between book balance and tax balance of PPE (₹ in Lakhs)	Provision for Employee Benefit (₹ in Lakhs)	Other	Total (₹ in Lakhs)
At March 31, 2018	1,462.10	(6.39)	-	1,455.71
(Charged)/credited:				
- to profit or loss	368.22	(24.70)	21.64	365.16
- to other comprehensive income	-	0.46		0.46
At March 31, 2019	1,830.32	(30.63)	21.64	1,821.33

13 (a) Trade Payables

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Current		
Total Outstanding dues of micro and small enterprises [Refer Note No. 27]	253.95	244.16
Total Outstanding dues of Creditors other than micro and small enterprises	1,033.90	1,169.44
Total trade payables	1,287.85	1,413.60

13 (b) Other financial liabilities

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
(i) Payables on purchase of fixed assets	1,400.56	1,254.81
(ii) Trade/security deposits received	2,945.72	2,295.54
(iii) Accrued Employees Benefits	63.55	145.50
(iv) Net Gratuity Liabilities	62.15	46.24
(v) Income Received In Advance	23.52	21.82
Total other current liabilities	4,495.50	3,763.91

14 Provisions

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
	Current	Current
Provision for employee benefits		
For compensated absences	19.76	18.46
Total	19.76	18.46

15 Current tax liabilities

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Current tax payable for the year	2,312.00	2,158.32
Less: Advance Taxes paid	2,240.26	2,365.26
Closing balance	71.74	(206.94)

16 Other current liabilities

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Other payables		
Statutory dues	126.23	203.84
Total other current liabilities	126.23	203.84

17 Revenue from operations

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Sale of products (including excise duty)	32,672.54	26,559.79
Other operating revenue	130.34	46.48
Total revenue	32,802.88	26,606.27
Note:		
Sale of products comprises		
Compressed Natural Gas (CNG)	23,706.45	19,669.56
Piped Natural Gas (PNG)	8,964.44	6,885.73
Mak Lubes	1.65	4.50
Total	32,672.54	26,559.79

18 Other income

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Interest income from financial assets	482.01	609.77
Interest from customers	114.41	74.05
Interest on Employee Loan	0.11	0.20
Other Non Operating Income*	166.07	72.93
Total other income	762.60	756.95

* It include Depreciation written Back of Rs 99.64 lakhs during the Year.

19 Purchases

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Natural Gas	17,353.16	13,014.38
Mak Lubes	0.97	4.56
Total Purchases	17,354.13	13,018.94

20 Changes in inventories of finished goods

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Opening balance		
Finished goods	13.17	13.91
Total opening balance	13.17	13.91
Closing balance		
Finished goods	16.52	13.17
Total closing balance	16.52	13.17
Total changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(3.35)	0.74

21 Employee Benefit Expense

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Salaries and wages	634.14	806.81
Contribution to provident fund and other fund	37.12	55.86
Secondment Expense	137.07	144.20
Staff welfare expenses	33.76	31.35
Total employee benefit expense	842.09	1,038.22

22 Depreciation and Amortisation Expense

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Depreciation of property, plant and equipment	1,220.31	1,038.17
Amortisation of intangible assets	11.31	4.27
Total depreciation and amortisation expense	1,231.62	1,042.44

23 Other Expenses

Particulars	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Operation and maintenance of CNG Stations	1,548.87	1,271.05
Power, fuel and water charges	719.19	617.38
Advertisement and publicity	74.07	107.22
Rent	66.71	58.00
Repair and maintenance		
(i) Building	13.32	5.54
(ii) Computers	4.98	3.33
(iii) Plant and machinery	128.95	82.45
(iv) Others	7.88	8.97
Vehicle hiring and running expenses	55.88	47.82
Rates and taxes	15.70	17.67
Bank charges	18.78	25.18
Communication expenses	16.48	20.88
Insurance expenses	45.31	44.36
Legal and professional charges	113.01	54.00
Loss on sale of fixed assets	0.05	0.07
Meeting, seminar and training expenses	19.99	29.98
Office Administration Charges	80.44	63.32
Printing and stationery	16.10	15.48
Recruitment expenses	1.85	3.13
Security expenses	116.90	114.28
Director's sitting fee	6.40	14.22
Travelling expenses	45.91	54.31
Public Relation	12.98	8.50
Assets Written Off	0.19	
Miscellaneous expenses	74.12	56.33
Other Expenses	3,204.06	2,723.47
Note:	March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
Legal and Professional charges includes auditor's remuneration Under:		
Statutory audit fees	5.00	4.00
Tax audit fees	1.00	0.50
Quarterly Financial Review	2.00	1.75
Reimbursement of expenses	0.80	0.03
GST/Service Tax on above	1.58	1.13
Total	10.38	7.41

24. Contingent Liabilities

Particulars	31.03.2019 (Rs. in Lakhs)	31.03.2018 (Rs. in Lakhs)
i. Demand Being Disputed by the Company		
a) Excise Duty Demands	878.52	878.53
b) Income Tax Demand	164.28	166.81
ii. Claims against the Company not acknowledged as Debt		
a) Other Liabilities	438.75	438.75
iii. Outstanding Bank Guarantee	3669.65	1836.74

- iv. Income tax demands have been raised by department on account of disallowance of claim of additional depreciation U/s 32 (1) (ii a) of the income tax act since A. Y. 2008-09. The company claim of additional depreciation has been upheld by Honorable Allahabad High court for A. Y. 2008-09. The department has preferred appeal before Supreme court against the decision of the High court.
- v. The department of custom and Excise has raised demands of Rs. 55.50 lakhs(PY 55.50 lakhs)for certain period on account of levy of excise duty on bulk discount given to retails outlet on sale of CNG and of Rs. 823.02 Lakhs for certain period on account of levy of duty on the value of exempted services under Rule 6 (3) (i) of cervat credit rule,2004. The company has preferred appeal against the aforesaid demands.
- vi. During the financial year 2010-11, the Company had received a demand of Rs. 355.84 Lakhs from Gail India Limited (GAIL) towards revision in spur line transmission tariff on purchase of natural gas for the period 1 April, 2007 to 20 November, 2008. The Company is disputing the demand made by GAIL, since the amount is not payable as per the terms of the gas purchase agreement dated 17 December, 2008. Hence no provision has been made in the books of account for this amount. Further, the Company has paid Rs. 82.91 Lakhs under Protest towards spur line charges for the period April, 2010 to June, 2010 which was not payable as per the new tariff regulations promulgated by PNG Regulatory Board (PNGRB). Accordingly, the Company has shown the above said amount as recoverable from GAIL. The total impact of this demand, if becomes payable, would be Rs. 438.75 Lakhs.
- vii. The amount shown above represents the best possible estimates arrived on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal process which have been invoked by the Company or the claimants as the case may be, therefore it cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.
- viii. In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome.

25. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 4,673.87 Lakhs (Previous year Rs.4210.45 Lakhs).

26. Disclosure relating to Corporate Social Responsibility (CSR)

The disclosure in respect of CSR expenditure for the FY 2018-19 is as under:

S.No.	Particulars	31.03.2019 (Rs. in Lakhs)	31.03.2018 (Rs. in Lakhs)
1	As per section 135 of the Companies Act, 2013 read with Schedule VII thereof Gross amount required to be spent by the Company	130.14	111.18
2	Amount spent during the year		
a)	Construction/Acquisition of any Asset		
	-In Cash	27.02	18.69
	-Yet to be paid in Cash	17.65	0.98
b)	On purpose other than (i) above		
	-In Cash	45.83	71.80
	-Yet to be paid in Cash	1.22	10.10

Various heads which the CSR expenditure were incurred in cash is detailed as follows:-

Particulars	Relevant clause of Schedule VII to the Companies Act, 2013	2018-2019 (Rs. in Lakhs)	2017-2018 (Rs. in Lakhs)
(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Clause (i)	50.44	36.88
(ii) Promoting education, including special education and employment enhancing vocational training and livelihood enhancement project	Clause (ii)	13.87	19.41
(iii) promoting gender equality and empowering women	Clause (iii)	6.40	12.66
(vi) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;	Clause (v)	7.83	6.73
(v) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	Clause (viii)	10.00	19.50
(vi) rural development projects]	Clause (x)	3.18	-
(vii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Clause (iv)	-	3.90
(viii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	Clause (vii)		2.49
Total		91.72	101.57

27. Following are the relevant disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006('MSMED Act')

S.No.	Description	31.03.2019 (Rs. in Lakhs)	31.03.2018 (Rs. in Lakhs)
(1)	The principal amount remaining unpaid to suppliers as at the end of accounting year	253.95	244.16
(2)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	-
(3)	The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the micro and small enterprise beyond the appointed date during the period	-	-
(4)	The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act.	-	-
(5)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
(6)	The amount of further interest remaining due and payable even in succeeding years	-	-

28. Employee benefit obligations

	31 March, 2019			31 March, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	(₹ Lakhs)			(₹ Lakhs)		
Gratuity (Net Assets)/ Liability	62.15	-	62.15	46.24	-	46.24
Total employee benefit obligations	62.15	-	62.15	46.24	-	46.24

(i) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company has purchased an insurance policy to provide for payment of gratuity of employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(ii) Defined contribution plans

The Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs.37.03 lakhs (31 March 2018: Rs. 55.86 lakhs)

(iii) Compensated absences

The leave obligations cover the Company's liability for leaves cashable on termination of employment. The leave obligation plan is a unfunded plan. The amount of the provision of Rs. 19.76 lakhs (31 March, 2018 Rs. 18.46 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The obligation towards compensated leaves which are expected to be availed or encashed beyond 12 months from the end of the year is determined by the actuary using the Projected Unit Credit Method (PUC) at the end of each year. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

(iv) Gratuity

	Present value of obligation (₹ Lakhs)	Fair value of plan assets (₹ Lakhs)	Net amount (₹ Lakhs)
1 April, 2017	37.14	43.32	(6.18)
Current service cost	11.67	-	11.67
Interest expense/(income)	2.97	3.46	(0.49)
Employer Contribution	-	0.70	(0.70)
Past Service Cost	22.51	-	22.51
Total amount recognised in profit or loss	37.15	4.16	26.81
	37.15	4.16	26.81
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)			
(Gain)/loss from change in demographic assumptions	-	(0.61)	0.61
(Gain)/loss from change in financial assumptions			
Experience (gains)/losses	3.22	-	3.22
	15.60	-	15.60
Total amount recognised in other comprehensive income	18.82	(0.61)	19.43
Employer contributions	-	-	-
Benefit payments	-	-	-
31 March, 2018	93.11	46.87	46.24
April 1, 2018	93.11	46.87	46.24
Current service cost	14.18	-	14.18
Interest expense/(income)	7.25	3.65	3.60
Employer Contribution	-	0.56	(0.56)
Past Service Cost	-	-	-
Total amount recognised in profit or loss	21.43	4.21	17.22
	21.43	4.21	17.22
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.96)	0.96
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.91	-	0.91
Experience (gains)/losses	(3.18)	-	(3.18)
Total amount recognised in other comprehensive income	(2.27)	(0.96)	(1.31)
Employer contributions	-	-	-
Benefit payments	(4.56)	(4.56)	-
March 31, 2019	107.71	45.56	62.15

	31 March, 2019 (₹ Lakhs)	31 March, 2018 (₹ Lakhs)
Present value of funded obligations	107.71	93.11
Fair value of plan assets	(45.56)	(46.87)
(Surplus)/Deficit of funded plan	62.15	46.24
Unfunded plans	-	-
(Surplus)/Deficit before asset ceiling	62.15	46.24

Effect of asset ceiling

Based on Company's gratuity trust's arrangement with LIC of India, the benefit relating to net defined benefit asset shall be available to the Company in full in form of reduction in future contributions.

(v) Post-Employment benefits and other long-term employee benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity	31 March, 2019	31 March, 2018
Discount rate	7.75%	7.80%
Salary growth rate	10.00%	10.00%
Remaining working life	24.45	25.61
Withdrawal rate based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Mortality Table	standard table – Indian Assured Lives Mortality (2006-08)	standard table – Indian Assured Lives Mortality (2006-08)

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Discount rate	(- / + 1%)	(- / + 1%)	-15.40%	-15.90%	19.00%	19.60%
Salary growth rate	(- / + 1%)	(- / + 1%)	9.30%	9.20%	-9.60%	-10.40%
Attrition Rate	50% of the Attrition assumption	50% of the Attrition assumption	-1.50%	-1.80%	1.70%	1.90%
Mortality	10% of the Mortality assumption	10% of the Mortality assumption	0.00%	0.00%	0.00%	0.00%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumption used in preparing the sensitivity analysis did not changed compared to prior period.

(vii) The major categories of plans assets are as follows:

	31 March, 2019		31 March, 2018	
	Amount (₹ Lakhs)	in %	Amount (₹ Lakhs)	in %
Fund managed by insurer	45.56	100%	46.87	100%
Total	45.56	100%	46.87	100%

(viii) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Expected contributions to post-employment benefit plans for the next financial Year is INR 76.87 lakhs

The weighted average duration of the defined benefit obligation is 2019 years - 18 years. The expected maturity analysis of gratuity and other long-term employment benefits (Leave obligation) is as follows:

	(₹ Lakhs)				
	1 year	2-5 years	6-10 years	More than 10 years	Total
31 March, 2019					
Defined benefit obligation (Gratuity)	1.64	8.47	20.96	462.73	493.80
Total	1.64	8.47	20.96	462.73	493.80
31 March, 2018					
Defined benefit obligation (Gratuity)	1.40	7.27	15.68	425.15	449.50
Total	1.40	7.27	15.68	425.15	449.50

(IX) The history of funded post retirement plans are as follows :

Particulars As at	31st March, 2019	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015
			Amount (₹ Lakhs)		
Present value of defined benefit obligation	107.71	93.11	37.14	17.21	28.77
Fair value of plan assets	45.56	46.87	43.32	42.81	40.27

29 Related party transactions
a. List of related parties
Company having significant influence

Indraprastha Gas Limited

Promoter Venturer

- ☐ GAIL (India) Limited
- ☐ Bharat Petroleum Corporation Limited

Key Management Personnel (KMP)

- ☐ Mr. Amarendra Kumar - Managing Director
- ☐ Mr. Rajiv Sikka - Director Commercial (Up to 22.05.2018)
- ☐ Mr. Pardeep Goyal - Director Commercial (From 18.12.2018)
- ☐ Mr. Asheesh Agarwal - Chief Financial Officer
- ☐ Mr. Deepak Bhasin - Company Secretary

b. Transactions/ balances outstanding with related parties:

S.No.	Nature of transactions	31.03.2019 (Rs. in Lakhs)	31.03.2018 (Rs. in Lakhs)
1	GAIL (India) Limited		
	Secondment charges# #	85.46	80.90
	Purchase of Natural Gas	14781.98	11398.05
	Genset Expenses Charged	3.08	3.62
	Dividend Paid	225.00	255.00
	Interest Income	0.45	0.43
	Balance receivable/(payable)	(521.12)	(370.84)
2	Bharat Petroleum Corporation Limited		
	Secondment charges# #	51.61	62.50
	Purchase of RLNG	1350.82	1086.86
	Purchase of Mak Lubes (Including VAT)	-	2.32
	Sale of CNG (Including Excise Duty & VAT)	6255.72	4842.93
	Sitting Fees	1.40	2.00
	Dividend Paid	225.00	254.99
	Interest Charged	-	2.73
	Facility Charges	118.23	188.51
	Balance receivable/(payable)	255.38	111.09
	##Including GST		
3	Indraprastha Gas Limited		
	Sitting Fees	4.40	5.40
	Dividend Paid	450.00	510.00
	Advertisement Expenses	-	64.55
	Balance Receivable/(payable)	-	(63.32)
	Key Managerial Personnel-Remuneration*		
	Mr. V.K. Shukla #	-	44.09
	Mr. Amarendra Kumar #	72.43	24.83
	Mr. Rajiv Sikka #	24.94	53.17
	Mr. Pardeep Goyal #	18.79	-
	Mr. Asheesh Agarwal	22.29	22.50
	Mr. Deepak Bhasin	13.72	14.64

*Including Arrears if any.

Direct reimbursements made as per terms of employment/entitlements

30. Fair value measurements

Financial Instruments by Category:

(Figures in Lakhs)

	FVPL	FVOCI	31.03.2019 Amortised Cost	FVPL	FVOCI	31.03.2018 Amortised Cost
Financial assets						
Trade receivable	-	-	1,710.51	-	-	969.71
Cash and cash equivalents	-	-	224.39	-	-	412.39
Bank Balance Other than Above	-	-	6,525.32	-	-	8,396.65
Unbilled revenue	-	-	54.01	-	-	2.85
Interest accrued	-	-	104.50	-	-	111.18
Security deposits	-	-	32.53	-	-	21.17
Insurance claim receivable	-	-	-	-	-	0.33
Employee Loans	-	-	0.65	-	-	2.97
Total financial assets	-	-	8,651.91	-	-	9,917.25
Financial liabilities						
Trade payables			1,287.85			1413.60
Capital creditors			1,400.56			1,254.81
Security deposits from customers			2,945.72			2,295.54
Accrued Employees Benefits			63.55			145.50
Net Gratuity Liabilities			62.15			46.24
Income Received In Advance			23.52			21.82
Total financial liabilities	-	-	5,783.35	-	-	5177.51

Fair value of financial assets and liabilities measured at amortised cost

31 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is governed by Financial Guidelines which are approved by the Board of Directors and ensure compliances jointly through Managing Director and Director Commercial.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

(i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company obtains security deposits from various types of PNG credit customers including domestic, Industrial and Commercial. Further, in case of Industrial Customers, the company secures the credit risk by getting Bank Guarantee/LC equivalent to the value of 47 days of average sales. Apart from this, company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. In case of CNG sales, the company operates in retail sales on cash & carry basis and credit sales to retail outlets operated by Public Sector Oil Marketing Companies namely, BPCL, HPCL and IOCL with agreement to pay within 7 days of receipt of invoices.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company has not encountered any such loss till the year ended March 31, 2019.

Exposure to credit risk	As at 31.03.2019 INR in lakhs	As at 31.03.2018 INR in lakhs
<i>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses</i>		
Trade receivables (gross)	1,710.51	969.71
Less: Loss allowances	-	-
Trade receivables (net)	1,710.51	969.71

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Security deposit received from customers has not been netted off from exposure to credit risk.

Ageing analysis	As at 31.03.2019 INR in lakhs	As at 31.03.2018 INR in lakhs
Upto 6 months	1538.44	878.93
More than 6 months	172.07	90.78

(ii) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable basis. Company has sufficient liquidity and expected cash flow to meet such obligations at present; however processes and policies related to such risks are overseen by senior management at regular interval. Company management monitors the company's net liquidity position through daily funds position and rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31.03.2019	Less than 1 year INR in lakhs	More than 1 year INR in lakhs	Total INR in lakhs
Trade payables	1,287.85	-	1,287.85
Capital creditors	1,400.56	-	1,400.56
Security deposits from customers	2,945.72	-	2,945.72
Accrued Employees Benefits	63.55	-	63.55
Net Gratuity Liabilities	62.15	-	62.15
Income received in advance	23.52	-	23.52
	5,783.35	-	5,783.35

As at 31.03.2018	Less than 1 year	More than 1 year	Total
	INR in lakhs	INR in lakhs	INR in lakhs
Trade payables	1,413.60	-	1,413.60
Capital creditors	1,254.81	-	1,254.81
Security deposits from customers	2,295.54	-	2,295.54
Accrued Employees Benefits	145.50	-	145.50
Net Gratuity Liabilities	46.24	-	46.24
Income received in advance	21.82	-	21.82
	5,177.51	-	5,177.51

Capital management
(a) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(b) Dividends

(i) Dividend Recognised	Recognised in the Year Ending	
	31.03.2019	31.03.2018
	₹ in lakhs	₹ in lakhs
Final dividend for the year ended 31 March 2018 of ₹1.50 (31 March 2017- ₹1.70) per fully paid share	900.00	1,020.00
(ii) Dividend proposed but not recognized in the books of accounts		
In addition to the above dividends, for the year ended 31 March, 2019 the directors have recommended the payment of a final dividend of ₹ NIL per equity share (31 March 2018 ₹1.50 per equity share)	-	900.00

32. Earnings per share

Particulars	Units	Year ended	Year ended
		31.03.2019	31.03.2018
Net profit attributable to Shareholders	₹ Crores	52.10	45.95
Weighted average number of equity shares	No.	6.00	6.00
Nominal value per share	₹	10	10
Basic earnings per share of ₹ 10 each	₹	8.68	7.66

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

33. Tax expense
(a) Income Tax Expenses

	₹ in lakhs	
Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Current Tax	2,312.00	2,158.32
Deferred tax	365.62	190.63
Total Income Tax Expenses	2,677.62	2,348.95

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:
₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (before income tax expense)	7,887.73	6,950.88
Applicable tax rate	34.94%	34.61%
Computed tax expenses	2,756.29	2,405.56
Expenses not allowed for tax purposes	28.63	5.78
Effect of change in tax rates as compared to previous years	13.99	-
Deferred Tax on non-depreciable property, plant and equipment recognised	(121.29)	(62.39)
Total	2,677.62	2,348.95
Unrecognised deferred tax assets :		
On non depreciable Property, Plant and Equipment	-	121.29

- 34** Figures relating to 'employee benefit expenses' and 'Remeasurements of post employment benefit obligations' including income tax thereon for the previous year have been restated to rectify the classification of employee benefit expenditure of Rs. 23.70 lacs which was included in Remeasurements of post employment benefit obligations in Statement of Profit and Loss for the previous year. Corresponding figures of current tax liability and deferred tax liability in Balance sheet of previous year have also been restated.
- 35** During the year the Company has changed its accounting policies in respect of recognition of Revenue from Extra Pipeline cost charged from the customers and also its policy relating to accounting of cost of Extra GI (Pipes). Earlier the revenue from extra pipeline billed to the customer was deferred and recognized over the period of life of asset i.e 25 years. Further, the corresponding cost of extra pipelines is also treated as Property, Plant and Equipment and depreciated over a period of 25 years. The management has re-examined these accounting policies and for better presentation of financial statements now decided to recognize the revenue from extra pipelines in the year in which cost of extra pipelines has been incurred and to charge the expenditure incurred on extra pipeline as expenditure on accrual basis. Due to this change deferred income of Rs 21.82 lakhs shown under Non Current Liability in previous year has been restated and now shown under other current financial liability as income received in advance. Profit and Loss account statement of previous year has not been recasted as impact of their changes in accounting policies is not material in previous year. Further due to this change the revenue and expenditure during the year have been increased by Rs.60.92 Lakhs and Rs.63.09 Lakhs respectively.
- 36** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications.

for Mittal Gupta & Co.
Chartered Accounts
Firm Registration 01874C

Sd/-
Bihari Lal Gupta
Partner
Membership No. 073794

Place: Kanpur
Date: 03.05.2019

For and on behalf of the Board of Directors

Sd/-
Amarendra Kumar
Managing Director

Sd/-
Asheesh Agarwal
Chief Financial Officer

Sd/-
Pardeep Goyal
Director (Commercial)

Sd/-
Deepak Bhasin
Company Secretary

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CENTRAL UP GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of Central UP Gas Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Central UP Gas Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

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

Place: New Delhi
Date:11.07.2019

Sd\-
(Nandana Munshi)
Director of Commercial Audit &
Ex-officio Member, Audit Board - II
New Delhi



(Gas Sales contract signed with Field Gun Factory, Kanpur)



(CUGL - Annual Day)



(Kargil Diwas)



(Republic Day Celebration)



CENTRAL U.P. GAS LIMITED

(A Joint Venture of GAIL (India) Limited & BPCL)
Registered Office: 7th Floor, UPSIDC Complex, A 1/4 Lakhampur, Kanpur - 208024, Uttar Pradesh
CIN: U40200UP2005PLC029538, Website: www.cugl.co.in
Email: dbhasin@cugl.co.in, Tel No.: 0512-2585001, Fax No.: 0512- 2582453

PROXY FORM- MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

E-mail Id:

Folio No.: DP ID:

I/We, being the member (s) of _____ shares of the above mentioned company, hereby appoint

1.Name: _____ EmailId: _____

Address: _____ Signature: _____

Or failing him/her

2.Name: _____ EmailId: _____

Address: _____ Signature: _____

Or failing him/her

3.Name: _____ EmailId: _____

Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **14th Annual general meeting of the Company**, to be held on the **26th day of September, 2019 at 10:00 a.m.** at Landmark Hotel, Landmark Towers 10, The Mall Kanpur: 208001 (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1)	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March 2019 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.
2)	To appoint a Director in place of Shri E S Ranganathan (DIN: 07417640), who retires by rotation and being eligible, offers himself for re-appointment.
3)	To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditors of the Company in terms of provisions of Section 142 of the Companies Act, 2013 and other applicable provisions, if any.
4)	Ratification of remuneration payable to the cost auditors for Financial Year 2019-20.
5)	Appointment of Shri Ranjan Dwivedi (DIN: 08448911), as a Director and also as a Managing Director.
6)	Appointment of Shri Pardeep Goyal (DIN: 08313137), as a Director (Commercial) whole time Director.
7)	Appointment of Shri A K Shrivastava (DIN: 08314799) as a Director.
8)	Appointment of Shri P K Pandey (DIN: 08255446) as a Director.
9)	Appointment of Shri R C Gupta (DIN: 07071252) as an Independent Director.

Signed this..... Day of, 2019

Signature of Shareholder(s)

Signature of Proxy Holder(s)

Affix
Revenue
Stamp
Rs. 1.00

Notes:

This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



CENTRAL U.P. GAS LIMITED

(A Joint Venture of GAIL (India) Limited & BPCL)

Registered Office: 7th Floor, UPSIDC Complex, A 1/4 Lakhampur, Kanpur - 208024, Uttar Pradesh

CIN: U40200UP2005PLC029538, Website: www.cugl.co.in

Email: dbhasin@cugl.co.in, Tel No.: 0512-2585001, Fax No.: 0512- 2582453

ATTENDANCE FORM

Member(s) or his/her/their proxy (ies) is requested to present this form for admission, duly signed accordance with his/her/their specimen signature(s) registered with the Company.

Name: _____ Client ID _____ No. of Shares _____

Folio No. _____ DPID No. _____

I hereby record my presence at the 14th ANNUAL GENERAL MEETING of Central U.P Gas Limited to be held on Thursday, the September 26th, 2019, at 10:00 a.m at Landmark Hotel, Landmark Towers 10, The Mall Kanpur: 208 001 (U.P.) or any adjournment thereof.

Please ☒ in the box.

☐

Member

☐

Proxy

Name of the Proxy in Block Letters

Member's Signature

Proxy's Signature



(A joint venture of GAIL India and Bharat Petroleum)
7th Floor UPSIDC Complex, A-1/4, Lakhanpur, Kanpur-208024
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