



CENTRAL U.P. GAS LIMITED



**Clean Energy  
Green Future**



**ANNUAL REPORT  
2020-21**



**CENTRAL U.P. GAS LIMITED**

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

**Registered Office: 7<sup>th</sup> Floor, UPSIDC Complex, A 1/4 Lakhanpur, Kanpur - 208024,  
Uttar Pradesh**

CIN: U40200UP2005PLC029538, Website: [www.cugl.co.in](http://www.cugl.co.in)

Email: [secretarial@cugl.co.in](mailto:secretarial@cugl.co.in), Tel No.: 0512-2585001, Fax No.: 0512- 2582453

**NOTICE TO THE MEMBERS**

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting (AGM) of the members of Central U.P. Gas Limited will be held on Tuesday, the 14<sup>th</sup> of September, 2021 at 11:00 A.M. through Video Conferencing / Other Audio Visual Means 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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021 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 declare dividend @ 18 % (Rs. 1.80 per Equity Share) for the Financial Year ended 31<sup>st</sup> March, 2021.
- 3) To appoint a Director in place of Shri Praveen Kumar Pandey (DIN: 08255446), 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 Praveen Kumar Pandey (DIN: 08255446), be and is hereby re-appointed as Director of the Company liable to retire by rotation."

- 4) 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 2021 - 22.”

#### **B. SPECIAL BUSINESS:**

- 5) Ratification of remuneration payable to the cost auditors for Financial Year 2021-22 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 2021-22, amounting to Rs. 60,000/- plus applicable taxes be and is hereby ratified and confirmed.”

- 6) Appointment of Shri Hirdesh Kumar (DIN: 08964659), as a Director and also as a Managing Director and to pass the following resolution as an **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 Hirdesh Kumar (DIN: 08964659) who was appointed as an Managing Director with effect from 18<sup>th</sup> November, 2020 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 the 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.’

“RESOLVED FURTHER THAT pursuant to the provision of Section 196 and 197, and other applicable provisions of the Companies Act, 2013/ provision 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 Hirdesh Kumar as Managing Director of the Company with effect from 18<sup>th</sup> November, 2020 on the term and conditions of appointment including remuneration forwarded by GAIL (India) Limited as per the terms of his deputation, which will be reimbursed by the Company to GAIL subject of 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.”

“RESOLVED FURTHER 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.”

- 7) Appointment of Shri Sunil Kumar Bains (DIN:09053593), as a Director (Commercial) Whole time Director and to pass the following resolution as an ***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 Sunil Kumar Bains (DIN:09053593), who was appointed as an Additional Director of the Company by the Board of Director with effect from 04<sup>th</sup> February, 2021 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 the 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.’

“RESOLVED FURTHER THAT pursuant to the provision of Section 196 and 197, and other applicable provisions of the Companies Act, 2013/ provision 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 Sunil Kumar Bains as a Director Commercial of the Company with effect from 04<sup>th</sup> February, 2021 on the term 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 of 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.”

“RESOLVED FURTHER 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.”

- 8) Appointment of Shri Praveer Agrawal (DIN: 09029592) as a Director and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Praveer Agrawal (DIN: 09029592) who was appointed as an Additional Director by the Board of Directors and who holds office up to the date of the Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 160 of the Companies Act, 2013, be is hereby, re-appointed as a Director of the Company, liable to retire by rotation.”

- 9) Appointment of Shri Sukhmal Kumar Jain (DIN: 09206648) as a Director and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Sukhmal Kumar Jain (DIN: 09206648) who was appointed as an Additional Director by the Board of Directors and who holds office up to the date of the Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 160 of the Companies Act, 2013, be is hereby, re-appointed as a Director of the Company, liable to retire by rotation.”

- 10) Appointment of Shri Ramesh Chandra Gupta (DIN: 07071252) as an Independent Director and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Ramesh Chandra Gupta (DIN: 07071252) who was appointed as an Additional Director and Independent Director of the Company by the Board of Directors and who holds office up to the date of the Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 160 of the Companies Act, 2013, be is hereby, appointed as a Director of the Company, not liable to retire by rotation to hold office for period of One year”

- 11) Appointment of Shri Sunil Kumar Agrawal (DIN: 03029952) as an Independent Director and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Sunil Kumar Agrawal (DIN: 03029952) who was appointed as an Additional Director and Independent Director of the Company by the Board of Directors and who holds office up to the date of the Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 160 of the Companies Act, 2013, be is hereby, appointed as a Director of the Company, not liable to retire by rotation to hold office for period of One year”

By Order of the Board of Directors  
Sd/-

(Hirdesh Kumar)  
Managing Director

Place: Kanpur  
Date: 07.09.2021

**Registered Office:**

7<sup>th</sup> floor, UPSIDC Complex  
A 1/4 Lakhanpur, Kanpur-208 024  
CIN: U40200UP2005PLC029538,  
Website: [www.cugl.co.in](http://www.cugl.co.in)  
Email: [secretarial@cugl.co.in](mailto:secretarial@cugl.co.in)  
Tel No.: 0512-2585001 Fax No.: 0512-258245

## NOTES:

1. In view of COVID-19 pandemic outbreak, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed with the requirement of personal presence of the members at the meeting. Accordingly, 16th Annual General Meeting (AGM) of the members will be held through VC/OAVM as allowed by the Ministry of Corporate Affairs through various circulars viz Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 clarification circular no. 02/2021 dated January 13, 2021 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is available at the Company's website i.e. [www.cugl.co.in](http://www.cugl.co.in).
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.
3. Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. Also the route map of the venue of the meeting is not annexed hereto.
6. Pursuant to the circulars issued by Ministry of Corporate Affairs (MCA), the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Please take note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at i.e. [www.cugl.co.in](http://www.cugl.co.in).

7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Businesses to be transacted at the meeting is annexed hereto.
8. In case of any concern related to the meeting, the members may contact Shri. Asheesh Agarwal, CFO and Shri Amit Saxena, Dy. Manager, Legal of the Company at the following address:

Central U.P. Gas Limited,  
7<sup>th</sup> floor, UPSIDC Complex  
A 1/4 Lakhapur, Kanpur-208 024  
Website: [www.cugl.co.in](http://www.cugl.co.in)  
Email: [secretarial@cugl.co.in](mailto:secretarial@cugl.co.in)  
Tel No.: 0512-2585001  
Fax No.: 0512-2582453



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

### **Item no 5:**

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 2021– 22.

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 2021-22 by way of Ordinary Resolution is being sought from the members as set out at item no. 5 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 6:**

Shri Hirdesh Kumar (DIN: 08964659), was nominated by GAIL (India) Limited as a Managing Director of the Company. The Board of Directors appointed Shri Hirdesh Kumar, as Director and also Managing Director w.e.f. 18/11/2020.

Shri Hirdesh Kumar has joined as Managing Director on 09<sup>th</sup> November, 2020 on the Board of Central U.P. Gas Limited (CUGL).

Shri Hirdesh Kumar is a luminous prestigious Graduate Engineer from University of Roorkee.

He is a senior leader in Oil & Gas Sector having more than 31yrs of rich experience in the field of telecommunication, information and technology, pipeline project, operation & maintenance, Health Safety and Environment and Fire & Safety.

Before joining the current assignment, he was working as Chief General Manager (O&M)/ Officer Incharge at GAIL, Dibiyapur Compressor Station.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Hirdesh Kumar himself is concerned or interested in the resolution.

**Item no 7:**

Shri Sunil Kumar Bains (DIN: 09053593) as a Director (Commercial) was nominated by Bharat Petroleum Corporation Limited (BPCL) as a Director Commercial of the Company. The Board of Directors appointed Shri Sunil Kumar Bains, as Director Commercial w.e.f. 04/02/2021.

Sunil Kumar Bains has taken over as Director (Commercial) of Central UP Gas Limited (CUGL), Kanpur on January 27<sup>th</sup> 2021.

Sunil Bains possesses a degree in Civil Engineering from Delhi College of Engineering, with M.B.A in Marketing/HR from Faculty of Management Studies (FMS, Delhi). He is also a postgraduate in Law with specialization in Labour Laws from Indian Law Institute.

He is a senior leader in Oil & Gas having rich experience of over 33 years across various roles and regions in the country while at Bharat Petroleum Corporation Limited. He has worked across Gas Business Unit, Engineering (Civil Project), HRS & Corporate HR and Chairman's Setup.

He is aptly skilled in execution of large Civil Project, City Gas Distribution, and Environmental Clearances for major projects, dealing with various Ministries and Govt bodies, HR and Employees/ Industrial relations. Before joining the current assignment, he was serving as General Manager (Coordination) in CMD setup of Bharat Petroleum (BPCL).

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Sunil Kumar Bains himself is concerned or interested in the resolution.

**Item No.8:**

Shri Praveer Agrawal (DIN: 09029592) is nominated by GAIL (India) Limited as a Director of the Company. The Board of Directors appointed Praveer Agrawal, as Director w.e.f. 14/01/2021.

He has an experience of over 30 years in Marketing, Technical and Managerial expertise in delivering optimal results and Business value across High-growth environments

He has posses a degree of B. TECH. – Electrical and Electronics Engineering Indian Institute of Technology, Kanpur, Uttar Pradesh, India,1989, M.B.A. Marketing Management, IGNOU in the year 2006 and M. TECH – Energy and Environment Sciences in the year 2009 from Indian Institute of Technology, Delhi.

His Professional Experience was as a Chief General Manager Marketing at GAIL (India) Limited, Head of Domestic Gas Marketing, CGD and JV functions at GAIL (India) Limited, Project execution and commissioning at Integrated Petrochemical Complex, Pata, Uttar Pradesh, as Head of Department of Instrumentation and Control System, Designing and conceptualising maintenance policy guidelines for GAIL (India) Limited and as a Guest Faculty at IIT Delhi on Instrumentation and Control Systems.

Your Directors recommend the resolution for approval by members.

None of the Directors and Key Managerial personnel or relatives of them except Hirdesh Kumar himself is concerned or interested in the resolution.

**Item No.9:**

Shri Sukhmal Kumar Jain (DIN: (DIN: 09206648), as an Additional Director was nominated by Bharat Petroleum Corporation Limited (BPCL) as an Additional Director and also Chairman of the Company. The Board of Directors appointed Shri Shukmal Kumar Jain, as an Additional Director and Chairman of Company w.e.f. 17/06/2021.

He is a Mechanical Engineer from Delhi College of Engineering under Delhi University; Sukhmal Kumar Jain joined BPCL on 16.02.1987 as an Officer Trainee in Northern Region and thereafter worked in various locations in different capacities.

He began his career in LPG business and is having a wide experience in LPG Operations, Logistics and Marketing. Initially, he worked at LPG bottling Plant Lalru, Punjab & Hissar, Haryana and thereafter, post formation of SBUs in 1998, he moved to LPG Marketing Services in Piyala LPG Territory. He then took over the LPG Logistics functions in Northern Region. In 2002, he worked with HQ team in finalising principles of Market Linkages and pricing for LPG at the time of APM Dismantling. He continued in Logistics set-up in LPG

from Northern Region to HQ. During this tenure Benchmarking of Transportation rates in the packed transportation tenders, End to End Supply Chain Management (SCM) was conceived. In the year 2011, he took over as Territory Manager, Mumbai LPG and later in 2013 as Regional LPG Manager, Western Region. He successfully completed his MBA from S.P. Jain Institute of Management & Research in the year 2013.

During his stint as Regional LPG Manager, Western Region, the Govt. of India's landmark initiative "Direct Benefit Transfer for LPG" (DBTL) and "Give it Up" were implemented overcoming the numerous challenges.

Before, taking over as Head- Retail, East, in 2018, he was GM (Sales - Strategy) posted at Retail HQ and co-ordinated with the Regions for formulation of Strategies and Sales activities. During this period, Retail Business launched various Customer centric initiatives viz, New Loyalty Programme for Smart fleet Operators, Co-branded SBI Credit Card for urban MS customers, Daily Pricing for MS & HSD and other Digital Initiative e.g. Web based Drive Loyalty, Dealer secondary sales and stock monitoring, FINO Payment Banking Proposition and Analytics. In Eastern Region, during the period 2018-20, BPCL Retail Business wholesomely gained Market share in both products i.e. MS and HSD.

Presently, he is Executive Director (Gas), heading the Gas vertical in Bharat Petroleum, taking care of Gas sourcing, Marketing and CGDs.

He loves reading, travelling and is fond of listening old songs and watching movies.

#### **Item No.10:**

Shri Ramesh Chandra Gupta (DIN: 07071252), as an Independent Director of the Company. The Board of Directors appointed Shri Ramesh Chandra Gupta, as an Independent Director of Company w.e.f. 22/12/2018.

Mr. Ramesh Chandra Gupta is an associate member of the Institute of Cost Accountants of India. He is also B.Com, M.Com & MBA. He superannuated from the 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.(GGSP), GAIL Global (USA) Inc. (GGUI), GAIL Global (USA) LNG LLC (GGULL), Ratnagiri Gas & Power Private Ltd. (RGPPL), GAIL Gas Ltd.(GGL) and Tapi Pipeline Co. Currently he is a designated partner in NR3A Consultancy LLP. He is also independent director in Central UP Gas Ltd. and Director in Bagpat Green Energy Private Ltd.

He has over 40 years of experience ranging from Teaching, Exports Management, Financial Management, Cost & Financial Accounting, Treasury, Project Finance, System Development, Risk Management and Management Information Systems.

He was with BHEL for 10 years from May, 1982 to July 1992. He served GAIL for over 25 years from July, 1992 to August, 2017. He also served GAIL as Advisor (Finance) from October 2017 to December 2018.

**Item No.11:**

Shri Sunil Kumar Agrawal (DIN: 03029952) as an Independent Director of the Company. The Board of Directors appointed Sunil Kumar Agrawal, as an Independent Director of Company w.e.f. 02/08/2021

He is a commerce graduate and MBA in finance from Banaras Hindu University. Joined Bharat Petroleum in 1983 and worked in Refinery Management and Project accounts till 1992. In 1992 he was transferred to Marketing and posted as Manager Finance in the Northern Region. Subsequently He was posted at Numaligarh from 1997 to 1998. Subsequently, He was posted as Head of Regional Retail Finance. After heading Retail North. He worked as head of Finance & Commercial in the Lubricants Business Unit. Subsequently, he headed Aviation Finance and E&P Finance. During my tenure in Aviation he worked on the Board of Delhi Aviation Fuel facility private limited which is a JV of IOCL/BPCL and Delhi Airport Operator. He had a three year stint with PNGRB where He was coordinating the activities of the commercial and monitoring division.

Post his transfer from PNGRB in 2017 he headed Business Process Excellence Centre (Centralized Payment Factory for BPCL and AR management centre). Subsequently he headed the Treasury function of BPCL at Corporate level and thereafter retired as Head of Internal Audit in BPCL in 2021.



By Order of the Board of Directors  
Sd/-

**(Hirdesh Kumar)**  
**Managing Director**  
**(DIN: 08964659)**

Place: Kanpur

Date: 07.09.2021

**Registered Office:**

7<sup>th</sup> floor, UPSIDC Complex

A 1/4 Lakhanpur, Kanpur-208 024

CIN: U40200UP2005PLC029538,

Website: [www.cugl.co.in](http://www.cugl.co.in)

Email: [secretarial@cugl.co.in](mailto:secretarial@cugl.co.in)

Tel No.: 0512-2585001

Fax No.: 0512-258245

# DIRECTORS REPORT

To,

## **The Members,**

Your Directors take pleasure in presenting the Sixteenth Annual Report along with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2021 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 2020-21.

The Financial results for the year ended March 31, 2021 are summarized below

**(Figures in Lacs)**

<b>Items</b>	<b>2020-2021</b>	<b>2019-2020</b>
Net Sales and Other Income	27,801.75	32,073.76
Profit Before Depreciation & Tax	12,490.84	11,103.31
Depreciation	1,956.70	1,981.02
Profit Before Tax	10,534.14	9,122.29
Provision for Tax	2,672.14	1,758.45
Profit After Tax	7,862.00	7,363.84
Other Comprehensive Income for the Period, Net of Tax	15.14	2.00
Total comprehensive Income for the Period	7877.14	7,365.84
Profit/(loss) brought forward from previous year	29,127.25	21,761.41
Profit/ (loss) available for appropriation	37,004.39	29,127.25
Dividend Declared/Paid	1,080.00	1080.00
Profit carried forward	35,924.39	29,127.25
<b>Earnings Per Share</b>	<b>13.10</b>	<b>12.27</b>
(Face value of Rs. 10/- each)		

## **2. APPROPRIATIONS**

### **DIVIDEND**

Your Directors are pleased to recommend dividend of 18% i.e. Rs. 1.80 per equity share of face value of Rs. 10.00 each for the financial year 2020-21, subject to approval of the shareholders in the ensuing Annual General Meeting.

### **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**

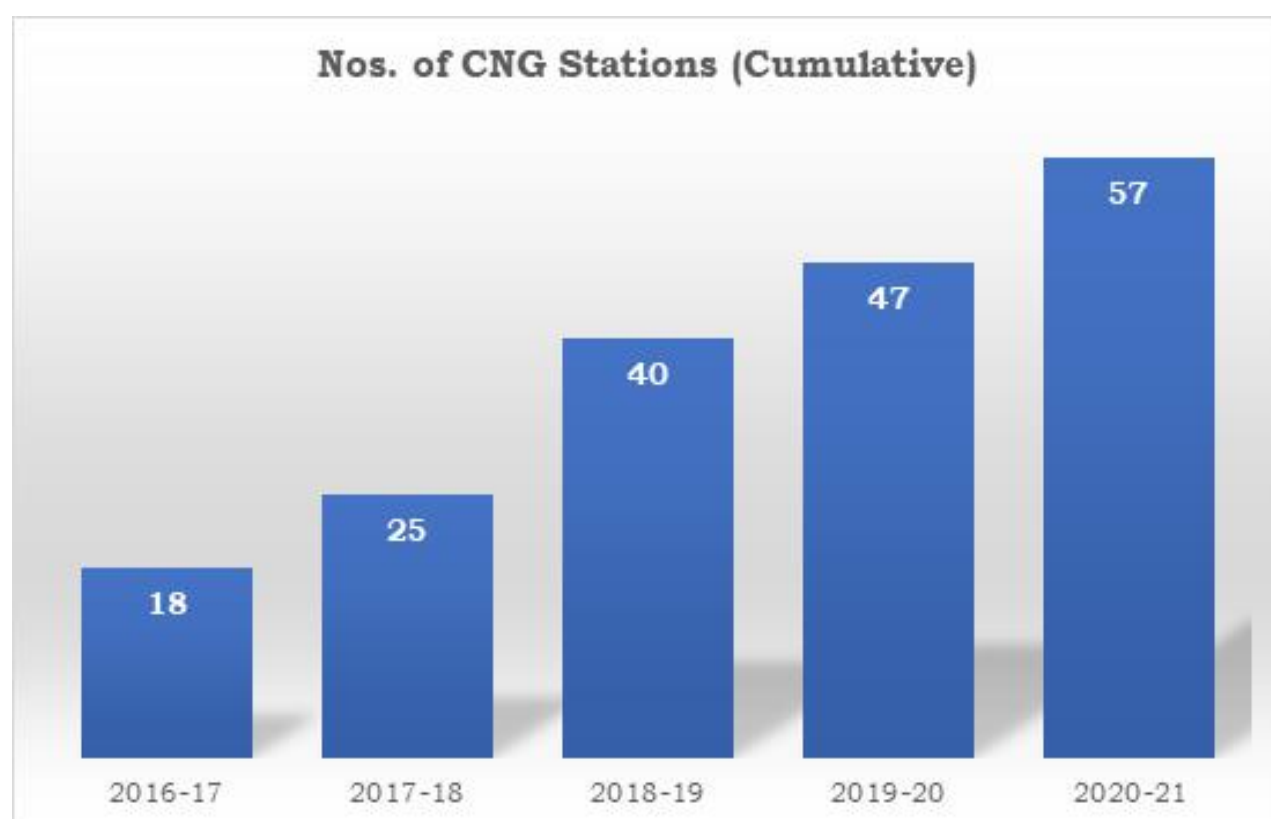
During the year, the Company recorded sales as under:

**(Figures in Lakhs SCM)**

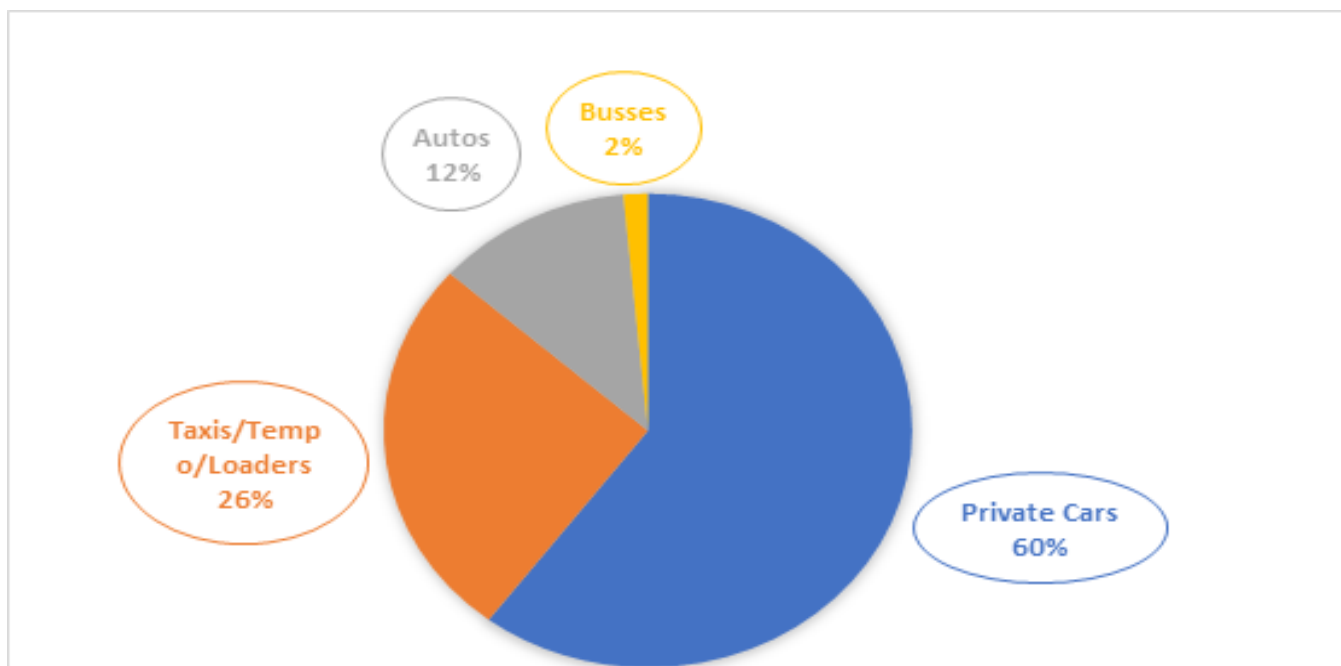
<b>Sr. No.</b>	<b>Segment</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>	<b>Growth</b>
1	CNG	517.62	684.64	-24%
2	PNG- Industrial	196.47	137.81	43%
3	PNG- Commercial	17.25	23.04	-25%
4	PNG- Domestic	97.22	74.10	31%
5	Total PNG	310.94	234.95	32%

**a. Compressed Natural Gas Business (CNG)**

During the year 2020-21, CNG business has performed well inspite of lots of challenges because of outbreak of COVID-19 pandemic and lockdowns. Your Company further augmented its CNG distribution infrastructure by enhancing capacity of existing stations and adding 11 new CNG station taking the total number of CNG Stations to 57 at the end of the Financial Year. One Daughter Booster CNG station falling in the GA of other CGD company have been handed over to them. The cumulative compression capacity has increased to 8,26,060 Kg/day during 2020-21 from previous year's cumulative compression capacity of 7,34,155 Kg/day (13% increase).

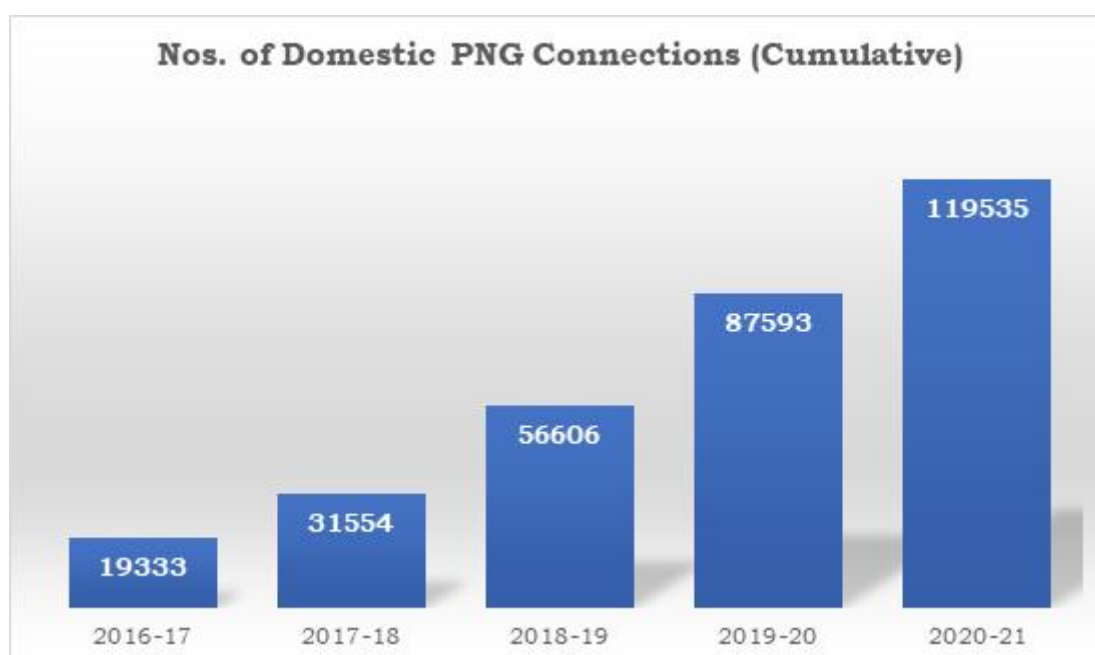


The estimated number of vehicles running on CNG in Kanpur, Bareilly and Jhansi as on March 31, 2021 was around 72,150 vehicles.



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

During the year, your Company provided 31,942 PNG connections and the total number of connections scaled up to 1,19,535 as on 31<sup>st</sup> March 2021.



**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 COVID-19 pandemic and stiff competition from alternate fuels prices, like

LPG, your company maintained a growth of 33% in sales in Commercial & Industrial segments in the financial year 2020-21. With concentrated efforts, however the total number of commercial customers increased from 298 as on 31<sup>st</sup> March 2020 to 353 as on 31<sup>st</sup> March 2021 and the industrial customers from 81 to 98 during the same period.



## **7. PROGRESS ON THE PROJECTS UNDERTAKEN**

During the FY 20-21 year, Your Company has laid a network of 458.19 Kms MDPE pipeline and 25.38 Kms of Steel Pipeline. Till 31<sup>st</sup> March 2021, Your Company has laid a network of 2244.38 Kms MDPE pipeline and 153.50 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 21 Daughter Booster Stations, 32 Online Stations and 4 Mother Stations in our authorized / permitted Geographical Areas.

## **8. INFORMATION TECHNOLOGY**

The Company is in process of upgrading current SAP version to streamline its operations. This will 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**

Your Company has been continuously working to improve human resources skills, competencies, and capabilities in CUGL, which is essential to achieve desired results in line with our strategic business ambitions. During the year the focus of your Company was to ensure that young talent is nurtured and mentored consistently. Reward and recognitions are commensurate with performances and that employees have the opportunity to develop and grow.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objective.

The Human Resource (HR) department at CUGL is driven by the mission:

- To build the right culture and capabilities to enable us delight our customers
- To make CUGL the best place to work for passionate innovative people who want to make a difference

Your Company believes in maintaining employees work life balance and ensures timely interventions that help build a long-lasting and fruitful career. Also, we believe in healthy employee relations and bonding with the family members also. In pursuance with it, CUGL has organized couple of family get-togethers, Women's Day celebration, Sports tournament, Annual Day celebration with family members.

Currently, one of the key challenge which CUGL is facing is the retention of experienced manpower. The platform available in the market has created numerous opportunities creating a tough competition in retaining/ sourcing right candidates. While attrition is a reality in the current scenario, CUGL is focusing on improving HR Policies and matching compensation benefits as per the market standards.

## **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.

In 2020, Your Company had carried 1<sup>st</sup> surveillance audit for the revised Integrity Management Systems like 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 audited regularly at par with international requirements.

Your company was also accredited to ERDMP (Emergency Response and Disaster Management Plan)- Codes of Practices : 2010 and the same is being audited regularly at par with regulatory requirements.

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, internal audit / inspection, regular External Safety Audits / PNGRB's T4S 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 7,798 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, its severe damages and impact due to High pressure Gas pipeline damages. Local shops near charged PNG Lines were also sensitized about gas pipelines and its impact due to line damages, so that any digging information to CUGL can be shared by them on as and when required.

Every year your Company organizes National Safety Week, Fire Service Week Campaigns wherein the employees involved in awareness related to CNG / PNG and what kind of benefits people receiving by it's usages. Fire & Safety Awareness campaign were conducted at CNG Stations and PNG Sites during these campaigns.

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 14001:2015 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. In this year, CUGL had successfully organized SAKSHAM-CAR/ AUTO RALLY in

Kanpur to motivate community for conserving fuel, use of CNG as a fuel and safeguard the Environment.

## **11. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company is fully conscious of its Corporate Social Responsibility (CSR). In addition to carrying forward various CSR projects started in the earlier year, many new ones were also initiated in FY 2020-21.

Your Company has strategically aligned many of its CSR activities to create value for the society. Your Company has identified health, education, empowerment of underprivileged and skill development as its major focus areas, on which most of the CSR programs are targeted.

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.

## **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, 2021, 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 31<sup>st</sup> March, 2021 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.

F. The Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **15. DIRECTORS**

Shri Ranjan Dwivedi, served his tenure as Managing Director of the Company till 12/11/2020 thereafter Shri Hirdesh Kumar was appointed as an Additional Director and Managing Director of the Company recommended by GAIL (India) Limited w.e.f. 18/11/2020.

Shri Pardeep Goyal served his tenure as Director Commercial of the Company till 27/01/2021 thereafter Shri Sunil Kumar Bains was appointed as an Additional Director and Director Commercial of the Company recommended by Bharat Petroleum Corporation Limited w.e.f. 04/02/2021.

Shri Praveer Agrawal appointed as an Additional Director w.e.f 14/01/2021, Shri Sukhmal Kumar Jain appointed as an Additional Director and Chairman of the Company w.e.f 17/06 /2021, Shri Ashim Batra as a Director with effect from 01/09/2020 and Shri Manjeet Singh continue his tenure as a Director w.e.f 13/05/2015.

Shri Ramesh Chandra Gupta reappointed as an Independent Director for one Year and Shri Sunil Kumar Agrawal appointed as an Independent Director for one year.

The re-appointment recommended by the Board of Directors of the Company.

## **16. CORPORATE GOVERNANCE**

Corporate governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. It is imperative that Company's affairs are managed in a fair and transparent manner. Therefore, at CUGL we follow the best practices of Corporate Governance. The Board of Directors is at the core of our Corporate Governance and oversees how the Management serves and protects the long-term interest of the Stakeholders.

## **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 18/08/2020 has appointed M/s Mittal Gupta & Co. (Firm Registration No. 01874C), Chartered Accountants as Statutory Auditors of the Company for the financial year 2020-21.

The Statutory Auditors were paid a remuneration of Rs. 6 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, 2021 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 2020-21 and the Comments of Comptroller & Auditor General of India (C&AG) forms part of the Annual Report.

### **• Cost Auditors**

During the year 2020-21, 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 appointed M/s. R M Bansal & Co., as Cost Auditors for the financial year 2020-21 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 Garg & Associates., Practicing Company Secretaries, Kanpur to conduct Secretarial Audit for the financial year 2020-21. 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 as “**Annexure C**” to this Report.

Remarks referred to in the Secretarial Auditors' Report for FY 2020-21 of M/s Garg & Associates., Practicing Company Secretaries, Kanpur are self-explanatory and do not call for any further comments.

## **19. EXTRACTS OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return is available on the Company's website i.e. [www.cugl.co.in](http://www.cugl.co.in)

## **18. 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.

## **19. 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.

## **20. 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](http://www.cugl.co.in).

## **21. 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](http://www.cugl.co.in).

## **22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES**

Your Company does not have any subsidiaries, Joint venture and Associate companies as on 31st March, 2021.

## **23. 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.

## 24. DISCLOSURES:

### a. Board of Directors and compositions:

The composition and category of Directors along with other Directorships as at March 31, 2021 is as under:

Sl. No.	Name of Directors	Category	Directorships in other Public Limited Companies
1	Shri Surjeet Mahalik*	Non-Executive	NIL
2	Shri Hirdesh Kumar	Executive	NIL
3	Shri Ranjan Dwivedi**	Executive	Nil
4	Shri Pardeep Goyal***	Executive	NIL
5	Shri Sunil Kumar Bains	Executive	NIL
6	Shri A.K Srivastava****	Non-Executive	NIL
7	Shri Manjeet Singh	Non-Executive	NIL
8	Shri E S Ranganathan*****	Non-Executive	4
9	Shri Praveen Kumar Pandey	Non-Executive	NIL
10	Shri Ashim Batra	Non-Executive	NIL
11	Shri Ramesh Chandra Gupta	Non-Executive- Independent	NIL
12	Shri Praveer Agrawal	Non-Executive	NIL

Shri Surjeet Mahalik\* ceased to be Director w.e.f 31/05/2021, Shri Ranjan Dwivedi\*\* ceased to be Director w.e.f 12/11/2020, Shri Pradeep Goyal\*\*\* ceased to be Director w.e.f 27/01/2021, Shri A. K Srivastava\*\*\*\* ceased to be Director w.e.f 01/01/2021, Shri E.S Ranganathan ceased to be Director w.e.f 16/06/2020

Shri Sunil Kumar Bains appointed as Director Commercial w.e.f 04/02/2021, Shri Hirdesh Kumar appointed as Managing Director w.e.f 18/11/2020, Shri Ashim Batra appointed as Director w.e.f 01/09/2020, Shri Praveer Agrawal appointed as Director w.e.f 14/01/2021,

Further, Shri Sukhmal Kumar Jain appointed as an Additional Director cum Chairman w.e.f 17/06/2021 and Shri Sunil Kumar Agrawal appointed as an Independent Director w.e.f 02/08/2021.

### 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, 2021, Eight Board meetings were held on June 16, 2020, July 01, 2020, July 10, 2020, July 22, 2020, August 07, 2020, September 29, 2020, November 06, 2020 and February 02, 2021. The last Annual General Meeting was held on September 29, 2020.

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 Surjeet Mahalik	8	8	Yes
2	Shri A K Shrivastava	7	7	Yes
3	Shri Ranjan Dwivedi*	7	7	Yes
4	Shri Pardeep Goyal	7	7	Yes
5	Shri Manjeet Singh	8	8	Yes
6	Shri E S Ranganathan	1	0	N/A
7	Shri P K Pandey	8	8	Yes
8	Shri Ashim Batra	3	3	Yes
9	Shri Ramesh Chandra Gupta	8	8	Yes

### 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	13 <sup>th</sup> AGM	28-09-2018	Hotel Landmark, The Mall Road , Kanpur
2	14 <sup>th</sup> AGM	26-09-2019	Hotel Landmark, The Mall Road , Kanpur
3	15 <sup>th</sup> AGM	29-09-2020	Registered Office: 7 <sup>th</sup> Floor, UPSIDC Complex, A ¼ Lakhanpur, Kanpur, Uttar Pradesh-208024 Through Video Conference/Other Audio-visual means via Registered office of the Company

No Extraordinary General Meeting (EGM) was held during Financial Year 2020-21.

### 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 Hirdesh Kumar, Managing Director (MD) was appointed as KMP of the Company with effect from 18th November, 2020.

Shri Sunil Kumar Bains (Commercial) (DC), of the Company was appointed as Whole Time Director (WTD) as part of KMP with effect from 04th February 2021.

Shri Deepak Bhasin, Company Secretary as a part of KMP with effect from 16th June, 2014. However, the Board of directors of the Company expresses their deep condolences at the untimely and sad demise of Mr. Deepak Bhasin, who died on 23rd August, 2021.

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

## **f. Constitutions of Audit Committee and Corporate Social Responsibility Committee.**

### **1) AUDIT COMMITTEE**

The Audit Committee is headed by Shri Ramesh Chandra Gupta, Non-Executive Independent Director. Composition of the Committee as on 31.03.2021 is given below:

<b>Sl.No.</b>	<b>Members of Committee</b>	<b>Executive/Non-Executive/Independent</b>	<b>Position in the Committee</b>
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 2020-21, five meetings of the Audit Committee were held.

### **2) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The CSR Committee is headed by Shri RC Gupta, Independent Director. Composition of the Committee as on 31.03.2021 is given below:

<b>Sl.No.</b>	<b>Members of Committee</b>	<b>Executive/Non-Executive/Independent</b>	<b>Position in the Committee</b>
1	Shri R C Gupta	Independent & Non-Executive Director	Chairman
2	Shri Hirdesh Kumar	Managing Director	Member
3	Shri Sunil Kumar Bains	Director (Commercial)	Member

During the year 2020-21, three meetings of the Corporate and Social Responsibility Committee were held.

## 25. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 26. 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.

## 27. 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.

## 28. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021

Shareholding Pattern of the Company as on 31st March, 2021 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%
<b>Total</b>		<b>6,00,00,000</b>	<b>100%</b>

## 29. 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.

**On behalf of the Board of Directors  
For Central U.P. Gas Limited**

**(Hirdesh Kumar )  
Managing Director**

**( Sunil Kumar Bains )  
Director Commercial**

**Place:**

**Date:**

**Registered Office:**

7<sup>th</sup> floor, UPSIDC Complex

A 1/4 Lakhanpur, Kanpur-208 024

CIN: U40200UP2005PLC029538,

Website: [www.cugl.co.in](http://www.cugl.co.in)

Email: [secretarial@cugl.co.in](mailto:secretarial@cugl.co.in)

Tel No.: 0512-2585001,

Fax No.: 0512- 258245

## ANNEXURE 'C'

### **Report on Corporate Social Responsibility (CSR) Activities/Initiatives for the year ended 31st March, 2021**

**(Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014)**

#### **Brief outline on CSR Policy of the Company: -**

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](http://www.cugl.co.in)

#### **Composition of CSR Committee:**

Shri R C Gupta – Chairman

Shri Hirdesh Kumar – Member

Shri Sunil Kumar Bains – Member

The Corporate Social Responsibility Committee of the Company comprises Three Directors, out of which One Director is independent. The Composition of CSR committee is as under:

<b>S. No.</b>	<b>Name of Director</b>	<b>Designation/ Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
1	Shri R C Gupta	Independent Director	3	3
2	Shri Hirdesh Kumar	Managing Director	3	2
3	Shri Sunil Kumar Bains	Director Commercial	3	1

3.Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: <https://www.cugl.co.in/>

4.Details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3)of rule8 of the Companies(Corporate Social responsibility Policy)Rules,2014,if applicable (attach the report): Not Applicable

5.Details of the amount available for setoff in pursuance of sub-rule (3) of rule 7 of the Companies(Corporate Social responsibility Policy)Rules,2014 and amount required for set off for the financial year if any: Not Applicable

S.No	Financial Year	Amount available for set-off from preceding financial years(in Rs.)	Amount required to be set- off for the Financial Year, if any (In Rs.)
<b>Not Applicable</b>			

6.Average net profit of the company as per section135(5):Rs 7986.97 lacs

7.(a)Two percent of average net profit of the company as persection135(5):Rs 159.74 lacs

(b)Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c)Amount required to be set off for the financial year, if any: NIL

(d)Total CSR obligation for the financial year(7a+7b-7c): (Budget allocated Rs.159.74 lacs)

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

Total Amount Spent for the Financial Year. (in Rs/lacs)	Amount Unspent (In Rs/lacs)				
	Total Amount transferred to Unspent CSR Account as per section135(6)		Amount transferred to any fund specified under ScheduleVII as per second proviso to section135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
Rs.85.03/- lacs			Any specified Funds	Rs. 74.71/-lacs	to be deposited by 30.09.21

(b)Details of CSR amount spent against 'ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
SI NO	Nameof theProject	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs/lacs) .	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Impleme ntation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District							CSR Registration Number
1												
2												
Total												

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
Total									

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs./Lakhs)	Mode of Implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Construction of Public Toilets (5-Seater)at Near Bhatiya Hotel Kanpur		Yes	UP	Kanpur	0.996	NO	Kanpur Nagar Nigam	
2	Construction of Public Toilets (5-Seater) Near Daelapeer Mandi, Bareilly		Yes	UP	Bareilly	9.47	NO	Bareilly Nagar Nigam	
3	Construction of Public Toilets (3-Seater) at ZOO Kanpur		Yes	UP	Kanpur	11.13	NO	Prani Udhyan Prabandh Evam Vikas Society (Kanpur Zoo), Kanpur	

4	Health Checkup camp at CUGL Own/ RO-CNG stations for Auto drivers, Loaders & general public		Yes	UP	Kanpur, Bareilly, Jhasni & Unnao	18.84	NO	National Youth Foundation	
5	Adoption of endangered animals (Lion & Lioness)		Yes	UP	Kanpur	11.92	NO	Prani Udhyan Prabandh Evam Vikas Society (Kanpur Zoo), Kanpur	
6	Vocational training program (Tailoring & Makeup Artist)		Yes	UP	Kanpur, Bareilly, Jhasni & Unnao	20.79	NO	National Institute for Entrepreneurship & Small Business Development (NIESBUD)	
7	Self Help Group of Women for Tailoring		Yes	UP	Kanpur	1.14	NO	National Institute for Entrepreneurship & Small Business Development (NIESBUD)	
8	Operation & Maintenance cost of chauraha allocated by Nagar Nigam, Kanpur		Yes	UP	Kanpur	0.75	YES	Not Applicable	
9	Prime Minister's National Relief Fund (PMNRF)		Yes	NA	NA	10.00	YES	Not Applicable	
Total						85.03			

\*excludes the amount of Rs. NIL spent by the Company relating to its project commenced during F.Y. 2019-20

(d) Amount spent in Administrative Overheads :Rs. NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs 85.03/-lacs

(g) Excess amount for set off, if any: Not Applicable

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

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
Not Applicable, as the concept of transferring unspent amount to the separate account/ fund has been introduced in the CSR Amendment Rules, relevant from fiscal 2021.							

(b)Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021. Details of spend on all ongoing projects during fiscal 2021 are covered under 8(b) above.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).  
Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Due to Covid-19 pandemic some of the projects could not be initiated by the company. There are some of the projects pending for prior approvals/consent before the government/local authorities.

Chairman Board Of Directors

Chairman CSR Commiitee

**On behalf of the Board of Directors  
For Central U.P. Gas Limited**

**(Hirdesh Kumar )  
Managing Director**

**(Sunil Kumar Bains)  
Director Commercial**

**Place:**

**Date:**

**Registered Office:**

7<sup>th</sup> floor, UPSIDC Complex

A 1/4 Lakhanpur, Kanpur-208 024

CIN: U40200UP2005PLC029538,

Website: [www.cugl.co.in](http://www.cugl.co.in)

Email: [secretarial@cugl.co.in](mailto:secretarial@cugl.co.in),

Tel No.: 0512-2585001,

Fax No.: 0512- 258245

## **ANNEXURE- “B”**

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

### **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 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.
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”**

**GARG & ASSOCIATES**  
Company Secretaries

**117/K/35, R. S. PURAM**  
**Opp. Kulwanti Hospital**  
Kakadeo, Kanpur-25  
Mob:9415044521

**S.K.GARG, F.C.S.**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
M/s 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 M/s **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 audit period covering the financial year ended on 31st March, 2021 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, 2021, 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 audit period being 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 audit period as the company has no Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings)**

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

**(Not applicable to the company during 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 relevant records in pursuance thereof, on test check basis , the company has generally complied with the following Laws applicable specifically to the Company-

a. The Petroleum and Natural Gas Regulatory Board Act,2006 and the Rules and Regulations made there under;

b. The Explosives Act,1804 and the Rules and Regulations made there under; 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 Exchanges

**( Not applicable to the Company during audit period being an unlisted Company)**

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

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

we further report that based on the information provided by the Company and its Officers during the conduct of Audit, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines .

We further report that during the Audit period there was no specific event/action in pursuance to above referred laws/rules/ Regulations/ Guidelines having any major bearing on company' affairs

Place: Kanpur  
Date: 09/07/2021

For Garg & Associates  
Company Secretaries

( S. K. GARG )  
Proprietor  
FCS: 1345  
CP: 2169  
UDIN: F001345C000874998

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**GARG & ASSOCIATES**  
Company Secretaries

**117/K/35,R. S. PURAM**  
**Opp. Kulwanti Hospital**  
Kakadeo, Kanpur-25  
Mob:9415044521

**S.K.GARG,F.C.S.**

**Annexure-A**

To,  
The Members,  
M/s 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 ended on 31<sup>st</sup> March, 2021 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as the same are subject of Statutory Audit.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. 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.

Place: Kanpur

Date: 09/07/2021

For Garg & Associates

Company Secretaries

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **NATURAL GAS SCENARIO IN INDIA**

Natural gas 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. Share of Natural Gas in India's energy basket is 6.71% as against 24.72% worldwide. Government's aim is to increase this share of natural gas in India's energy basket to 15% by 2030.

The domestic gas in the country is being supplied and distributed in accordance with the guidelines related to pricing and utilization policies issued by the Government from time to time. In India, it is currently supplied mainly from the oil & gas fields located at western and south eastern areas viz. Hazira basin, Mumbai offshore & KG basin as well as North East Region (Assam & Tripura) and other nominated blocks which are being operated by the ONGC, OIL, private and joint venture. 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. During the year 2020, Domestic natural gas production was 23.76 BCM (Billion cubic metres) against the total consumption of 59.60 BCM i.e. 40%. Balance 70% (35.84 BCM) requirement was met from imported RLNG.

### **CITY GAS DISTRIBUTION (CGD)**

CGD is transportation and distribution of natural gas in the form of PNG (Piped Natural Gas) and CNG (Compressed Natural Gas) to consumers in domestic,

commercial, industrial and transport sectors through a network of steel and MDPE pipelines.

Natural Gas (CNG & PNG) 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, NOx, CO, PM than coal and oil.

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. In spite of lot of challenges and COVID-19 pandemic, both CNG and PNG business have performed well during the year 2020-21. PNG sales volume has increased from 234.95 lakhs SCM in FY 2019-20 to 310.94 lakh SCM in FY 2020-21 showing a growth of 32%. Industrial segment performed well as it witnessed a growth of 43% in sales volume over last financial year.

The Company has created a network of 57 CNG Stations as on 31<sup>st</sup> March 2021 for supplying CNG to the customers. The total nos. of vehicles using CNG was around 72,150 as on 31<sup>st</sup> March 2021. The Company has created wide pipeline network and is providing PNG connection to 1,19,535 Domestic Customers, 360 Commercial Customers and 104 Industrial Customers as on 31<sup>st</sup> March 2021.

## **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 Petroleum and Natural Gas Regulatory Board (PNGRB) has framed various Regulations, which have ramifications on the day to day business and 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 these cities.

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 have been conducted by the PNGRB and 53% of India's area and 70% of its population spread over 402 districts in 27 states/UTs would have access to CGD Networks for supply of natural gas. 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 i.e. APM and NAPM at an formula price linked with international factors to your Company based on gas consumption in CNG and Domestic PNG segments along with a provision to draw 10% over and above the gas 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. Company is actively looking at a variety of options to meet the expected gas demand in future.

Additionally, establishment of gas trading exchange and recent initiatives by the Ministry of Petroleum and Natural Gas and PNGRB for regulating the establishment and operation of these exchange will also provide your company a better platform for gas sourcing as it will secure equitable distribution and increase in availability of natural gas by creating a free gas market.

## **Gas Prices**

The availability of APM and NAPM gases for CNG and Domestic PNG by the Government 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.

### **COVID-19 pandemic**

Because of COVID-19 pandemic, the entire Gas industry is facing unprecedented drop in gas demand. CGD sector is among the worst impacted sector due to lack of transportation, economic and industrial activities. Apart from drop in gas demand, this pandemic will also hamper the project activities because of various lockdowns and shortage of manpower.

COVID-19 will adversely impact City Gas Distribution sector and the next 1–2 years are expected to be the most challenging. Lockdowns may have had a significant impact. Gas supply may also be tightened from international market in the coming years due to slowdown in exploration and production related activities.

### **VALUE CREATION THROUGH OPERATIONAL EXCELLENCE**

The endeavor 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.

### **ENVIRONMENT CONSCIOUSNESS**

Natural gas is fossil fuel and though the global warming emissions from its combustion are much lower than those from solid and liquid fuels. 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 Vehicle owners, 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 its authorised and surrounding areas.

**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.

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone : 6512-2303235, 2303234 # E-mail : [mgco@mgco.in](mailto:mgco@mgco.in)

## 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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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, 2021, 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.



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## 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, 2021.



# MITTAL GUPTA & CO.

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## Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required 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.
3. 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;
4. 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 as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure D". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.



# MITTAL GUPTA & CO.

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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, as detailed in note no.25 to the financial statements, has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The reporting of disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

B. L. Gupta



**(B. L. GUPTA)**

Partner

Membership No. 073794

Place: Kanpur

Date: 17.05.2021

**UDIN: 21073794AAAADQ7246**

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone : 0512-2303235, 2303234 # E –mail : [mgco@mgco.in](mailto:mgco@mgco.in)

## 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, 2021.

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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.



# MITTAL GUPTA & CO.

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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.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

*Bilani W*



**(B. L. GUPTA)**

Partner

Membership No. 073794

Place: Kanpur

Date: 17.05.2021

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone : 0512-2303235, 2303234 # E-mail : [mgco@mgcoca.in](mailto:mgco@mgcoca.in)

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

### CENTRAL U. P. GAS LIMITED

(As referred to in paragraph 2 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 2020-21)

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.  Further as per information and explanations given to us by the management, there are no accounting transactions that are processed outside the IT system of the Company which impact the integrity of the accounts.	Not Applicable
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.	As per information and explanations given to us and based on the examination of the records, the company did not have any debts/loans payable to any lender as at and during the year ended March 31, 2021 and hence reporting under this direction is not applicable.	Not Applicable
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.	As per information and explanations given to us and based on the examination of the records, no funds have been received during the year ended March 31, 2021 or receivable as at March 31, 2021 for specific schemes from Central/State Agencies. Therefore, reporting under this direction is not applicable.	Not Applicable

### FOR MITTAL GUPTA & CO.

Chartered Accountants

FRN 01874C

*B. L. Gupta*  
(B. L. GUPTA)

Partner

Membership No. 073794

Place: Kanpur

Date: 17.05.2021



# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

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## 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, 2021:

i) In respect of its Property, Plant & Equipment:

- a) The company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- b) According to the information and explanation given to us, there is a regular programme of physical verification of Property, Plant & Equipment by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As per the physical verification report, no material discrepancies were noticed by the management on such physical verification made during the year.
- c) All the title deeds of the immovable properties are held in the name of the company except for lease deed of land for CNG station at Fazalganj of Rs. 48.07 lacs (Previous year Rs. 48.07 lacs) which is yet to be executed in the name of the Company.

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. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are 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. Accordingly, the provisions of clause 3(iv) of the said order are 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. Accordingly, the provisions of clause 3(v) of the said order are not applicable to the Company.



# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone : 0512-2303235, 2303234 # E-mail : [mgco@mgcoca.in](mailto:mgco@mgcoca.in)

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(1) of the Act, in respect of Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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 though there has been slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- 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 March 31, 2021 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	653,200	Assessment Year 2014-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of claims made by the Company	729,308	Assessment Year 2015-2016	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 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. Accordingly, the provision of paragraphs 3(viii) of the said order are 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 provisions of paragraph 3(ix) of the Order are 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.



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Chartered Accountants

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- xi) According to the information and explanations given to us and based on our examinations of the records, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(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 Clause 3(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 Clause (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 Clause (xvi) of the Order is not applicable to the company.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

*B. L. Gupta*  
(B. L. GUPTA)

Partner

Membership No. 073794



Place: Kanpur

Date: 17.05.2021

# MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off : 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Phone : 0512-2303235, 2303234 # E –mail : [mgco@mgcoca.in](mailto:mgco@mgcoca.in)

## 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, 2021)

**Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-Section 3 of Section 143 of the Act.**

1. We have audited the internal financial controls with reference to financial statements of Central U.P. Gas Limited ("the Company") as of March 31, 2021 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 with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of internal financial controls with reference to financial statements 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness 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 with reference to financial statements.



# MITTAL GUPTA & CO.

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## Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements

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

## Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

## FOR MITTAL GUPTA & CO.

Chartered Accountants

FRN 01874C

(B. L. GUPTA)

Partner

Membership No. 073794

Place: Kanpur

Date: 17.05.2021



**Central U.P. Gas Limited**  
**Balance Sheet As At March 31, 2021**

Sr. No	Particulars	Note No.	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
<b>A</b>	<b>Assets</b>			
1	<b>Non-current assets</b>			
	a) Property, plant and equipment	4	32,277.09	26,854.70
	b) Capital work in progress	5	5,986.66	5,697.71
	c) Other intangible assets	6 (a)	27.99	40.07
	d) Right of Use assets	6 (b)	300.84	787.06
	e) Financial assets			
	(i) Other non-current Financial Assets	7(b)	2,293.72	758.54
	f) Income-tax Assets	9(b)	212.96	274.31
	g) Other non current assets	9(c)	698.45	706.69
	<b>Total non-current assets</b>		<b>41,797.71</b>	<b>35,119.08</b>
2	<b>Current assets</b>			
	a) Inventories	8	17.07	15.36
	b) Financial assets			
	(i) Trade receivables	7(a)	3,333.66	2,238.20
	(ii) Cash and cash equivalents	7(c)	536.87	441.18
	(iii) Bank balances other than above	7(d)	4,144.91	6,473.70
	(iv) Other current Financial Assets	7(b)	2,456.45	321.15
	c) Current tax Assets (Net)	15	-	43.48
	d) Other current assets	9(a)	62.67	64.70
	<b>Total current assets</b>		<b>10,551.63</b>	<b>9,597.77</b>
	<b>Total Assets</b>		<b>52,349.34</b>	<b>44,716.85</b>
<b>B</b>	<b>Equity and liabilities</b>			
1	<b>Equity</b>			
	a) Equity share capital	10	6,000.00	6,000.00
	b) Other equity			
	Reserves and surplus	11	36,364.38	29,567.24
	<b>Total equity</b>		<b>42,364.38</b>	<b>35,567.24</b>
2	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	a) Financial liabilities			
	(i) Lease liabilities		68.87	336.67
	b) Deferred tax liabilities	12	1,963.81	1,555.38
	<b>Total non-current liabilities</b>		<b>2,032.68</b>	<b>1,892.05</b>
3	<b>Current liabilities</b>			
	a) Financial liabilities			
	(i) Trade payables	13(a)		
	- Dues of MSME		94.89	45.39
	- Dues of Creditors other than MSME		1,333.06	1,162.51
	(ii) Others Current Financial liabilities	13(b)	5,846.06	5,434.23
	(iii) Lease liabilities		73.60	362.53
	b) Provisions	14	103.12	24.39
	c) Other current liabilities	16	351.55	228.51
	d) Current tax liabilities (Net)	15	150.00	-
	<b>Total current liabilities</b>		<b>7,952.28</b>	<b>7,257.56</b>
	<b>Total liabilities</b>		<b>9,984.96</b>	<b>9,149.61</b>
	<b>Total equity and liabilities</b>		<b>52,349.34</b>	<b>44,716.85</b>

See accompanying notes forming part of the financial statements

1 to 36

For Mittal Gupta and Co.  
Chartered Accountants  
Firm Registration No:001874C

*Bihari Lal Gupta*  
**Bihari Lal Gupta**  
Partner  
Membership No:0737949  
Place: Kanpur  
Date: 17/05/2021



For and on behalf of Board of Directors

*Hirdesh Kumar*  
**Hirdesh Kumar**  
Managing Director

*Sunil Kumar Bains*  
**Sunil Kumar Bains**  
Director (Commercial)

*Asheesh Agarwal*  
**Asheesh Agarwal**  
Chief Financial Officer

*Deepak Bhasin*  
**Deepak Bhasin**  
Company Secretary

**Central U.P. Gas Limited**  
**Statement Of Profit And Loss For The Year Ended March 31, 2021**

Particulars	Notes	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
<b>Income</b>			
Revenue from operations	17	29,479.49	34,533.18
Other income	18	703.55	770.59
<b>Total income</b>		<b>30,183.04</b>	<b>35,303.77</b>
<b>Expenses</b>			
Purchases	19	10,753.84	15,977.18
Changes in inventories of finished goods	20	(1.71)	1.16
Excise duty		2,381.29	3,230.01
Employee benefit expenses	21	1,086.78	1,069.36
Depreciation and amortisation expense	22	1,956.70	1,981.02
Finance Cost	23	39.33	56.82
CSR Expenses		159.74	187.41
Other expenses	24	3,272.93	3,678.52
<b>Total Expenses</b>		<b>19,648.90</b>	<b>26,181.48</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>10,534.14</b>	<b>9,122.29</b>
Exceptional items			
<b>Profit Before Tax</b>		<b>10,534.14</b>	<b>9,122.29</b>
Income Tax Expense			
Current tax		2,268.80	2,025.07
Deferred tax		403.34	(266.62)
<b>Profit after tax for the Year</b>		<b>7,862.00</b>	<b>7,363.84</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		20.23	2.67
Income tax relating to these items		(5.09)	(0.67)
<b>Other Comprehensive Income for the Year, Net of Tax</b>		<b>15.14</b>	<b>2.00</b>
<b>Total comprehensive Income for the Year</b>		<b>7,877.14</b>	<b>7,365.84</b>
Earnings per equity share			
Basic and Diluted earnings per share		13.10	12.27
<b>See accompanying notes forming part of the financial statements</b>		1 to 36	

**For Mittal Gupta and Co.**

Chartered Accountants

Firm Registration No:001874

*Bihari Lal Gupta*

**Bihari Lal Gupta**

Partner

Membership No:073794

Place: Kanpur

Date: 17/05/2021



**For and on behalf of Board of Directors**

*Hirdesh Kumar*  
**Hirdesh Kumar**  
 Managing Director

*Sunil Kumar Bains*  
**Sunil Kumar Bains**  
 Director (Commercial)

*Asheesh Agarwal*  
**Asheesh Agarwal**  
 Chief Financial Officer

*Deepak Bhasin*  
**Deepak Bhasin**  
 Company Secretary

**Central U.P. Gas Limited**

**Cash Flow Statement For the Year ended March 31, 2021**

Particulars	Year ended 31 March, 2021 (₹ in Lakhs)	Year ended 31 March, 2020 (₹ in Lakhs)
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	10,534.14	9,122.29
Adjustments for:		
Depreciation and amortisation expense	1,956.70	1,981.02
Loss on sale of Property Plant and Equipments	1.26	0.27
Property Plant and Equipments written off during the year	-	0.14
Finance costs	39.33	56.82
Bad Debts Written Off	-	42.58
Excess Provision written back	(26.62)	-
Allowances for expected credit loss	10.79	34.57
Interest income	(409.68)	(483.34)
<b>Operating profit before working capital changes</b>	<b>12,105.92</b>	<b>10,754.35</b>
<b>Adjustments for movement in working capital:</b>		
(Increase)/decrease in inventories	(1.71)	1.16
(Increase)/decrease in trade receivables	(1,106.25)	(604.84)
(Increase)/decrease in non current and other current financial Assets	(241.20)	(35.14)
(Increase)/decrease in non current and other current assets	2.03	(17.87)
Increase/(decrease) in trade payables	193.57	(3.40)
Increase/(decrease) in other financial current liabilities	740.05	640.15
Increase/(decrease) in other current liabilities	123.04	78.76
Increase/(decrease) in provisions	78.73	4.63
<b>Cash generated from/(used in) operations</b>	<b>11,894.18</b>	<b>10,817.80</b>
Net income taxes (paid)/refund	(2,013.97)	(2,086.13)
<b>Net cash flow from/(used in) operating activities</b>	<b>9,880.21</b>	<b>8,731.67</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to Property Plant and Equipments & ROU	(7,764.15)	(7,957.66)
Sale of Property Plant and Equipments	0.37	1.38
Interest received from financial Assets	453.17	333.27
Changes in Fixed deposit with banks	(1,143.98)	(651.17)
<b>Net cash flow from/(used in) investing activities</b>	<b>(8,454.59)</b>	<b>(8,274.18)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,080.00)	-
Interest Paid	(5.47)	(5.50)
Payment of Long term Lease Liabilities	(244.46)	(235.20)
<b>Net cash flow from/(used in) financing activities</b>	<b>(1,329.93)</b>	<b>(240.70)</b>
Net increase/(decrease) in Cash and cash equivalents	95.69	216.79
Cash and cash equivalents as at the beginning of the year	441.18	224.39
<b>Cash and cash equivalents as at end of the year</b>	<b>536.87</b>	<b>441.18</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and bank balances as per Balance Sheet (refer note 07)	536.87	441.18
Cash and cash equivalents as per Cash Flow Statement	<b>536.87</b>	<b>441.18</b>
<b>Cash and cash equivalents at the end of the year</b>		
(a) Cash on hand	20.83	3.52
(b) Balances with banks in current accounts	516.04	437.66
	<b>536.87</b>	<b>441.18</b>

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

**See accompanying notes forming part of the financial statements**  
In terms of our report attached

**For Mittal Gupta and Co.**  
Chartered Accountants  
Firm Registration No:001874C

**Bihari Lal Gupta**  
Partner  
Membership No:073794  
Place: Kanpur  
Date: 17/05/2021



1 to 36

**For and on behalf of Board of Directors**

**Hirdesh Kumar**  
Managing Director

**Sunil Kumar Bains**  
Director (Commercial)

**Asheesh Agarwal**  
Chief Financial Officer

**Deepak Bhasin**  
Company Secretary

**Central U.P. Gas Limited**  
**Statement of Changes in Equity**

**I) Equity Share Capital**

	Notes	Amounts (₹ in Lakhs)
<b>Balance as at March 31, 2019</b>	10.2	6,000.00
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2020</b>	10.2	6,000.00
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2021</b>		<b>6,000.00</b>

**II) Other equity**

	Notes	Reserves and surplus		Other Comprehensive Income	Total
		General Reserve	Retained earnings	Remeasurement of Defined Benefit Plan	
		(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
<b>Balance as at March 31, 2019</b>	11	439.99	21,761.41	-	22,201.40
Profit for the Year		-	7,363.84		7,363.84
Other Comprehensive Income /(loss) for the Year		-		2.00	2.00
Transfer to Retained Earning		-	2.00	(2.00)	-
<b>Balance as at March 31, 2020</b>	11	<b>439.99</b>	<b>29,127.25</b>	<b>-</b>	<b>29,567.24</b>
Profit after tax for the Year			7,862.00		7,862.00
Other Comprehensive Income /(loss) for the Year				15.14	15.14
Transfer to Retained Earning		-	15.14	(15.14)	-
Dividends			1,080.00		1,080.00
<b>Balance as at March 31, 2021</b>		<b>439.99</b>	<b>35,924.39</b>	<b>-</b>	<b>36,364.38</b>

See accompanying notes forming part of the financial statements

1 to 36

In terms of our report attached

**For Mittal Gupta and Co.**  
Chartered Accountants  
Firm Registration No:001874C

**Bihari Lal Gupta**

Partner  
Membership No:073794  
Place: Kanpur  
Date: 17/05/2021



For and on behalf of Board of Directors

**Hirdesh Kumar**  
Managing Director

**Asheesh Agarwal**  
Chief Financial Officer

**Sunil Kumar Bains**  
Director (Commercial)

**Deepak Bhasin**  
Company Secretary

**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1 COMPANY OVERVIEW**

Central U.P. Gas Limited (the 'Company') is a company limited by shares, domiciled in India and was incorporated on 25 February 2005 under erstwhile Companies Act, 1956. The equity shares of the company are not listed on any stock exchange. The registered office is located at 7th Floor, UPSIDC Complex, A 1/4 Lakhapur, Kanpur -208024.

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) and its distribution in the city area. The company is presently operating in Kanpur, Jhansi, Bareilly cities including adjoining areas in the state of Uttar Pradesh.

These financial statements of the Company for the year ended March 31, 2021 are approved and authorized for issue by the Company's Board of Directors on 17.05.2021

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 i) Basis of accounting and preparation of financial statements**

These 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 (as amended); and the other relevant provisions of the Act and rules there under. All the Ind AS issued and notified by the Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered for preparing these financial statements.

These financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarized below. 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. In those cases the new accounting policy is adopted in accordance with the transitional provisions stipulated in that Ind AS and in absence of such specific transitional provision, the same is adopted retrospectively for all the periods presented in these financial statements.

The financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

The management continues to monitor the economic effect of COVID-19, including recoverability of assets based on the current indicators of future economic conditions, and has taken steps to improve operational and financial efficiencies. The ultimate impact of the pandemic may be different from that presently estimated and would be recognized in the financial statements, if and when the material changes to the economic conditions arise.

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

**ii) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between purchase of natural gas and their realization 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.



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

## **2.2 Revenue recognition**

### **(i) Sale of Natural Gas and related activities**

Revenue from the contracts with customers is recognized when control of goods and services are transferred to the customers at an amount that reflects the consideration to which the company is expected to be entitled in exchange for those goods or services. The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example indirect taxes). No element of financing is deemed to be present as the credit term is not more than one year.

The company earns revenues primarily from sale of natural gas. Revenue is recognized on supply of gas to customers by metered/assessed measurements. The company has concluded that it is the principal in all its revenue arrangements since it is primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risk. Revenue from other related activities i.e. in respect of extra pipeline charged from the customers is recognized in the periods in which related cost is recognized as expense.

The transaction price is allocated by the company to each performance obligation (or distinct good or service) in an amount that depicts the amount of considerations to which it expects to be entitled in exchange for transferring the promised goods or services to the customer. For each obligation identified, the company determines at contract inception whether it satisfies the performance obligation over time or satisfies performance obligation at point in time. If an entity does not satisfy the performance obligation over time, performance obligation is satisfied at point in time. A receivable is recognized where the company's right to consideration is unconditional (i.e. only the passage of time is required before the payment of consideration is due).

When either of the parties to a contract has performed, the contract is presented in balance sheet as a contract asset as unbilled revenue or contract liability as advance from customers and income received in advance, depending on the relationship between the company's performance and the customer's payment.

### **(ii) Interest and dividend income**

Interest income is reported on accrual basis using effective interest method. Interest from customer on account of delayed payment is recognized on accrual basis. Dividends are recognized at the time the right to receive payment is established.

### **(iii) Liquidated damages**

Liquidated damages recovered from the suppliers/contractors are recognized on realization basis as income except for the damages which are charged for mitigating extra project cost to be incurred in respect of PPE and which will be capitalized as a part of the cost of PPE.

## **2.3 LEASES**

### **The Company as a lessee**



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The Company's lease asset classes primarily consist of leases for Vehicles and Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

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

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

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

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

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

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

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

#### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sub lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.



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For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## **2.4 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 realized 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 recognized 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 realization. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss 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. Current or deferred tax asset or liability is measured after considering the impact of uncertainty, if any, on the tax treatment of the transaction.

## **2.5 (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, capitalization 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. 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 recognized 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 recognized.
- v. Spares which meet the definition of Property, Plant & Equipment (Whether as component or otherwise) and satisfy the recognition criteria, are capitalized with the cost of property, plant and equipment and depreciated over the useful life of the principal item of the relevant Property, Plant and Equipment. When significant parts of property, plant and equipment are required to be replaced on intervals, the company recognize the new parts with own estimated useful life and it is depreciated accordingly. Likewise, when a major overhauling/repair is performed, its cost is recognized in the carrying amount of respective assets, if the recognition criteria are satisfied and depreciated over the remaining life of the asset or over the period of next overhauling due, whichever is earlier. Any



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remaining carrying amount of the cost of the previous overhaul is derecognized at the time of the overhauling. All other repairs and maintenance cost is recognized in the statement of profit and loss as and when incurred.

**(b) Intangible Assets**

Intangible assets like computer software/licenses which are expected to provide future enduring economic benefits are capitalized 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 also includes assets pending installation and not available for intended use.

**2.6 Depreciation and amortization**

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.:

A. Asset class	Depreciation
<b>Tangible Property, Plant and Equipment</b>	
- 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

Overhauling cost is depreciated over the remaining life of the respective asset or over the period till the next overhauling date, whichever is earlier.

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

**B. Intangible Assets**

Intangible assets comprising software and licenses are amortized on straight line method (SLM) over the useful life of five years. The residual values, useful lives and method of amortization of tangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**C. Right of Use Assets**

Rights of use assets are depreciated on straight line method (SLM) over the period of life of right of use assets or lease terms whichever expire earlier except in case of right of use assets, the ownership of which is proposed to be transferred to the company or the cost of such assets reflects that the company will exercise a purchase option, the same is depreciated on straight line method (SLM) over the useful life of the assets.



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## **2.7 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 (either through other comprehensive income or through profit or loss) or as financial assets measured at amortized cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, the transaction cost attributable to the acquisition of the financial asset. Transaction costs of the financial assets carried at fair value through profit or loss are expenses in profit or loss.

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. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognized 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.
- **Fair Value through profit or loss (FVTPL):** A financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through the statement of profit and loss with all changes recognized in statement of profit and loss. Interest income from these financial assets is included in other income.

### **Equity instruments**

The company subsequently measures all equity investments at fair value, except for equity investments in subsidiary and associates where the Company has the option to either measure it at cost or fair value. Equity instruments held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.



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If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss with in equity.

Equity Instruments included within the FVTL category are measured at fair value with all changes recognized in the P&L.

**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-31 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
- The company has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

When the company has transferred its rights to receive cash flow from an assets or has assumed an obligation to pay the received cash flows to a third party, it evaluates if and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the assets nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the Company's continued involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

**Financial liabilities**

All financial liabilities are initially recognized at fair value and in case of loans and borrowings and payables, net of directly attributable transaction cost. 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. The Company has not designated any financial liability as at fair value through 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**



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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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.8 Inventories**

- i. 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 comprises of all cost of purchase, including taxes (other than those subsequently recoverable from the taxing authorities) and other cost incurred in bringing the inventory to its present location and condition. Closing stock of Natural Gas in pipelines and cascades is estimated on a volumetric basis.
- ii. Stores and Spares are valued at lower of cost computed on weighted average basis and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less applicable selling expenses.

**2.9 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. The Company has no legal or constructive obligation to pay contribution in additions to its fixed contribution.

*Defined benefit plans*

The net liability or asset recognized in the balance sheet in respect of gratuity, a defined benefit plan, is the present value of defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The Company contributes funds towards such liability and funds are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law. The present value of defined benefit obligations is determined by discounting of estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligations. Service Cost and net interest on the net defined benefit liability (asset) is recognized in the statement of the profit and loss account. Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Except in case of plan amendment, curtailment or settlement, the current service cost and net interest cost is calculated using actuarial assumptions and discount rate, respectively, determined at the start of the annual reporting period. In case of any plan amendment, curtailment or settlement during the period, the current service cost and net interest cost for the remainder of reporting period after such



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amendment, curtailment or settlement is determined using the actuarial assumptions and discount rate, respectively used to remeasure the net defined benefit liability (asset). The interest cost for the remainder of reporting period in such a case is determined on such remeasured net defined benefit liability (asset). Changes in the present value of defined benefit obligation resulting from plan amendment, curtailment or settlement, excluding the effect of differences due to actual and previous assumed salary increase and certain other effects as mentioned in Ind AS, are recognized immediately in the statement of profit and loss as 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 recognized during the periods 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. As per compensation earned compensated absence policy of the Company, the entitled unused compensated absences earned during a calendar year can be accumulated only for next calendar year and the maximum numbers of carried forward compensated absences at the end of each calendar year cannot exceed the number of entitled compensated absence. The company recognized the obligation in respect of accumulated paid absences at each balance sheet date at the amount of the additional payment that are expected to arise due to accumulated absences.

**2.10 Provisions and contingencies**

A provision is recognized 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 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. Provisions are discounted to their present value, where the time value of money is material. Contingent liabilities are not recognized but are disclosed for

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligation arising out of past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

**2.11 Earnings per share**

Basic earnings per share is computed by dividing the profit for the year (before other comprehensive income), adjusted for the item of income or expenses which required to be recognised in statement of profit and loss account as per Ind AS but recognised in security premium or other reserves and other effects relating to preference shares, attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding source in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year (before other comprehensive income) adjusted as aforesaid, attributable to the equity shareholders and weighted



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average number of equity shares outstanding during the year are adjusted for effect of all dilutive potential equity shares.

**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 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.

**2.14 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 and relevant disclosure requirements as per Ind AS 108 "Operating Segments", as applicable on the Company has been disclosed in the notes.

**2.15 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.

**2.16 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 Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:-

- Level 1- Quoted (unadjusted) prices in active markets for identical assets or liabilities



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- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

### **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) Fair Value measurements and valuation process**

Some of the Company's assets and liabilities are measured or disclosed at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **ii) 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.

#### **iii) Impairment of trade receivables**

The Company has a policy of ascertaining impairment, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Company's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date.



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**iv) 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.

**v) Useful life of depreciable/ amortizable assets**

The useful life of depreciable/amortizable assets is determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimations, the useful life is sensitive to the actual usage in future period.

**vi) Provision for litigations and contingencies**

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events, the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimating the ultimate outcome of such past events and measurement of the obligation amount.



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**4 PROPERTY, PLANT AND EQUIPMENT**

(Refer Notes 2.3 2.5 and 2.6)

**As at March, 31 2021**

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at	Additions	Sales/	As at	On sales/	As at	As at	As at
	01.04.2020	for the Year	Adjustments	31.03.2021	adjustments	31.03.2021	31.03.2021	31.03.2020
Freehold land	1,094.23	718.86	-	1,813.09	-	-	1,813.09	1,094.23
Buildings	763.23	-	-	763.23	29.32	154.63	598.60	627.92
Plant and equipment	30,322.83	6,441.54	-	36,764.37	1,690.97	6,975.67	29,788.70	25,038.13
Office Equipment	76.54	4.53	2.54	78.53	9.17	59.64	18.89	24.25
Furniture and fixtures	65.66	7.02	-	72.68	5.25	38.83	33.85	32.08
Computers	68.37	2.62	1.98	69.01	15.83	45.05	23.96	38.09
<b>Total</b>	<b>32,390.86</b>	<b>7,174.57</b>	<b>4.52</b>	<b>39,560.91</b>	<b>1,750.54</b>	<b>7,283.82</b>	<b>32,277.09</b>	<b>26,854.70</b>
Previous Year Total	26,543.13	5,915.05	67.32	32,390.86	1,726.27	5,536.16	26,854.70	22,715.64

**5 CAPITAL WORK IN PROGRESS**

**As at March 31, 2021**

Particulars	Gross Carrying Amount		
	As at	Additions	Transfers during
	01.04.2020	for the Year	the year
	5,697.71	6,730.49	6,441.54
<b>Total</b>	<b>5,697.71</b>	<b>6,730.49</b>	<b>6,441.54</b>
Previous Year Total	4,052.43	7,511.49	5,866.21

**6 (a) OTHER INTANGIBLE ASSETS**

**As at March 31, 2021**

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at	Additions	Sales/	As at	On sales/	As at	As at	As at
	01.04.2020	for the Year	Adjustments	31.03.2021	adjustments	31.03.2021	31.03.2021	31.03.2020
Computer software/license	81.12	-	-	81.12	12.08	53.13	27.99	40.07
<b>Total</b>	<b>81.12</b>	<b>-</b>	<b>-</b>	<b>81.12</b>	<b>12.08</b>	<b>53.13</b>	<b>27.99</b>	<b>40.07</b>
Previous Year Total	114.18	-	33.06	81.12	12.43	41.05	40.07	84.08

**6 (b) RIGHT OF USE ASSETS (ROU)**

**As at March 31, 2021**

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at	Additions	Sales/	As at	On sales/	As at	As at	As at
	01.04.2020	for the Year	Adjustments	31.03.2021	adjustments	31.03.2021	31.03.2021	31.03.2020
Lease Hold-Land	81.13	-	-	81.13	1.02	3.51	77.62	78.64
Hooking Up Facility	143.20	0.89	-	144.09	14.39	32.29	111.80	125.30
Premises	140.45	0.32	6.29	134.48	29.29	2.55	79.83	112.54
Vehicles	666.08	52.63	666.08	52.63	149.38	323.84	31.59	470.58
<b>Total</b>	<b>1,030.86</b>	<b>53.84</b>	<b>672.37</b>	<b>412.33</b>	<b>194.08</b>	<b>326.39</b>	<b>300.84</b>	<b>787.06</b>
Previous Year Total	582.24	448.42	-	1,030.86	242.32	243.80	787.06	79.65

**6.1.** Lease 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.



Central U.P. Gas Limited  
Notes to balance sheet - Financial assets

7 Financial assets

(a) Trade receivables

	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
Trade receivables		
- from related party (Refer note no. 29)	375.27	148.53
- from others	3,000.21	2,124.24
Less: Provision for expected credit impairment	(41.82)	(34.57)
<b>Total receivables</b>	<b>3,333.66</b>	<b>2,238.20</b>
Current portion	3,333.66	2,238.20
Non-current portion	-	-

Break-up of security details

	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
Trade receivables Secured, considered good	2,240.16	1,274.20
Trade receivables Unsecured, considered good	1,093.50	964.00
Trade receivables Significant Increase in Credit Risk	-	-
Trade receivables -Credit Impaired	41.82	34.57
<b>Total</b>	<b>3,375.48</b>	<b>2,272.77</b>
Provision for expected credit impairment	(41.82)	(34.57)
<b>Total trade receivables</b>	<b>3,333.66</b>	<b>2,238.20</b>

(b) Other financial assets

	March 31, 2021 (₹ in Lakhs)		March 31, 2020 (₹ in Lakhs)	
	Current	Non-current	Current	Non-current
Security deposits				
-To related parties (Refer note no. 29)	-	8.10	-	8.10
-To others	10.63	13.17	12.38	13.17
Balances with banks in fixed deposits with maturity of more than twelve months	1,951.21	2,219.36	0.73	696.23
In Deposit held as security or margin against guarantees	-	5.72	-	6.56
Interest accrued	-	-	-	-
-To related parties (Refer note no. 29)	163.71	3.76	220.09	3.52
-To others	330.90	43.61	87.95	30.96
Unbilled Revenue	-	-	-	-
<b>Total other financial assets</b>	<b>2,456.45</b>	<b>2,293.72</b>	<b>321.15</b>	<b>758.54</b>



**Central U.P. Gas Limited**  
**Notes to balance sheet - Financial assets**

**(c) Cash and cash equivalents**

	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
Cash and cash equivalents		
(i) Bank Balance in current accounts	516.04	437.66
(ii) Cash on hand	20.83	3.52
<b>Total cash and cash equivalents</b>	<b>536.87</b>	<b>441.18</b>

**(d) Bank Balances Other than cash and cash equivalents**

	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
(i) Balances with banks in fixed deposits with maturity of less than twelve months	4,122.76	6,363.75
(ii) In Deposit held as security or margin against guaranties	22.15	109.95
<b>Total Other Bank balances</b>	<b>4,144.91</b>	<b>6,473.70</b>



**Central U.P. Gas Limited**  
**Notes to Balance Sheet**

**8 Inventories**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Finished goods	17.07	15.36
<b>Total inventories</b>	<b>17.07</b>	<b>15.36</b>

**9 (a) Other Current Assets**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Prepaid expenses	26.56	20.05
Balances with government authorities	18.52	9.00
<b>Others:</b>		
- Advance to others	16.33	35.56
- Advance to Related Parties (Refer Note no. 29)	1.26	0.09
<b>Total other current assets</b>	<b>62.67</b>	<b>64.70</b>

**9 (b) Income-tax Assets**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Advance tax	194.57	255.92
Income Tax paid under Protest	18.39	18.39
<b>Total Income-tax Assets</b>	<b>212.96</b>	<b>274.31</b>

**9 (c) Other Non Current Assets**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Excise duty paid under protest	61.93	61.93
<b>Capital Advance :</b>		
-To related Party	345.74	410.47
-To Others	290.78	234.29
<b>Total other non current assets</b>	<b>698.45</b>	<b>706.69</b>



**Central U.P. Gas Limited**  
**Notes to Balance Sheet**

**10 SHARE CAPITAL**

	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>Number of shares</b>	<b>(₹ in lakhs)</b>	<b>Number of shares</b>	<b>(₹ in lakhs)</b>
(a) Authorised Equity Shares of ₹ 10/- each	6,00,00,000.00	6,000	6,00,00,000.00	6,000
(b) Issued, Subscribed and Fully Paid up Equity Shares of ₹ 10/- each	6,00,00,000.00	6,000	6,00,00,000.00	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:

	<b>For the year ended March 31, 2021</b>		<b>For the year ended March 31, 2020</b>	
	<b>Number of shares</b>	<b>(₹ in lakhs)</b>	<b>Number of shares</b>	<b>(₹ in lakhs)</b>
<i>Equity shares:</i>				
Shares outstanding at the beginning of the year	6,00,00,000	6,000	6,00,00,000	6,000
Shares outstanding at the end of the year	6,00,00,000	6,000	6,00,00,000	6,000

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

	<b>March 31, 2021</b>		<b>March 31, 2020</b>	
	<b>Number of shares</b>	<b>% holding</b>	<b>Number of shares</b>	<b>% holding</b>
Indraprastha Gas Limited	3,00,00,000	50.00%	3,00,00,000	50.00%
Bharat Petroleum Corporation Limited	1,49,99,600	24.99%	1,49,99,600	24.99%
GAIL (India) Limited*	1,50,00,000	25.00%	1,50,00,000	25.00%

\* Including joint holder with GAIL (India) Limited



**Central U.P. Gas Limited**  
**Notes to Balance Sheet**

**11 Reserves and surplus**

	<b>March 31, 2021</b> <b>(₹ in Lakhs)</b>	<b>March 31, 2020</b> <b>(₹ in Lakhs)</b>
(a) General reserve:		
Opening balance	439.99	439.99
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>439.99</b>	<b>439.99</b>
(b) Surplus in Statement of Profit and Loss:		
Opening balance	29,127.25	21,761.41
Add:		
Profit after tax for the year	7,862.00	7,363.84
Transfer from Other comprehensive income	15.14	2.00
Less:		
- Dividends distributed to equity shareholders (₹ 1.80 per share (Previous year ₹ Nil per share))	1,080.00	-
<b>Closing balance</b>	<b>35,924.39</b>	<b>29,127.25</b>
<b>Other Comprehensive Income</b>		
Opening balance	-	-
Add: Other Comprehensive Income for the Year	15.14	2.00
Less: Transfer to Retained Earning	(15.14)	(2.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total reserves and surplus</b>	<b>36,364.38</b>	<b>29,567.24</b>

**Note:**

- (i) The general reserve represents amount kept by the Company out of its profits for future purposes  
(ii) Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.  
(iii) 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.



**Central U.P. Gas Limited**  
**Notes to Balance Sheet**

**12 DEFERRED TAX LIABILITIES (NET)**

The balance comprises temporary differences attributable to:

	March 31, 2021 (₹ in Lakhs)	March 31, 2020 (₹ in Lakhs)
Deferred tax liabilities On:		
Difference between book balance and tax balance of		
Property plant & equipment	1,987.82	1,585.14
Other	15.59	15.59
	<b>2,003.41</b>	<b>1,600.73</b>
Deferred tax Assets		
Other	12.44	18.66
Provision for Employee Benefit	27.16	26.69
	<b>39.60</b>	<b>45.35</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>1,963.81</b>	<b>1,555.38</b>

**Movement in Deferred Tax Liabilities**

	Difference between book balance and tax balance of Property Plant and Equipments (₹ in Lakhs)	Provision for Employee Benefit (₹ in Lakhs)	Other	Total (₹ in Lakhs)
At March 31, 2020 (Charged)/credited:	1,585.14	(26.69)	(3.07)	1,555.38
- to profit or loss	402.68	(5.56)	6.22	403.34
- to other comprehensive income	-	5.09	-	5.09
<b>At March 31, 2021</b>	<b>1,987.82</b>	<b>(27.16)</b>	<b>3.15</b>	<b>1,963.81</b>

	Difference between book balance and tax balance of Property Plant and Equipments (₹ in Lakhs)	Provision for Employee Benefit (₹ in Lakhs)	Other	Total (₹ in Lakhs)
At March 31, 2019 (Charged)/credited:	1,830.32	(30.63)	21.64	1,821.33
- to profit or loss	(245.18)	3.27	(24.71)	(266.62)
- to other comprehensive income	-	0.67	-	0.67
<b>At March 31, 2020</b>	<b>1,585.14</b>	<b>(26.69)</b>	<b>(3.07)</b>	<b>1,555.38</b>



**Central U.P. Gas Limited**  
**Notes to Balance Sheet**

**13 (a) Trade Payables**

	<b>March 31, 2021</b> <b>(₹ in Lakhs)</b>	<b>March 31, 2020</b> <b>(₹ in Lakhs)</b>
<b>Current</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 27)	94.89	45.39
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
-Payable to related parties (refer note 29)	509.85	240.48
-Payable to others	823.21	922.03
<b>Total trade payables</b>	<b>1,427.95</b>	<b>1,207.90</b>

**13 (b) Other financial liabilities**

	<b>March 31, 2021</b> <b>(₹ in Lakhs)</b>	<b>March 31, 2020</b> <b>(₹ in Lakhs)</b>
(i) Payables on purchase of Property Plant and Equipments	1,417.34	1,725.33
(ii) Trade/security deposits received	4,154.39	3,535.44
(iii) Accrued Employees Benefits	193.63	93.55
(iv) Net Gratuity Liabilities	80.70	79.91
<b>Total other current liabilities</b>	<b>5,846.06</b>	<b>5,434.23</b>

**14 Provisions**

	<b>March 31, 2021</b> <b>(₹ in Lakhs)</b>		<b>March 31, 2020</b> <b>(₹ in Lakhs)</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
<b>Provision for employee benefits</b>				
For compensated absences	25.49	-	24.39	-
<b>Provision for unspent amount of CSR*</b>	77.63	-	-	-
<b>Total</b>	<b>103.12</b>	<b>-</b>	<b>24.39</b>	<b>-</b>

Refer Note No. 27

**15 Current tax liabilities**

	<b>March 31, 2021</b> <b>(₹ in Lakhs)</b>	<b>March 31, 2020</b> <b>(₹ in Lakhs)</b>
Current tax payable	2,271.11	2,027.68
Less: Advance Taxes paid	2,121.11	2,071.16
<b>Closing balance</b>	<b>150.00</b>	<b>(43.48)</b>

**16 Other current liabilities**

	<b>March 31, 2021</b> <b>(₹ in Lakhs)</b>	<b>March 31, 2020</b> <b>(₹ in Lakhs)</b>
<b>(a) Other payables</b>		
(i) Statutory dues	176.43	125.83
(ii) Income received in advance	61.44	49.24
(iii) Advance received from customers	113.68	53.44
<b>Total other current liabilities</b>	<b>351.55</b>	<b>228.51</b>



**Central U.P. Gas Limited**  
**Notes to Profit and Loss**

**17 Revenue from operations**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Sale of products (including excise duty)	29,127.77	34,261.67
Other operating revenue	351.72	271.51
<b>Total revenue</b>	<b>29,479.49</b>	<b>34,533.18</b>

**Note:**

**Sale of products comprises**

Compressed Natural Gas (CNG)	19,077.91	25,961.14
Piped Natural Gas (PNG)	10,049.64	8,300.49
Mak Lubes	0.22	0.04
<b>Total</b>	<b>29,127.77</b>	<b>34,261.67</b>

**18 Other income**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Interest income from financial assets	409.68	483.34
Interest from customers	139.67	143.39
Interest from others	0.37	0.93
Other Non Operating Income	153.83	142.93
<b>Total other income</b>	<b>703.55</b>	<b>770.59</b>

**19 Purchases**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Natural Gas	10,753.65	15,977.15
Mak Lubes	0.19	0.03
<b>Total Purchases</b>	<b>10,753.84</b>	<b>15,977.18</b>

**20 Changes in inventories of finished goods**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
<b>Opening balance</b>		
Finished goods	15.36	16.52
<b>Total opening balance</b>	<b>15.36</b>	<b>16.52</b>
<b>Closing balance</b>		
Finished goods	17.07	15.36
<b>Total closing balance</b>	<b>17.07</b>	<b>15.36</b>
<b>Total changes in inventories of finished goods, Stock-in -Trade and work-in-progress</b>	<b>(1.71)</b>	<b>1.16</b>

**21 Employee Benefit Expense**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Salaries and wages	837.94	812.38
Contribution to provident fund and other fund	44.02	46.31
Contribution to gratuity fund	16.22	16.25
Secondment Expense	175.62	166.20
Staff welfare expenses	12.98	28.22
<b>Total employee benefit expense</b>	<b>1,086.78</b>	<b>1,069.36</b>



**Central U.P. Gas Limited**  
**Notes to Profit and Loss**

<b>22 Depreciation and Amortisation Expense</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Depreciation of property, plant and equipment	1,750.54	1,726.27
Amortisation of intangible assets	12.08	12.43
Amortisation of Right of use assets	194.08	242.32
<b>Total depreciation and amortisation expense</b>	<b>1,956.70</b>	<b>1,981.02</b>
<b>23 Finance Cost</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Interest on Lease liability	33.86	51.32
Other Interest	5.47	5.50
<b>Total Interest Cost on lease liability</b>	<b>39.33</b>	<b>56.82</b>
<b>24 Other Expenses</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Operation and maintenance of CNG Stations	1,853.15	1,512.42
Power, fuel and water charges	339.15	659.19
Advertisement and publicity	109.83	102.31
Short term lease /low value item lease expenses	22.43	231.90
Repair and maintenance		
(i) Building	0.20	22.78
(ii) Computers	6.81	7.19
(iii) Plant and machinery	263.19	301.98
(iv) Others	18.36	11.43
Vehicle hiring and running expenses	43.64	61.64
Rates and taxes	17.29	22.49
Bank charges	16.78	29.63
Communication expenses	24.61	25.69
Insurance expenses	51.16	50.04
Legal and professional charges	31.01	46.39
Loss on sale of Property Plant and Equipments	1.26	0.27
Meeting, seminar and training expenses	7.92	22.87
Office Administration Charges	115.74	106.99
Printing and stationery	9.84	15.61
Recruitment expenses	1.59	7.04
Security expenses	167.42	149.60
Director's sitting fee	8.90	8.10
Travelling expenses	25.42	37.65
Public Relation	33.91	43.40
Property Plant and Equipments Written Off	-	0.14
Bad Debts Written Off	-	42.58
Provision for expected credit impairment	10.79	34.57
Miscellaneous expenses	92.53	124.62
<b>Other Expenses</b>	<b>3,272.93</b>	<b>3,678.52</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
<b>Note:</b>		
Legal and Professional charges includes auditor's remuneration Under:		
Statutory audit fees	6.50	6.00
Tax audit fees	1.00	1.00
Quarterly Financial Review	3.00	3.00
Reimbursement of expenses	1.05	1.00
GST on above	2.08	1.98
<b>Total</b>	<b>13.63</b>	<b>12.98</b>



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**25 CONTINGENT LIABILITIES:**

S.No.	Particulars	March 31, 2021 (Rs. in Lakhs)	March 31, 2020 (Rs. in Lakhs)
i.	<b>Demand Being Disputed by the Company</b>		
a)	Excise Duty Demands	853.77	853.77
b)	Income Tax Demand	13.83	13.83
ii.	<b>Claims against the Company not acknowledged as Debt</b>		
a)	Other Liabilities	752.00	752.00
iii.	<b>Outstanding Bank Guarantee</b>	2173.84	2945.60

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. However Supreme Court has dismissed the Appeal on the basis of monetary limits.

v. The department of custom and Excise has raised demands of Rs. 30.75 lakhs (PY Rs. 30.75 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 cenvat 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. 241.61 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 19 November, 2008. The Company had disputed the demand made by GAIL as these were not in accordance with the Supplementary Agreement dated. December, 17, 2008 entered into with the Party. Further, as per new tariff regulations promulgated by PNG Regulatory Board (PNGRB) no such spur line transmission tariff was payable w.e.f. November 20, 2008. However, GAIL had continued to raise invoices in respect of aforesaid tariff even after November 20, 2008 and the Company had paid certain invoices by charging it as expenses in earlier years. The Company had also paid Rs. 113.88 Lakhs under Protest towards spur line charges for the period April, 2010 to June, 2010 and shown the above said amount as recoverable from GAIL. The company had paid a sum aggregating to Rs. 398.30 Lakhs till June 30, 2010 to GAIL on account of spur line transmission tariff as against the estimated liability of Rs. 88.05 Lakhs for the periods. The Company had filed the claims for refund of the excess amount paid by it amounting to Rs. 310.24 Lakhs along with the interest. Since the matter has not been yet settled no adjustments has been made for the aforesaid disputes in account and a sum of Rs. 113.88 Lakhs has been shown as recoverable from GAIL

**vii. Performance Bank Guarantee to PNGRB**

Petroleum and Natural Gas Regulatory Board (PNGRB) has issued license/ authorization for operating and expanding City Gas Distribution (CGD) network in the geographical area of Kanpur, Bareilly and Jhansi cities of Uttar Pradesh with a stipulation of Minimum Work Program (MWP) for creation of infrastructure development to be achieved over the periods. The failure to achieve the committed MWP may result in imposition of penalties by PNGRB. The Company has submitted performance bank guarantees aggregating to Rs. 1350 Lakhs as security for the same. The details of committed MWP to PNGRB by the Company and its achievement as on March 31, 2021 are as under:

GA Name	MWP Parameters	PNGRB MWP Targets	Achievement as on March 31, 2021	
Kanpur	Compression Capacity (Kg/Day)	3,20,000	5,23,730	164%



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Inch-Km of Steel P/L	788.52	649.71	82%
	Domestic PNG Connections (Nos.)	70,035	84,044	120%
Bareilly	Compression Capacity (Kg/Day)	1,12,000	1,66,576	149%
	Inch-Km of Steel P/L	356	221.60	62%
	Domestic PNG Connections (Nos.)	27,500	34,532	126%
Jhansi	Inch-Km of Steel P/L	71.92	47.64	66%
	Domestic PNG Connections (Nos.)	23,706	961	4%

The company has been representing with PNGRB with required details in terms of GA allocation & status of progress. The Company has been able to achieve most of the MWP parameters. However, few are in process and required steps are being taken for 100% accomplishment. The company has also been regularly appraising PNGRB about the reasons for non-achievement of committed MWP within the stipulated times and the same has been duly considered by them.

Based on above and considering the fact that most of the MWP parameters have been achieved, the management estimates that there is remote chance of devolvement of any material liability on the Company on account of non-fulfilment of committed MWP.

**viii) GAIL Claims**

The company has received claim letters from GAIL (India) Limited raising demand of Rs. 510.39 Lakhs as "Pay for If not taken" liability claim in respect of shortfall in the purchased quantity of RLNG gas as compared to the contracted quantity for the CY 2019. The company has made representation before the GAIL disputing the liability and the same is under negotiation. Based on the past experience and ongoing negotiation with the party, the management estimates that there is a remote chance of imposition of aforesaid penalty and consequent outflow of Company' resources and accordingly no provision for the same is required at present. For CY 2020, demand against "Pay for If not taken" liability post mitigation proceeds is not received from GAIL.

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.

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.

**26 Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 8722.93 Lakhs (Previous year Rs. 5,608.18 Lakhs).

**27 Disclosure relating to Corporate Social Responsibility (CSR)**

The disclosure in respect of CSR expenditure for the FY 2020-21 is as under:

S.No.	Particulars	March 31, 2021 (Rs. in Lakhs)	March 31, 2020 (Rs. in Lakhs)
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**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

1	As per section 135 of the Companies Act, 2013 read with Schedule VII thereof Gross amount required to be spent by the Company	159.74	148.97
2	Amount spent during the year		
	i. Construction/Acquisition of any Asset		
	-In Cash	28.10	33.03
	-Yet to be paid in Cash	-	11.35
	ii. On purpose other than (i) above		
	-In Cash	55.80	63.78
	-Yet to be paid in Cash	1.14	79.25

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	2020-2021 (Rs. in Lakhs)	2019-2020 (Rs. in Lakhs)
(a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Clause (i)	46.94	91.54
(b) Promoting education, including special education and employment enhancing vocational training and livelihood enhancement project	Clause (ii)	21.93	37.62
(c) promoting gender equality and empowering women	Clause (iii)	-	-
(d) 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)	0.75	3.09
(e) 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	41.83
(f) rural development projects]	Clause (x)	-	-
(g) 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)	5.42	13.33
(h) Training to promote rural sports, nationally recognized sports, Paralympic sports and olympic sports	Clause (vii)	-	-
<b>Total</b>		<b>85.04</b>	<b>187.41</b>

Details of Unspent amount under Section 135 (5) -



**CENTRAL U.P. GAS LIMITED**  
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Opening Balance	Amount deposited in specified fund of Sch VII within Six months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
2.93	-	159.74	85.04	77.63*

**Details of Excess amount spent under Section 135 (5) -**

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
NIL			

**Details of Ongoing Projects along with-**

In case of S. 135(6) (Ongoing Project) (to be given year-wise)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's Bank Account	From Separate CSR Unspent Account	From Company's Bank Account	From Separate CSR Unspent Account
NIL						

\*Aforesaid amount will be utilized as per the applicable provisions of the Companies Act.

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

S.No.	Description	March 31, 2021 (Rs. in Lakhs)	March 31, 2020 (Rs. in Lakhs)
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year	94.89	45.39
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	-
(ii)	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	-	-
(iv)	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.	-	-
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
(vi)		-	-



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

The amount of further interest remaining due and payable even in succeeding years

**29 Employee benefit obligations**

**(i) Defined contribution plans**

The Company makes Provident Fund contribution, which is defined contribution plans for qualifying employees. 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 recognized during the period towards defined contribution plan is Rs. 44.02 lakhs (March 31, 2020: Rs. 46.31 lakhs)

**(ii) Compensated absences**

The Company recognized expenses amounting to Rs. 23.40 Lakhs (March 31, 2020: Rs. 26.20 Lakhs) towards its obligations for the accumulated paid absences outstanding at the end of the year.

**(iii) 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.

	Present value of obligation (₹ Lakhs)	Fair value of plan assets (₹ Lakhs)	Net amount (₹ Lakhs)
<b>April 01, 2019</b>	<b>107.71</b>	<b>45.56</b>	<b>62.15</b>
Current service cost	16.25	-	16.25
Interest expense/(income)	8.36	3.53	4.83
Employer Contribution	-	0.64	(0.64)
Past Service Cost	-	-	-
<b>Total amount recognized in profit or loss</b>	<b>24.61</b>	<b>4.17</b>	<b>20.44</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.37)	1.37
(Gain)/loss from change in demographic assumptions	0.03	-	0.03
(Gain)/loss from change in financial assumptions	(10.79)	-	(10.79)
Experience (gains)/losses	6.71	-	6.71
<b>Total amount recognized in other comprehensive income</b>	<b>(4.05)</b>	<b>(1.37)</b>	<b>(2.68)</b>
Employer contributions	-	-	-
Benefit payments	(13.29)	(13.29)	-



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>March 31, 2020</b>	<b>114.98</b>	<b>35.07</b>	<b>79.91</b>
<b>April 01, 2020</b>	<b>114.98</b>	<b>35.07</b>	<b>79.91</b>
Current service cost	16.22	-	16.22
Interest expense/(income)	7.87	2.40	5.47
Employer Contribution	-	0.68	(0.68)
Past Service Cost	-	-	-
<b>Total amount recognized in profit or loss</b>	<b>24.09</b>	<b>3.08</b>	<b>21.01</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.90)	0.90
(Gain)/loss from change in demographic assumptions	2.58	-	2.58
(Gain)/loss from change in financial assumptions	(16.84)	-	(16.84)
Experience (gains)/losses	(6.86)	-	(6.86)
<b>Total amount recognized in other comprehensive income</b>	<b>(21.12)</b>	<b>(0.90)</b>	<b>(20.22)</b>
Employer contributions	-	-	-
Benefit payments	(4.59)	(4.59)	-
<b>March 31, 2021</b>	<b>113.36</b>	<b>32.66</b>	<b>80.70</b>

	March 31, 2021	March 31, 2020
	(₹ Lakhs)	(₹ Lakhs)
Present value of funded obligations	113.36	114.98
Fair value of plan assets	(32.66)	(35.07)
<b>(Surplus)/Deficit of funded plan</b>	<b>80.70</b>	<b>79.91</b>
Unfunded plans	-	-
<b>(Surplus)/Deficit before asset ceiling</b>	<b>80.70</b>	<b>79.91</b>

**(iv) 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	
	March 31, 2021	March 31, 2020
Discount rate	6.40%	6.85%
Salary growth rate	6.00%	6.00%
Remaining working life	24.16	24.90
Withdrawal rate based on age: (per annum)		
Up to 30 years	8.00%	3.00%
31 – 44 years	10.00%	2.00%
Above 44 years	10.00%	1.00%



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Mortality Table

standard table –  
Indian Assured Lives  
Mortality (2012-14)

standard table –  
Indian Assured Lives  
Mortality (2012-14)

**(vi) Sensitivity analysis**

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

Impact on defined benefit obligation						
	Change in assumption March 31, 2021	March 31, 2020	Increase in assumption March 31, 2021	March 31, 2020	Decrease in assumption March 31, 2021	March 31, 2020
<b>Gratuity</b>						
Discount rate	(- / + 1%)	(- / + 1%)	-7.30%	-14.80%	8.30%	18.10%
Salary growth rate	(- / + 1%)	(- / + 1%)	7.7%	11.00%	-7.30%	-12.60%
	50% of the Attrition assumption	50% of the Attrition assumption	0.20%	-1.10%	-0.80%	1.20%
Attrition Rate						
	10% of the Mortality assumption	10% of the Mortality assumption	0.00%	0.00%	0.00%	0.00%
Mortality						

The above sensitivity analyses 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 recognized 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:**

	March 31, 2021		March 31, 2020	
	Amount (₹ Lakhs)	in %	Amount (₹ Lakhs)	in %
Fund managed by insurer	32.66	100%	35.07	100%
<b>Total</b>	<b>32.66</b>	<b>100%</b>	<b>35.07</b>	<b>100%</b>

**(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 off all 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).





**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- GAIL (India) Limited
- Bharat Petroleum Corporation Limited

**Key Management Personnel (KMP)**

▪ Mr. Ranjan Dwivedi	-	Managing Director (Upto 12.11.2020)
▪ Mr. Hirdesh Kumar	-	Managing Director (From 18.11.2020)
▪ Mr. Pardeep Goyal	-	Director Commercial (Upto 27.01.2021)
▪ Mr. Sunil Kumar Bains	-	Director Commrcial (From 04.02.2021)
▪ Mr. Surjeet Mahalik	-	Director
▪ Mr. Praveen Kumar Pandey	-	Director
▪ Mr. Manjeet Singh	-	Director
▪ Mr. Ramesh Chandra Gupta	-	Director
▪ Mr. Ashim Batra	-	Director (From 01.09.2020)
▪ Mr. Praveer Agarwal	-	Director (From 14.01.2021)
▪ Mr. Arun Kumar Srivastav	-	Director (Upto 31.12.2020)
▪ Mr. Ranganathan Elavathur Subramania	-	Director (Upto 15.06.2020)
▪ Mr. Asheesh Agarwal	-	Chief Financial Officer
▪ Mr. Deepak Bhasin	-	Company Secretary

**b. Transactions with related parties:**

Transactions during the Year	March 31, 2021 (Rs. In Lakhs)	March 31, 2020 (Rs. In Lakhs)
<u>Transactions during the year</u>		
<b>Gail (India) Limited</b>		
Secondment charges##	97.80	94.12
Purchase of Natural Gas	9742.30	14987.30
Genset Expenses Charged	2.17	3.62
Reimbursement of Expenses	-	0.65
Dividend Paid	270.00	-
Interest Income	0.27	0.38
Hook-up Operational Charges	67.26	278.48
Refund received against Hook-up Operational Charges of Achalganj Unnao	128.10	-
Capitalization of Hook-up Facilities as ROU	0.89	143.20
Operational charges of Hooking up facility	0.88	3.29
Spur Line Charges paid	30.99	-
<b>Bharat Petroleum Corporation Limited</b>		
Secondment charges##	77.80	72.07
Purchase of RLNG	40.42	375.52
Sale of CNG (Including Excise Duty & VAT)	6304.94	8127.69



**CENTRAL U.P. GAS LIMITED**  
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Sitting Fees paid	2.10	1.80
Bad debts written off	-	35.64
Dividend Paid	270.00	-
Facility Charges Paid	127.31	157.66

**Indraprastha Gas Limited**

Sitting Fees paid	4.30	3.90
Dividend Paid	540.00	-
Job work Charges received	93.32	-
Excise Duty Reimbursement received	57.24	-
Sale of CNG Assets	6.73	-

**Mr. Ramesh Chandra Gupta**

Sitting Fees paid	2.50	2.40
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**Remuneration paid/payable to KMP**

Mr. Asheesh Agarwal	30.63	29.12
Mr. Deepak Bhasin	16.62	15.68

**Details of Secondment Expenses Paid to GAIL and BPCL for Director's Remuneration**

Mr. Amarendra Kumar#	-	11.83
Mr. Ranjan Dwivedi#	65.59	82.29
Mr. Hirdesh Kumar#	32.21	-
Mr. Pardeep Goyal#	50.00	72.07
Mr. Sunil Kumar Bains #	27.80	-

**Details of Remuneration paid/payable to KMP**

(Figures in Lakhs)

Particulars	Mr. Asheesh Agarwal	Mr. Deepak Bhasin
<b>Year ended March 31, 2021</b>		
<b>Short term employee benefits</b>		
Salary	28.94	15.72
<b>Post-employment benefits</b>		
Contribution to Provident Fund, Gratuity and other Funds*	1.69	0.90
	<b>30.63</b>	<b>16.62</b>
<b>Year ended March 31, 2020</b>		
<b>Short term employee benefits</b>		
Salary	27.41	14.68
<b>Post-employment benefits</b>		
Contribution to Provident Fund, Gratuity and other Funds*	1.71	1.00



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	29.12	15.68
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\* The said amount does not include amount in respect of gratuity and leaves as the same are not ascertainable.

# Direct reimbursements made as per terms of employment/entitlements-Post employment benefit

##Including GST.

**C. Balance (Outstanding)/Receivable-**

Balance (Outstanding)/Receivable at the end of the Year	March 31, 2021 (Rs. In Lakhs)	March 31, 2020 (Rs. In Lakhs)
<b>Gail (India) Limited</b>		
-Trades Payable	(484.41)	(205.63)
-Security Deposits	8.10	8.10
-Trades receivable	5.48	3.30
-Capital Advance	345.74	410.47
-Interest Accrued on Security	3.76	3.52
<b>Bharat Petroleum Corporation Limited</b>		
-Trades Payable	(25.44)	(34.84)
-Advances	1.26	0.09
-Trades receivable	359.34	145.23
<b>Indraprastha Gas Limited</b>		
-Trades receivable	10.45	

# Direct reimbursements made as per terms of employment/entitlements-Post employment benefit

##Including GST.

**31. Financial Instruments by Category**

(Figures in Lakhs)

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Trade receivable	-	-	3333.66	-	-	2,238.20
Cash and cash equivalents	-	-	536.87	-	-	441.18
Bank Balance Other than Above	-	-	8321.20	-	-	7,177.22
Unbilled revenue	-	-	330.90	-	-	87.95
Interest accrued	-	-	211.08	-	-	254.57



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Security deposits	-	-	31.90	-	-	33.65
Employee Loans	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>12,765.61</b>	-	-	<b>10,232.77</b>
<b>Financial liabilities</b>						
Trade payables	-	-	1427.95	-	-	1,207.90
Payable on purchase of PPE	-	-	1417.34	-	-	1,725.33
Security deposits from customers	-	-	4154.39	-	-	3,535.44
Accrued Employees Benefits	-	-	193.63	-	-	93.55
Net Gratuity Liabilities	-	-	80.70	-	-	79.91
Lease Liability	-	-	142.47	-	-	699.20
<b>Total financial liabilities</b>	-	-	<b>7416.48</b>	-	-	<b>7,341.33</b>

There are no financial assets and liabilities measured at fair value as at March 31, 2021 and March 31, 2020. The carrying amount of cash and cash equivalents, deposits with banks, trade and other short term receivables, other current assets, trade payables, capital creditors and other current liabilities carries at amortized cost is not materially different from its fair value, largely due to the short-term maturities of these financial assets and liabilities.

Security deposits received from customers have not been fair valued as the same are repayable on demand, so there is no fixed terms available for its discounting.

### 32. 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 causing financial loss. The Company is exposed to credit risk mainly from trade receivables and deposits with banks. 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. 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. The ageing of trade receivables is given below:-



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Ageing analysis	As at March 31, 2021	As at March 31, 2020
	INR in lakhs	INR in lakhs
Upto 6 months	2721.94	1917.86
More than 6 months	653.54	354.91

The impairment analysis is performed at each balance sheet date on individual basis for major clients. In additions a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The company makes specific provisions/ write offs in respect of major customers based on its previous experiences and increase in credit risks after considering the amount of deposits obtained from the customers. The company makes general provisions for lifetime expected credit loss in respect of domestic PNG receivables @ 10% on the amount of receivables ( after adjusting the security deposits and unidentified outstanding credits) overdue for more than 180 days.

The change in loss allowances for trade receivables is as under:-

	As at March 31, 2021	As at March 31, 2020
	INR in lakhs	INR in lakhs
Balance outstanding at the beginning of the year	34.57	-
Provision made during the year	11.28	34.57
Amount Written off	(3.54)	-
Provision reversed	(0.49)	-
Balance at the end of the year	41.82	34.57

**(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 March 31, 2021	Less than 1 year	More than 1 year	Total
	INR in lakhs	year INR in lakhs	INR in lakhs
Trade payables	1427.95	-	1427.95
Payable on purchase of PPE	1417.34	-	1417.34
Security deposits from customers	4154.39	-	4154.39
Accrued Employees Benefits	193.63	-	193.63
Net Gratuity Liabilities	80.70	-	80.70
Lease Liabilities	73.60	68.87	142.47
	<b>7347.61</b>	<b>68.87</b>	<b>7416.48</b>

As at March 31, 2020	Less than 1 year	More than 1 year	Total
	INR in lakhs	year INR in lakhs	INR in lakhs
Trade payables	1,207.90	-	1,207.90



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Payable on purchase of PPE	1,725.33	-	1,725.33
Security deposits from customers	3,535.44	-	3,535.44
Accrued Employees Benefits	93.55	-	93.55
Net Gratuity Liabilities	79.91	-	79.91
Lease Liabilities	362.53	336.67	699.20
	<b>7004.66</b>	<b>336.67</b>	<b>7,341.33</b>

**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**

	Recognised in the Year Ending	
	March 31, 2021	March 31, 2020
	₹ in lakhs	₹ in lakhs
<b>(i) Dividend Recognised</b>		
Final dividend for the year ended March 31, 2020 of ₹1.80 (March 31, 2019– Nil) per fully paid share	1080.00	-
<b>(ii) Dividend proposed but not recognized in the books of accounts</b>		
In addition to the above dividends, for the year ended March 31, 2021 the directors have recommended the payment of a final dividend of ₹ ---- per equity share (March 31, 2020 ₹ 1.80 per equity share)	-	1080.00

**33. Earnings per share**

Particulars	Units	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to Shareholders	₹ Crores	78.62	73.64
Weighted average number of equity shares	No.	6.00	6.00
Nominal value per share	₹	10	10
Basic earnings per share of ₹ 10 each	₹	13.10	12.27

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.

**34. Tax expense**

**(a) Income Tax Expenses**

₹ in lakhs



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax	2268.80	2,025.07
Deferred tax	408.43	(265.95)
<b>Total Income Tax Expenses</b>	<b>2677.23</b>	<b>1759.12</b>

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

₹ in lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (before income tax expense)	10534.14	9,122.29
Applicable tax rate	25.17%	25.17%
<b>Computed tax expenses</b>	<b>2651.44</b>	<b>2,296.08</b>
Expenses not allowed for tax purposes	46.53	36.81
Effect of change in tax rates as compared to previous years	-	(576.38)
Deferred Tax on non-depreciable property, plant and equipment recognized.	(18.43)	-
Income tax Adjustment	(2.31)	2.61
<b>Total</b>	<b>2677.23</b>	<b>1,759.12</b>

35. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Code would impact the contributions by the Company towards Provident Fund and Gratuity. However, the date on which the Code will come into effect has not been notified. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**36. LEASES**

The company had taken head office premises and warehouse premises on lease for long period in earlier year. However, after the expiry of respective lease agreements, new lease agreements for longer period have not been executed but the premises are continued to be used on mutual arrangements. In the absence of execution of long term agreements, these leases have been classified as short term leases and accordingly accounted for as per Ind-As 116.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

Particulars	Category of ROU asset				Total
	Vehicles	Premises	Hooking Up Facility	Land	
Opening Balance as on April 01, 2020	470.58	112.54	125.30	78.64	787.06
Additions during the year	52.63	0.32	0.89	-	53.84
Deletions during the year	666.08	6.29	-	-	672.37
Depreciation Adjustment during the year	323.84	2.55	-	-	326.39
Depreciation during the year	149.38	29.29	14.39	1.02	194.08
Balance as at March 31, 2021	31.59	79.83	111.80	77.62	300.84

Particulars	Category of ROU asset				Total
	Vehicles	Premises	Hooking Up Charges	Land	
Opening Balance as on April 01, 2019	-	-	-	81.13	81.13
Reclassified on account of adoption of Ind AS 116	372.20	129.11	-	-	501.31
Additions during the year	293.88	11.34	143.20	-	448.20
Deletion during the year	-	-	-	-	-
Depreciation during the year	195.49	27.91	17.90	2.49	243.79
Balance as at March 31, 2020	470.59	112.54	125.30	78.64	787.07

Following is the break-up of current and non-current lease liabilities as at March 31, 2021

(Rs. In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities in respect of short-term lease	23.44	76.54
Current Lease Liabilities in respect of long-term lease	50.16	285.99
Non-Current Lease Liabilities	68.87	336.67
<b>Total</b>	<b>142.47</b>	<b>699.20</b>

Following is the movement in long term lease liabilities during the year ended March 31, 2021:

(Rs. In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020



**CENTRAL U.P. GAS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Balance at the Beginning</b>	<b>622.66</b>	<b>501.31</b>
Additions during the year	52.95	305.22
Finance Cost Accrued during the year	33.68	51.32
Deletions during the year	(345.40)	-
Payment of Lease Liabilities during the year	(244.46)	(235.20)
Translation Difference	-	-
<b>Balance at the end</b>	<b>119.03</b>	<b>622.66</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(Rs. In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than One Year	58.39	307.32
One to Five Year	43.89	306.62
More than Five Year	96.45	100.01
<b>Total</b>	<b>198.73</b>	<b>713.95</b>

Rental exp recorded for short term lease is Rs. 22.43 Lakhs (Previous Year Rs. 231.90 Lakhs) for the year ended March 31, 2021.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**For Mittal Gupta & Co.,**

Chartered Accountants  
FRN 01874C

*Bihari Lal Gupta*

**Bihari Lal Gupta**

Partner

Membership No: 073794

Place: Kanpur

Date: 17/05/2021



**For and on behalf of Board of Directors**

*Hirdesh Kumar*  
**Hirdesh Kumar**  
Managing Director

*Asheesh Agarwal*  
**Asheesh Agarwal**  
Chief Financial Officer

*Sunil Kumar Bains*  
**Sunil Kumar Bains**  
Director (Commercial)

*Deepak Bhasin*  
**Deepak Bhasin**  
Company Secretary

गोपनीय

संख्या.:DGA(Energy)/REP/Acs/CUGL/2021-22/ 10/



भारतीय लेखापरीक्षा एवं लेखा विभाग  
महानिदेशक लेखापरीक्षा (ऊर्जा) का कार्यालय  
दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT  
OFFICE OF THE  
DIRECTOR GENERAL OF AUDIT (ENERGY)  
DELHI

Dated: 29/6/2021

सेवा में,

अध्यक्ष

सेन्ट्रल यू. पी. गैस लिमिटेड

कानपुर

महोदय,

विषय:- 31 मार्च 2021 को समाप्त वर्ष के लिए सेन्ट्रल यू. पी. गैस लिमिटेड, कानपुर के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं सेन्ट्रल यू. पी. गैस लिमिटेड, कानपुर के 31 मार्च 2021 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

A.K. शर्मा

(डी. के. शेखर)

महानिदेशक

छटा एवं सातवाँ तल, ऐनैक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली - 110002  
6<sup>th</sup> & 7<sup>th</sup> floor, Annexe Building, 10 Bahadur Shah Zafar Marg, New Delhi -110002  
Tel: 011-23239227, Fax: 011-23239211, E-mail: [pdaenergydl@cag.gov.in](mailto:pdaenergydl@cag.gov.in)

**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 U.P. GAS LIMITED FOR THE YEAR ENDED 31  
MARCH 2021**

The preparation of financial statements of Central U.P. Gas Limited for the year ended 31 March 2021 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 are 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 17 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Central U.P. Gas Limited for the year ended 31 March 2021 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

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

**(D. K. Sekar)**  
**Director General of Audit (Energy),**  
**Delhi**

**Place: New Delhi**

**Dated: 29/6/2021**



(A joint venture of GAIL India and Bharat Petroleum)  
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