

Annual Report 2015 - 2016



GREEN GAS LIMITED

For Better Environment and Cleaner Air to Breathe



*Think Green
Think Clean*



GREEN GAS LIMITED

For Better Environment and Clean Air to Breathe

Board of Directors



Mr. M. Ravindran
Chairman



Mr. R. Chadha
Managing Director
upto 30.05.2016



Mr. Jiledar
Managing Director
w.e.f. 30.05.2016



Mr. G.K. Satish
Director



Prof. Deepak Kunzru
Independent Director



Mr. Narendra Singh
Independent Director



Mr. B.A. Reddy,
Director (Commercial)



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BOARD OF DIRECTORS

Mr. M. Ravindran
Chairman

Mr. R. Chadha
Managing Director
upto 30.05.2016

Mr. Jiledar
Managing Director
w.e.f. 30.05.2016

Mr. B.A. Reddy,
Director (Commercial)

Prof. Deepak Kunzru
Independent Director

Mr. Narendra Singh
Independent Director

Mr. G.K. Satish
Director

Chief Financial Officer
Mr. S. K. Singh

Statutory Auditor
M/s R.M. Lall & Com.
Chartered Accountants

BANKERS

ICICI Bank Ltd.
Gomti Nagar Branch
3/64, Vivek Khand
Gomti Nagar,
Lucknow - 2260010
Uttar Pradesh

State Bank of India
Commercial Branch
6-A, Way Road,
Gokhale Marg,
Lucknow - 226001
Uttar Pradesh

Axis Bank Ltd.
102/44, Hewett Road
Shivaji Marg,
Lucknow - 226001
Uttar Pradesh

REGISTERED OFFICE

Fortuna Tower, 2nd Floor, 10, Rana Pratap Marg, Lucknow - 226001



DIRECTORS' REPORT

(for the year ended March 31, 2016)

To
The Members,

Your Directors have pleasure in presenting the 11th Annual Report of your company together with the Audited financial Statements for the Financial Year ended 31st March 2016.

The Directors are pleased to share with you that your Company has maintained sustainable growth and earned profit in the Financial Year 2015-16.

1. Performance of the Company (A financial review)

GGL's summarized financial performance for the year ended 31st March 2016 is given in Table 1.

Table 1: GGLs' Profit & Loss Statement

(Rs. in crore)

S.No	Particulars	2014 -15	2015-16
1	Sales and Operating Income	185.37	203.30
2	Excise Duty	22.99	24.57
3	Net Sales (1 – 2)	162.38	178.73
4	Other Income	1.90	4.56
5	Total Revenue (3 + 4)	164.28	183.29
6	Raw Material	96.07	100.45
7	Operating & Other Expenses	22.03	24.41
8	Total Expenses	118.10	124.86
9	PBDIT (5-8)	46.18	58.43
10	Depreciation and Amortization	4.85	4.81
11	Interest and finance charges	0.62	0.29
12	Prior Period Expenses/Exceptional Item	0.00	0.00
13	PBT (9-10-11-12)	40.72	53.33
14	Income Tax	11.16	15.80
15	Deferred Tax	2.79	3.07
16	PAT (13-14-15)	26.77	34.46
17	Profit/(loss) brought forward from previous year	100.71	127.48
18	Profit/ (loss) available for appropriation	127.48	161.94
19	Balance carried to Balance Sheet	127.48	161.94
20.	Operating Margins	28.44%	32.69%



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2. DIVIDEND

The company's business is yet to expand to reach to various Charge Areas in the cities of Agra and Lucknow and the Company requires funds for laying infrastructure. Hence, the Board of Directors does not recommend any dividend for the current financial year.

3. DEPOSITS

The Company has not accepted any Deposits in terms of the provisions of the Companies Act, 2013 read with Companies acceptance of Deposits Rules, 2014 and as such, no amount of principal or interest payment was outstanding as on the Balance Sheet date.

4. RESERVE

During the year under review, your Company has not transferred any amount to reserve.

5. 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.

6. EXTRACTS OF ANNUAL RETURN:

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

7. PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

There is no Contract or arrangements with related parties referred in Sec. 188(1) of Company act 2013 read with Companies (Meetings of Board and its powers) Rules 2014 which are required to be given in the form AOC-2.

8. STATE OF COMPANY'S AFFAIRS

a) Year in retrospect

Your Company began its commercial operation of selling CNG from 2nd April 2006. In its tenth year of operation, the Gross Turnover achieved by your company was Rs. 203.29 crore. The Profit after Interest, Depreciation, tax, operating expenses & extraordinary items was Rs. 34.46 crore compared to a profit of Rs. 26.77 Crores reported in the previous financial year. The PAT margin has increased to 19% in FY 2015-16, as compared to 17% in FY 2014-15 mainly due to lower gas cost and interest.

The Company has successfully continued scaling up of the infrastructure during the year under review in its areas of operation of Agra and Lucknow. Building infrastructure in the city has always been a challenge for your Company. The Company is also rapidly spreading its distribution infrastructure and



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connecting consumers in the suburban areas which are also within your Company's authorized Geographical Area. Growth has been maintained despite encountering complexities due to development of infrastructure by various other entities / authorities, limited construction window period of six months due to monsoons and delay in availability of statutory permissions from local authorities to build CGD infrastructure.

The use of Compressed Natural Gas (CNG) as a fuel can be promoted in the country by developing a number of CNG Corridors along Natural Gas Pipelines routes.

b) Challenges

A challenge before your Company would be to roll out its CGD infrastructure in a time bound manner to meet its regulatory targets. To address such challenge, your Company is focusing on upgrading its robust systems and processes, strengthening manpower and skill development. Further, some of the deterrents that are being addressed to the appropriate authority i. e. high restoration charges which is levied by various civic agencies, nodal agency for permission, uniform tax structure, etc. which must be taken care to ensure roll out its CGD infrastructure.

c) Business planning system

The Company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

The performance of the company has been satisfactory when viewed in the light of changing regulatory and legal environment.

9. SHARE CAPITAL AND FINANCIAL CLOSURE OF GREEN GAS LIMITED

With allotment of equity share capital during financial year 2014-15, the paid-up and subscribed share capital of Green Gas Limited is Rs. 46.11 Crores (approximately).

During the financial year 2015-16, GGL has not raised any fresh borrowing from Banks.

10. CAPITAL EXPENDITURE AND WORKING CAPITAL MANAGEMENT

As at 31st March 2016, the fixed and intangible assets, including capital work in progress, stood at Rs. 229.06 crore. The Working Capital during the FY 2015-16 has improved due to receipt of pending payment from Debtors.

11. PERFORMANCE HIGHLIGHTS (LUCKNOW)

• Sales Growth

- ◆ Annual CNG Sales (in SCM) have increased by 8.21% to 302.46 lac SCM compared to last financial year.
- ◆ Annual PNG Sales (in SCM) have increased by 51.27% to 4.99 lac SCM compared to last financial year.

• Infrastructure Growth

- ◆ PNG Networks: Approx. 115.809 kms of pipeline networks were laid in the city.



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- ◆ PNG Domestic Connections: 2031 nos. of households (Cumm. 4509 nos.) were connected with PNG supply.

PERFORMANCE HIGHLIGHTS (AGRA)

Sales Growth

- ◆ Annual CNG Sales (in SCM) have increased by 10.82 % to 151.45 lac SCM compared to last financial year.
- ◆ Annual PNG Sales (in SCM) have decreased by 62.43% to 11.08 lac SCM compared to last financial year.

Infrastructure Growth

- ◆ PNG Networks: Approx. 110.191 kms of pipeline networks were laid in the city.
- ◆ PNG Domestic Connections: 2432 nos. of households (Cumm. 7591 nos.) were connected with PNG supply.

12. BUSINESS PLAN FOR FINANCIAL YEAR 2016-17

LUCKNOW

There is a plan of connecting 5000 additional houses at Lucknow by March 2017. Detailed planning of CGD activities at Lucknow for the Financial Year is presented below.

Sr. No.	Particulars	Plan for FY 16-17	Remarks
1.	New CNG Stations	05 Nos.	03 MS/OLS & 02 DBS
2.	Steel Pipelines	34 kms.	20 kms. – 8 inch, 06 kms. – 6 inch & 08 kms. – 4 inch
3.	MDPE Pipelines	120 kms.	PE network in new areas for PNG Connections
4.	PNG Dom. Connections	5000 nos.	As per the MoPNG targets
5.	PNG C&I Connections	30 nos.	PNG to Hotels, Restaurants, Hospitals, Industrial units etc.
6.	Corporate Office Building	1 no.	Land is already procured in Gomti Nagar Extension for Office Building. Consultancy contract to be awarded.

AGRA

Detailed planning of CGD activities at Agra for the financial year is presented below:

Sr. No.	Particulars	Plan for FY 16-17	Remarks
1.	New CNG Stations	03 Nos.	01 OLS & 02 DBS
2.	Steel Pipelines	21 kms.	10 kms. – 8 inch, 06 kms. – 6 inch & 05 kms. – 4 inch



3.	MDPE Pipelines	100 kms.	PE network in new areas for PNG Connections
4.	PNG Connections	5000 nos.	As per the MoPNG targets
5.	PNG C&I Connections	75 nos.	PNG to Hotels, Restaurants, Hospitals, Industrial units etc.
6.	CNG Station Construction	1 no.	Commencement of works proposed mother station at the land procured in Kalindi Vihar Yojna

13. PETROLEUM AND NATURAL GAS REGULATORY BOARD AUTHORIZATION

Pursuant to the formation of Petroleum and Natural Gas Regulatory Board (PNGRB), on 1st October 2007, the PNGRB has stipulated regulations for authorizing entities to lay, build, operate or expand City or Local Natural Gas Distribution Networks.

Ministry of Petroleum & Natural Gas, Government of India has clarified vide its letter No. L-16019/7/08-GP dated 25th August 2008 to PNGRB that the Company is authorized by the Central Government to lay, build, operate or expand city gas distribution projects in Lucknow and Agra cities and in Taj Trapezium zone.

Subsequently, in accordance with the requirements of the PNGRB Regulations, PNGRB has also granted authorization for Agra vide letter No. S-Infra/II/1/2008-Vol.II-Agra dated 12th November 2009. The authorization for Lucknow District has been received during the year vide letter number – S-Infra/II/1/2008-Vol.II/LUCKNOW CGD.

14. PANORAMA OF CORPORATE PLAN & OUTLOOK

Your Company operates in the energy sector, which is a very vital component of the economy. Energy powers every other productive activity in the economy, whether it is agriculture, infrastructure, manufacturing or services sector. The demand for energy is growing at a rate that is much higher than the growth rate of the economy. The principal business of your Company is distribution of natural gas in the form of PNG & CNG, which is a cleaner fuel and helps users reduce the pollution levels as compared to coal /liquid fuels.

Your company has established its operations in the cities of Lucknow and Agra. The ever expanding customer base coupled with large unserved population provides a strong growth opportunity. Over the next five years, your Company would focus on increasing the penetration in the current authorized geographical areas through higher number of domestic connections and more CNG stations along with expeditious rollout of CGD infrastructure.

Your company is continuously screening opportunity to enter into new markets by participation in the bids invited by PNGRB for implementation of the CGD network across the country in upcoming CGD bid rounds of the PNGRB.

Your company meets all the digitization requirements of MOP&NG which includes features like online customer registration, customer being able to track the status of her / his connection and dealer grievance redressal system.



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Your Company has formulated a long term corporate plan. The major objective is to create a vigorous and growth oriented long term business that would maximize returns to the stake holders. The business plan has been prepared taking into consideration future business environment and value creating potential of the Company's business. It will be critical for your Company to expand its network and CNG station infrastructure in order to meet the growth in demand.

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

(a) TECHNOLOGY ABSORPTION:

Under the additional information required under the provisions of section 134(1) (m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, the company has adopted SAP as its accounting software from 01.04.2016 onwards. Parallel conversion is being carried out.

(b) CONSERVATION OF ENERGY

On conservation of energy, which is an ongoing process in the Company's manufacturing 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.

Further, pursuant to the provisions of section 134 (1) (m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, the following information is provided.

S.N.	Power and Fuel Consumption	Financial Year(2015-16)	
		Lucknow	Agra
1.0	Electricity		
1.1	Purchased Units(KVAH)	159330	100146
	Rate/Unit(Rs.)8.639.24		
	Total Amount (Rs)	1375164	925068
1.2	Own generation		
(a)	Through Diesel Generator(KWH)	5809.9	NIL
	Units(KWH) per Litre of Diesel oil	3.87	NIL
	Cost per unit (Rs/Unit)	13.69	NIL
(b)	Through Gas Generator(KWH)	4306.85	13272.94
	Units (KWH) per SCM of Natural Gas	3.23	3.25
	Cost per unit (Rs)	4.36	4.77
2.0	Fuel Consumption		
	Fuel (NG) consumed in Gas Engines		
	Volume of gas (SCM)	1959137	171310
	Rate of gas (RS/SCM)	14.07	15.50
	Total amounts(Rs.)	2,75,64,784.07	1,81,56,250.22

**(c) FOREIGN EXCHANGE EARNINGS & OUTGO**

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

16. PARTICULARS OF EMPLOYEES UNDER COMPANIES ACT, 2013

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are 'NIL'.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any subsidiaries and Joint venture companies as on 31st March, 2016.

18. EQUITY SHARE WITH DIFFERENTIAL RIGHTS, EMPLOYEES STOCK OPTION, SWEAT EQUITY SHARES

Your company has not issued any shares with differential voting rights or sweat equity or ESOPS in the financial year 2015-16.

19. KEY MANAGERIAL PERSONS

In line with requirements of Sec 203 of Companies Act, 2013, your company has nominated the following as the Key Managerial Personnel of the Company during the financial year 2015-16 :

1. Shri Raman Chadha, Managing Director, GGL
2. Shri BA Reddy, Director (Commercial), GGL
3. Shri S K Singh, Chief Financial Officer, GGL
4. Shri Rajeev Guglani, Company Secretary

20. CGD NETWORK SAFETY

One of the primary concerns with respect to gas distribution is the safety and security of the pipeline network. The mesh of pipelines being used to distribute the gas needs to be maintained at the highest operating and safety level, because any leak can lead to catastrophic accidents. The safety regulations/guidelines are given the highest priority while taking up the CGD activities. The safety guidelines have been framed by the Oil Industry Safety Directorate (OISD), a technical body under the Ministry of Petroleum and Natural Gas (MoP&NG).

OISD-179 sets the guidelines for safety requirement on compression, storage, handling, refueling on natural gas for use in automotive sector. All safety facilities at CNG stations are as per the guidelines of OISD-179. PESO also monitors safety compliances at CNG station during their visit to GGL sites. As on date, GGL has in place explosive licenses for all its CNG Stations.

All safety requirements in line with statutory obligations as per guidelines of PESO, PNGRB and other relevant codes/standards are being monitored and compliance of the same is being taken up from time to time. The process for odorisation as per PNGRB regulation has been initiated and shall be installed by March 2017.

21. SAFETY, HEALTH AND ENVIRONMENT

Your Company continuously implements safety education and training programs for all its employees to spread awareness of safety culture. Safety is the prime motto of GGL. Your Company strongly promotes



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safety measures and actively strives to consolidate a firm safety culture.

Your Company is in the business of supplying Piped and Compressed Natural Gas that is environment friendly and safe. Whilst doing this, your Company adheres to high standards of Health, Safety, Environment and Security. Your Company complies with all legal and statutory requirements applicable to its operations as a minimum standard and aspires to attain recognised world class performance.

Security management in your Company has evolved as the physical assurance process supporting it's business. Rapid changes in socio-economic scenario led to a thorough reassessment of security management through risk assessment & reviews, especially focused on protection of critical infrastructure and support to key processes. Your Company has responded by evolving and adopting effective ways to incorporate security practices and programs into its overall business operations.

Security adequacy of your Company is continuously tested through reviews of its planning and organization and thereafter implementing the result of such reviews. These include risk and vulnerability assessments, threat information & appreciation, facility access controls, awareness training, incident management drills and exercises. The Security Management System is being audited periodically by highly reputed third party agencies to identify areas of improvement in security and vigilance measures.

Employee involvement in HSE decision making process is a characteristic of a positive safety culture and has also been recognized as being fundamental to the successful implementation and sustainability of HSE management system.

Your Company promotes safety culture, where safety and health are understood to be, and are accepted as, the number one priority. Primary responsibility of your Company is always towards its people. We believe that safe behavior is essential for safety improvement and a good business performance cannot be achieved without a good performance in HSE.

22. CORPORATE GOVERNANCE

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

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

23. AUDITORS

a) STATUTORY AUDITOR

During the year under review, M/s R.M.Lall & Co. has been appointed as statutory Auditor by Comptroller and Auditor General of India as per the provision of the Companies Act 2013.

The Statutory Auditors' Report to the shareholders has few qualifications/ Observations which are replied below:

A) Emphasis of Matter:

Claim of Spurline Charges from GAIL (India) Ltd:



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Matter has been regularly followed up with GAIL for the settlement of the matter. It was informed verbally by GAIL that GGL is not the only company where issue of spur line charges is pending and same can only be settled for all companies after finalization of zonal tariff by Petroleum & Natural Gas Regulatory Board (PNGRB).

B) Other Legal and Regulatory Requirements

i) INTERNAL FINANCIAL CONTROLS

The company is in the process of appointing external consultant for Internal Financial Controls and the report for the same will be presented to the audit committee / Board shortly.

ii) RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

C) *Qualified Opinion on Internal Financial Controls*

- (a) The company has adopted the implementation of SAP as its accounting software from 01.04.2016 onwards. Parallel conversion is being carried out and it will be fully converted by the end of this financial year.
- (b) The report for investigation on billing of PNG domestic gas connections by M/s KPMG Advisory Services Private Ltd. has been presented to the Board. The necessary follow up action in this regard is being taken up.
- (c) The project department has already been instructed to maintain and provide necessary details with respect to Capital- Work- In- Progress (CWIP) as per the requirement of auditors..
- (d) The external consultant has been appointed for Internal financial controls and the report for the same shall be presented to the respective authorities.

The Auditors, M/s. R.M.Lall & Co, Lucknow holds office until the conclusion of the forthcoming Annual General Meeting. Statutory Auditor for the financial year 2016-17 shall be appointed by the Comptroller and Auditor General.

b) SECRETARIAL AUDITOR

As a good Corporate Governance practice, your company introduced voluntary Secretarial audit to assure management about the compliances. The main objective of secretarial audit is to check, focus and advice on the governance status and practice in a company. The secretarial Audit is always in the better interest of every corporate management as an independent professional will certify that the company has carried out the compliances under the Act. This will also serve the larger interest of the shareholders, creditors and employees.

Secretarial audit for the financial year 2015-16 was conducted by Ms Tanu Agarwal, Practicing Company Secretary, Lucknow. Secretarial Audit Report and reply on the observations are enclosed with Director Report as "Annexure B."



The Secretarial Auditors' Report to the shareholders has few qualifications/ Observations which are replied below:

1. **The Company Has made partial compliances pursuant to the Secretarial Standards and needs to improve upon the same and the requirements of section 177 of the Companies Act, 2013, pertaining to the evaluation of the directors, Board and Committees thereof needs to be complied with-**

In this regard it is to inform that the Company will try to ensure all the compliances and evaluation of Board will be done in the next year.

2. **The company has not filed MGT-7 with the Registrar of Companies –**

In this regard it is to inform that due to some technical issue in signature of Company secretary it could not be filed. It will be filed in next year.

3. **The Company has not complied with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In this regard it is to inform that the Committee has been constituted. .

The Board of Green Gas Limited has constituted the requisite Committee's i.e. Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee as per provisions of Companies act 2013. Further, KMP's has also nominated as per provisions of companies Act 2013.

We further state that there has been no intimation received by the company from any authorities for any material breach/default in regard to applicable laws during the year under review.

c) COST AUDITOR

Your Company had appointed M/s Sunil Singh & Co., Cost Accountants, Lucknow as Cost Auditors for the financial year 2016-17. 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 of your Company has appointed M/s Sunil Singh & Co., Cost Accountants, Lucknow as the Cost Auditor of the Company for the financial year 2016-17. As required under the Companies Act, 2013, the 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. M/s Sunil Singh & Co., Cost Accountants, Lucknow, Cost Auditors is included in the notice convening the Annual General Meeting.

d) INTERNAL AUDITOR

The internal audit function is carried out by reputed external professional firm covering major business operations which ensures the effectiveness of existing processes, controls and compliances.

During the year under review, M/s D.S.Shukla & Co., Chartered Accountant, Lucknow has conducted internal audit of Green Gas Limited for the financial year 2015-16.

24. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

GGL has put in place an adequate system of internal control commensurate with its size and nature of its



business and continuously focus on strengthening its internal control processes. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company has engaged the services of an independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorised, recorded and reported. Exercises for safeguarding assets and protection against unauthorised use are undertaken from time to time. The company has also installed an extensive CCTV Surveillance system to cover the entire station premises. All these measures are continuously reviewed by the management and as and when necessary improvements are effected.

25. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(5) OF THE COMPANIES ACT, 2013.

Pursuant to the requirement of section 134(5) of the companies Act, 2013 in relation to Directors' Responsibility Statement, it is confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

27. HUMAN RESOURCES

During the year your Company enjoyed harmonious and cordial human relations amongst all its employees. Your Company continued its HR efforts of providing developmental inputs to employees through outbound team building training programmes to develop their knowledge, skills and attitudes.



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Your Company focuses on employee development on a continuous basis. With the aim of encouraging a competitive spirit and winning attitude to take on future challenges, keen attention is given to training programs and workshops.

The Company is reviewing all other HR policies to make them more competitive and aligned with industry practices.

28. BOARD OF DIRECTORS

a) COMPOSITION :-

The Company has six Directors on its Board comprising two Executive Directors namely Managing Director and Director (Commercial), two Non-Executive Directors and two Independent Directors. The composition and category of Directors along with other Directorships as on March 31, 2016:

Name of Directors	Category	Directorship in other company
Shri M. Ravindran (Chairman)	Non-Executive	1. Gail (India) Ltd. 2. ONGC Petro Addition Limited 3. Bhagyanagar Gas Limited 4. Indraprastha Gas Limited
R. Chadda Managing Director	Executive	1. Vadodra Gas Limited 2. Andra Pradesh Gas Distribution Corporation Limited
B.A. Reddy Director (Commercial)	Executive	NIL
G.K. Satish	Non-Executive	1. GSPL India Gasnet Limited 2. GSPL India Transco Limited 3. Indianoil-Adani Gas Pvt. Ltd. 4. Indianoil LNG Private Limited
Narendra Singh	Independent Director	1. Central U.P. Gas Limited
Deepak Kunzru	Independent Director	NIL

b) ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING:-

During the Financial Year ended March 31, 2016, the Board of Green Gas Limited met seven 07 times during the year 2015-16 at regular intervals on 13th May 2015, 20th May 2015, 30th July 2015, 9th September 2015, 4th November 2015, 23rd December 2015 and 9th March 2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Name of Director	46 th BM 13.05.15	47 th BM 20.05.15	48 th BM 30.07.15	49 th BM 09.09.15	50 th BM 04.11.15	51 st BM 23.12.15	52 nd BM 09.03.16	AGM 26.09.15
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Shri M.Ravindran	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri G.K.Satish	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri R. Chadda	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri B.A.Reddy	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes
Shri Narendra Singh	-	-	-	Yes	Yes	Yes	Yes	Yes
Shri Deepak Kunzru	-	-	-	Yes	Yes	Yes	Yes	Yes

The last Annual General Meeting was held on September 26th, 2015.

c) RETIREMENT BY ROTATION

The provisions of Section 152 (6) of the Companies Act, 2013 and Articles of Association of the Company provide for retirement of rotation of the Directors of the Company. Accordingly, Mr. M. Ravindran, (DIN: 02309551) retires by rotation at the ensuing Annual General Meeting and eligible for re-appointment.

d) INDEPENDENT DIRECTORS

Shri Narendra Singh and Dr. Deepak Kunzru has been inducted as an additional Director (Independent Directors) on the Board of Green Gas Limited for a period of three years as per the provisions of companies Act 2013 and have submitted the declarations that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

e) CONSTITUTIONS OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION, CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.

Your company has constituted the following committees as per the provision of Companies Act 2013

1) AUDIT COMMITTEE

The Board constituted the Audit Committee consisting of the following directors

- Shri Narendra Singh, Independent Director, as Chairman
- Dr. Deepak Kunzru , Independent Director
- Shri Raman Chadha, Managing Director

Audit Committee shall act in accordance with the terms of reference which shall, inter alia, include,—



GREEN GAS LIMITED

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- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (ix) Any other matter incidental to the above or connected thereto.

During the year the Committee met five times consecutively on 09-09-2015, 04-11-2015, 26-11-2015, 10-02-2016 and on 19-03-2016,

2) NOMINATION & REMUNERATION COMMITTEE

The Board constituted the Nomination & Remuneration Committee consisting of the following directors

- a) Dr. Deepak Kunzru, Independent Director, as Chairman
- b) Shri Narendra Singh, Independent Director
- c) Shri G.K.Satish, Director (Non-Executive)

Nomination & Remuneration policy is being framed and the Nomination and Remuneration Committee shall, while formulating the policy ensure that—

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
- (d) Any other matter incidental to the above or connected there to

3) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board constituted the Corporate Social Responsibility Committee as per provision of Companies



Act 2013 consisting of the following directors

- a) Shri Raman Chadha, Managing Director, GGL, as Chairman
- b) Shri B.A.Reddy, Director (Commercial), GGL
- c) Shri Narendra Singh, Independent Director, GGL
- d) Dr.Deepak Kunzru , Independent Director, GGL

The CSR Committee is required to -

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time
- d) Any other matter incidental to the above or connected thereto.

During the year the Committee met three times consecutively on 09-09-2015, 26-11-2015 and on 19-03-2016, to discuss on various matters regarding CSR.

29. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of the Companies Act, 2013, the company was required to spend 2% of its average profit for last three years (i.e. Rs. 56.28 lacs) during Financial Year 2015-16. The CSR Committee of Board was constituted during FY 2015-16.

During the year the Committee met three times consecutively on 09-09-2015, 26-11-2015 and on 19-03-2016, to discuss on various matters regarding CSR it took time in formulation of CSR policies etc. The company was not able to spend the money during the year under consideration. The entire amount of Rs. 56.28 lacs is unspent during the year.

However, company is committed to spend CSR budget during the year 2016-17.

30. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

Internal Complaints Committee in compliance with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is being constituted during FY 2016-17.

During the year under review, there were no cases filed pursuant to the provisions of the said Act.

31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant and material orders passed by the Courts or tribunals impacting the going concern status and the Company's operation in future.

32. ACKNOWLEDGEMENT

The Board of Directors wish to place on record their sincere appreciation for the cooperation and



GREEN GAS LIMITED

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continued support extended by its clients, bankers, business associates and regulatory authorities and look forward to their continued support.

Your Directors also wish to thank the promoters (i.e. GAIL & IOCL) for the valuable contribution and support received from time to time.

The Board of Directors also expresses their sincere gratitude to all employees of the company for their cherished services and unstinted efforts during the year. Inspired by the vision of greener cities, your Directors, look forward to the future with confidence.

For and on behalf of the Board of Directors,

B.A.Reddy
Director (Commercial)
DIN: 07060106

Jiledar
Managing Director
DIN: 07560807

Place : Lucknow
Date : 31-08-2016





GREEN GAS LIMITED

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AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS :

i.	CIN	U23201UP2005PLC30834
ii.	Registration Date	07-10-2005
iii.	Name of the Company	GREEN GAS LIMITED
iv.	Category / Sub-Category of the Company	Public Company/Limited By Shares
v.	Address of the Registered office and contact details	Fortuna Tower, 10, Rana Pratap Marg, Lucknow-226001
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NIL

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	



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A. Promoter									
1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/ HUF									
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	46084497	46084497	99.956	0	46084497	46084497	99.956	49.96
e) Banks / FI	0	20000	20000	0.043	0	20000	20000	0.043	39.06
f) Any Other	0	3	3	0.000006	0	3	3	0.000006	
Sub-total(A)(1):-		46104500	46104500	99.999	0	46104500	46104500	99.999	99.999
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
I) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
B. Public Shareholding	0	0	0	0	0	0	0	0	0
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
I) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
2.Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals (I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	5000	5000	0.010850	0	5000	5000	0.010850	9.09



GREEN GAS LIMITED

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(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=	0	0	0	0	0	0	0	0	0
(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	46109500	46019500	100	0	46109500	46019500	100	0

Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	% chan ge in share holding during the year
1.	GAIL(India) Limited	23042250	49.97	Nil	23042250	49.97		NIL
2.	Indian Oil Corporation Limited	23042250	49.97	NIL	23042250	49.97		NIL
	Total	46084500	99.94	NIL	46084500	99.94		NIL

ii. Change in Promoters' Shareholding (please specify, if there is no change

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares the company	% of total shares of	No. of shares company	% of total shares of the
	At the beginning of the year	23042250	49.97	23042250	49.97
	Date wise Increase /				



GREEN GAS LIMITED

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	Decrease in Promoters Share holding during the year	0	0	0	0
	At the End of the year	23042250	49.97	23042250	49.97
Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares the company	% of total shares of	No. of shares company	% of total shares of the
	At the beginning of the year Date wise Increase /	23042250	49.97	23042250	49.97
	Decrease in Promoters Share holding during the year/decrease	0	0	0	0
	At the End of the year	23042250	49.97	23042250	49.97

IV INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	569.01	-	-	569.01
ii) Interest due but not paid	5.08			5.08
iii) Interest accrued but not				
Total (i+ii+iii)	574.09			574.09
Change in Indebtedness during the financial year				
- Addition	568.99	-	-	
- Reduction				
Net Change				
Indebtedness at the end of the financial year	NIL	-	-	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	-	-	NIL



IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. R Chadha and Mr. B.A.Reddy				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	48,96,565+3704644				8601209
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
6.	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors · Fee for attending board/ committee meetings · Commission · Others, please specify	Mr.Narendra Singh-1,90,000 Mr.Deepak Kunzru -1,90,000				3,80,000
	Total (1)					3,80,000
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (2)					3,80,000
	Total (B)=(1+2)					3,80,000



C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		1199935	1469156	2669091
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	Total				

V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any(give details)
A. Company NIL					
Penalty					
Punishment					
Compounding					
B. Directors NIL					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default NIL					
Penalty					
Punishment					
Compounding					



GREEN GAS LIMITED

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**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[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,
GREEN GAS LIMITED,
(CIN – U23201UP2005PLC030834)
FORTUNA TOWER 2ND FLOOR
10 RANA PRATAP MARG
LUCKNOW-226001
UTTAR PRADESH

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s GREEN GAS LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion

- i. The Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also
- ii. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;-Not applicable as the securities issued by the Company are not listed during the period under review
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;- Not applicable as the securities issued by the Company are not listed during the period under review
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;-Not applicable as the Company has not made any such transactions during the financial year under review
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not applicable as the Company has not made any public offer of securities



during the period under review;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- Not applicable as the Company has not made any public offer of securities during the period under review;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the Company has not made any public offer of securities during the period under review;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not granted any options during the financial year under review
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.
- vi. The following other laws as may be applicable specifically to the Company:
 - (a) The Air (Prevention and Control Pollution) Act, 1981
 - (b) The Water (Prevention and Control Pollution) Act, 1974
 - (c) The Environment Protection Act, 1986
 - (d) Gas Cylinders Rules, 2004
 - (e) The Legal Metrology Act, 2009
 - (f) Explosives Rules, 2008
 - (g) Explosives Act, 1884
 - (h) The Petroleum and Natural Gas Regulatory Board Act, 2006
 - (i) Petroleum Rules, 2002
 - (j) The Petroleum Act, 1934

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited for its debt instruments. – Not applicable as the securities issued by the Company are not listed during the period under review



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

- (i) The Company has made partial compliance pursuant to the Secretarial Standards and needs to improve upon the same and the requirements of Section 177 of the Companies Act, 2013, pertaining to the evaluation of the directors, Board and committees thereof needs to be complied with.
- (ii) The Company has not filed/filed MGT-7/filed with delay certain forms/returns/documents etc. with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur under the provisions of the Companies Act, 2013.
- (iii) The company has not complied with the requirements of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013
- (iv) Compliance pertaining to Related Party Transactions, Internal Financial Controls and Risk Management Systems needs to be strengthened by the company. The company has constituted the Corporate Social Responsibility (CSR) Committee in terms of Section 135 of The Companies Act, 2013 and the rules framed thereunder, however the company has not spend any money on CSR activities during the financial year under review.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.
- The meetings of the Board of Directors and committee thereof are generally held on a shorter notice and intimation is given to all directors to schedule the Meetings. Agenda and detailed notes on agenda are sent to all the directors. However, I have noted delay in sending agenda papers in few cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that the systems and processes in the Company require further strengthening and improvements, considering the size and operations of the Company to enable better monitoring and ensuring of timely compliance with applicable laws, rules, regulations and guidelines.

(TANU AGARWAL)

Practicing Company Secretary

Membership No. : F-5514

C.P. No. 14615

Date: 23.08.2016

Place: Lucknow

Note: This report should be read with the letter of even date by the Secretarial Auditors.



GREEN GAS LIMITED

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To,
The Members,
Green Gas Limited
2nd Floor, Fortuna Towers,
10, Rana Pratap Marg,
Lucknow- 226 001

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as are 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure 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.

(TANU AGARWAL)
Practicing Company Secretary
Membership No. : F-5514
C.P. No. 14615
Date: 23.08.2016
Place: Lucknow



GREEN GAS LIMITED

For Better Environment and Clean Air to Breathe

BALANCE SHEET AS AT MARCH 31, 2016

(Rs. in Lacs)

PARTICULARS	NOTE		As At 31.03.2016		As At 31.03.2015
I. EQUITY & LIABILITIES					
(1) Shareholders' Funds					
(a) Equity Share Capital	2		4,610.95		4,610.95
(b) Reserves and Surplus	3		16,193.90		12,747.67
(2) Share Application Money	4		-		-
Pending allotment					
(3) Non Current Liabilities					
(a) Long Term Borrowings	4		-		152.31
(b) Deferred Tax Liabilities	5		1,254.37		947.52
(c) Long Term Provisions	6		79.54		75.30
(4) Current Liabilities					
(a) Trade Payables	7		1,054.23		1,098.63
(b) Other Current Liabilities	8		2,146.43		2,592.82
(c) Short Term Provisions	9		186.96		136.05
Total			25,526.38		22,361.25
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		12,996.04		11,735.92	
(ii) Intangible Assets		15.21		0.69	
(iii) Capital Work in Progress		6,074.78	19,086.03	3,936.50	15,673.11
(b) Long-Term Loans And Advances	11		52.31		600.09
(c) Other Non-current Assets			-		-
(2) Current Assets					
(a) Inventories	12		160.60		181.52
(b) Trade Receivables	13		909.13		745.00
(c) Cash & Bank Balances	14		4,976.16		4,901.64
(d) Short Term Loan & Advances	15		179.48		165.06
(e) Other Current Assets	16		162.67		94.83
Total			25,526.38		22,361.25

Significant Accounting Policies

1

Notes to Accounts

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Notes referred to above form part of Financial Statements

For and on behalf of Board

As per our report of even date

For R. M. Lall & Co.

FRN. No. 000932C

Chartered Accountants

S K Singh

Chief Financial Officer

Vikas C. Srivastava

Partner

Membership No. : 401216

B A Reddy

Director (Commercial)

DIN : 07060106

R Chadha

Managing Director

DIN : 06842809

Place : Lucknow

Date : 11/05/2016

Place : Lucknow

Date : 11/05/ 2016



GREEN GAS LIMITED

For Better Environment and Clean Air to Breathe

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Rs. in Lacs)

PARTICULARS	NOTE	For the year ended 31.03.2016	For the year ended 31.03.2015
REVENUE			
Revenue from operations	17	17,872.77	16,237.57
Other Income	18	456.34	190.47
Total Revenue		18,329.11	16,428.04
EXPENDITURE			
Cost of Raw materials consumed		10,045.33	9,606.95
Change in inventories of Finished goods and Stock in trade		0.73	(0.70)
Employee Benefits Expense	19	273.31	270.93
Finance Costs	20	29.47	61.92
Depreciation & Amortisation Expense	10	480.61	484.64
Other Expenses	21	2,166.58	1,932.37
Total Expenditure		12,996.03	12,356.11
Profit before exceptional and extra ordinary items and tax		5,333.08	4,071.93
Exceptional Items		-	-
Profit before Tax		5,333.08	4,071.93
Less: Tax Expense			
- Current Tax		1,580.00	1,116.00
- Deferred Tax		306.85	278.89
Profit/(loss) for the year from continuing operations		3,446.23	2,677.04
Profit/(loss) for the year		3,446.23	2,677.04
Basic Earnings per Share (in Rs.)		7.47	1,519.41
Diluted Earnings per Share (in Rs.)		7.47	1,519.41

Significant Accounting Policies 1
Notes to Accounts 2 - 36
Notes referred to above form part of Financial Statements

For and on behalf of Board

As per our report of even date

For R. M. Lall & Co.

FRN. No. 000932C

Chartered Accountants

S K Singh

Chief Financial Officer

Vikas C. Srivastava

Partner

Membership No. : 401216

B A Reddy

Director (Commercial)

DIN : 07060106

R Chadha

Managing Director

DIN : 06842809

Place : Lucknow

Date : 11/05/2016

Place : Lucknow

Date : 11/05/ 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	CURRENT YEAR 31st MARCH 2016 Amount (Rs.Lacs)		PREVIOUS YEAR 31st MARCH 2015 Amount (Rs.Lacs)	
Cash flow from Operating Activities				
Net profit before taxation and prior period adjustment		5,333.08		4,071.93
Add:				
Depreciation	480.61		484.64	
Interest Expense	29.47		56.86	
Preliminary expenses written off		510.08		541.50
Less:				
Depreciation written back	1.34			
Interest Income	350.18		163.57	
		351.52		163.57
Operating profit before working capital changes		5,491.63		4,449.86
Changes in the Working Capital				
Decrease/(Increase) in Inventories	20.92		59.69	
Decrease/(Increase) in Trade receivables	(164.13)		343.90	
Decrease/(Increase) in Long term Loans & Advances	547.78		(569.43)	
Decrease/(Increase) in Short term Loans & Advances	(14.42)		42.12	
Decrease/(Increase) in Other current assets	(67.84)		(31.29)	
(Decrease)/Increase in other Current Liabilities	(446.39)		1,456.29	
(Decrease)/Increase in Long term Provisions	4.24		15.60	
(Decrease)/Increase in Short term Provisions	50.90		135.38	
(Decrease)/Increase in Trade payables	(44.40)	(113.33)	563.47	2,015.73
Cash generated from operations		5,378.30		6,465.59
Taxes		1,580.00		1,116.00
Net cash from operating activities (A)		3,798.30		5,349.59
Cash flow from Investing Activities				
Add:				
Interest Income	350.18		163.57	
Less:				
Purchase of Fixed Asset (including CWIP)	3,892.20	(3,542.01)	1,462.48	(1,298.91)
Net cash from investing activities (B)		(3,542.01)		(1,298.91)
Cash flow from Financing Activities				
Add:				
Proceeds from Borrowings (Net)	(152.31)		(416.70)	
Less:				
Interest Expense	29.47		56.86	
Repayment of borrowings		(181.78)		(473.56)
Net cash from financing activities (C)		(181.78)		(473.56)



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Net increase/(decrease) in cash and cash equivalents (A+B+C)		74.52		3,577.12
Cash & cash equivalents at beginning of financial year (Note 14)		4,901.64		1,324.51
Cash & cash equivalents at end of financial year (Note14)		4,976.16		4,901.63

Notes referred above forming part of Cash Flow Statement

For and on behalf of Board

As per our report of even date

For R. M. Lall & Co.

FRN. No. 000932C

Chartered Accountants

Vikas C. Srivastava

Partner

Membership No. : 401216

Place : Lucknow

Date : 11/05/2016

S K Singh

Chief Financial Officer

B A Reddy

Director (Commercial)

DIN : 07060106

Place : Lucknow

Date : 11/05/2016

R Chadha

Managing Director

DIN : 06842809

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016****1. Significant Accounting Policies****a) Basis of preparation of financial statements**

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with Generally Accepted Accounting Principles and applicable accounting standards referred to in section 133 of the Companies Act, 2013 and other relevant provisions of the Act.

b) Fixed assets

- i. Fixed Assets are stated at original cost less accumulated depreciation. Original cost includes freight, duties, taxes and other incidental expenses relating to acquisition and installation. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on estimated basis, subject to necessary adjustment in cost and depreciation in the year of settlement.
- ii. Machinery spares, which can be used only in connection with an item of fixed asset and their use is expected to be irregular, are capitalized with the cost of that fixed asset and are depreciated fully during the remaining useful life of that asset.

c) Impairment of Assets

The carrying amount of the 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 the assets is estimated. 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 will be reversed if there are changes in estimates used to determine the recoverable amount in future periods. An impairment loss is reversed only to the extent that the carrying amount of assets does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

d) Depreciation /Amortization

- i. Depreciation/amortisation on Fixed Assets other than those mentioned below is provided in accordance with useful life as specified in Schedule II of the Companies Act, 2013, on straight line method on pro-rata basis.
 - Assets costing up to Rs. 5,000/- are depreciated fully in the year of capitalization.
 - Cost of leasehold land is amortized over the lease period.
 - Computer Software are amortized on straight line method over a period of 5 years.
 - After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.



- ii. Capital assets installed at the consumers' premises have been depreciated on SLM basis in accordance with useful life as specified in Schedule II of the Companies Act, 2013.

e) Intangible Assets

Intangible assets like software, licenses which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

f) Capital Work in Progress

- i. Any compensation is accounted for under Capital Work-in-Progress on the actual payments/ estimated liability, as and when work commences where right of use is acquired.
- ii. The Capital Work-in-Progress includes value of materials/ equipments, etc, received at site and/or Store for use in the Projects.

g) Expenses Incurred During Construction Period

All expenditure incurred during the year, which is exclusively attributable to acquisition/ construction of fixed assets, is capitalized at the time of commissioning of such assets.

h) Inventories

- i. Raw material (Natural Gas) is valued at Cost on First in First Out (FIFO) basis or Net Realisable Value, whichever is lower.
- ii. Finished goods - Stock of Compressed Natural Gas (CNG) in cascades is valued at Cost or Net Realizable Value, whichever is lower.
- iii. Stores & Spares are valued at weighted average Cost or Net Realizable Value, whichever is lower.

i) Revenue recognition

Sales:

CNG: Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from CNG stations.

PNG: Revenue on sale of Piped Natural Gas (PNG) is recognized based on the consumption by the consumer.

Interest:

Interest income from deposits is recognized on prorated basis taking into account the amount outstanding and the rate applicable

Claims (including interest on outstanding) are accounted:

- a) When there is certainty that the claims are realizable



b) **Generally at cost**

Income and expenditure upto Rupees One lakhs in each case pertaining to previous years are accounted for in the current year.

Pre-paid expenses upto Rupees One lakhs in each case are charged to Statement of Profit & Loss in the year in which it is incurred.

j) **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account above Rs. 5 lakhs, in each case, are considered for disclosure.

k) **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of an eligible capital asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

l) **Taxation**

Income tax expense comprises current tax (that is amount of tax for the period determined in accordance with the Income tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liability or deferred tax asset are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization. Such assets are reviewed at each Balance Sheet date to reassess realization. Where there are unabsorbed depreciation and carry forward losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized in future.

m) **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.

Contingent Liability:

- i) is a possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events, not wholly within the control of the enterprise,
- ii) is a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.



n) Foreign Currency Transactions

Transactions in foreign currency are translated at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities are translated at exchange rates prevailing as at the year end. Exchange gains or losses arising out of fluctuation in exchange rates on settlement during the year and/or translation at year end are recognized in the statement of profit and loss.

o) Employee Benefits

Short Term Employee Benefits:

Short Term Employee benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which related service is rendered.

Post Employment Benefits

Defined Contribution Plans:

Provident Fund: Contribution to provident fund is made in accordance with the provisions of the employee provident fund and miscellaneous provisions act, 1952 and is recognized as an expense in the statement of profit and loss.

Defined Benefit Plans:

Gratuity: Provision for gratuity liabilities to employees is made on the basis of actuarial valuation as at the close of the year.

Leave with Wages: Provision for leave with wages is made on the basis of actuarial valuation as at the close of the year.

p) Operating Lease

Lease rentals are recognized as an expense in the statement of profit and loss on straight line basis over the term of the lease.

q) Earnings Per Share

Basic earnings per share are computed using the weighted average numbers of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average numbers of equity shares and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

r) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements, disclosure of contingent



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liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual result could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.

s) **Cash Flow Statement**

Cash Flows are reported using the indirect method as provided in Accounting Standard-3, whereby profit (loss) before extra-ordinary items and tax is adjusted for the effect of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investment or financing activities of the company or segregated based on the available information.





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(Rs. in Lacs)

Notes to Financial Statements	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.		
2. Share Capital				
Authorised				
10,30,00,000 Equity Shares of Rs. 10/- each	10,300.00	10,300.00		
	<u>10,300.00</u>	<u>10,300.00</u>		
Issued, Subscribed and Paid up	4,610.95	4,610.95		
4,61,09,500 Equity Shares of Rs. 10/- each fully paid up				
	<u>4,610.95</u>	<u>4,610.95</u>		
a. Reconciliation of shares outstanding at the beginning and at the end of the year.				
Equity Shares	As at 31 st March 2016	As at 31 st March 2015		
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,109,500	4,610.95	50,000	5.00
Shares Issued during the year	-	-	46,059,500	4,605.95
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	46,109,500	4,610.95	46,109,500	4,610.95
b. Terms / Rights attached to Equity Shares.				
The company has only one class of Equity Shares having par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share.				
In the event of liquidation of the company Equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.				
c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates				
There is no holding / ultimate holding company of the company				
d. Details of Shareholders holding more than 5% shares in the company.				
	As at 31 st March 2016		As at 31 st March 2015	
Name of Shareholder	No. of	% of	No. of	% of
	Shares held	Holding	Shares held	Holding
GAIL (India) Limited	23,042,250	49.97%	23,042,250	49.97%
Indian Oil Corporation Limited	23,042,250	49.97%	23,042,250	49.97%
e. The company has not issued any shares for consideration other than cash or by way of bonus shares and no shares have been bought back during the period of five years immediately preceding the reporting date.				
	As at 31 st March 2016		As at 31 st March 2015	
3. Reserves and surplus				
Surplus in Statement of Profit and Loss				
Opening balance	12,747.67		10,070.63	
Add : Surplus for the year	3,446.23		2,677.04	
Total	<u>16,193.90</u>		<u>12,747.67</u>	



4. LONG- TERM BORROWINGS

PARTICULARS	TOTAL		Non-Current Portion		Current Portion	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Term loans (Secured)						
From Banks						
Corporation Bank	-	569.01	-	152.31	-	416.70
	-	569.01	-	152.31	-	416.70
Less:						
Amount disclosed under the head "Other Current Liability" (Refer Note 9)	-	416.70	-	-	-	416.70
	-	152.31	-	152.31	-	-

- a** Corporation Bank has sanctioned Term Loan of Rs 50 crores in Terms of Agreement dated 11th September 2013 against which draw down of Rs 5.69 crores had already been availed at an interest rate of base rate plus 0.25%. The Loan was to be repaid in 72 equal monthly installments starting from Oct, 2015, however, the whole amount of Loan has been repaid before 31st March 2016. Thus the closing balance of the loan is NIL. The loan was secured by first pari passu charge on the movable and immovable fixed assets of the project of the company.

	As at 31st March 2016	As at 31st March 2015
5 Deferred Tax Liabilities (Net)		
Deferred Tax Liability (net) as on 31 st March, 2016 is as follows:		
Opening Balance	947.52	668.63
Restatement of Opening Balance	964.75	668.63
Deferred Tax Liability on account of Timing difference on account of depreciation	291.09	282.58
Less: Deferred tax assets arising on account of Provision for Employee benefits and others	(1.47)	(3.69)
Net deferred tax liability	<u>1,254.37</u>	<u>947.52</u>
6 Long-Term Provisions		
Provision for Employee Benefits		
Provision for Leave Encashment	34.10	33.28
Provision for Sick Leave	13.15	11.84
Provision for Gratuity	32.29	30.18
Total	<u>79.54</u>	<u>75.30</u>



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	As at 31st March 2016	As at 31st March 2015
7 Trade payables		
Due to Micro and Small Enterprises	66.98	101.91
Due to Others	987.25	996.72
Total	<u>1,054.23</u>	<u>1,098.63</u>
8 Other current liabilities		
Current maturities of long-term debt	-	416.70
Interest accrued and due	-	5.08
Other liabilities		
Sundry creditors for capital items	672.08	1,202.34
TDS and other statutory liabilities	121.30	73.32
<u>Other payables</u>		
Retention Money, EMD, Deposits & Security Deposit PNG	1,330.32	887.92
Expense Payable	17.66	3.53
Other Current Liabilities	5.07	3.92
Total	<u>2,146.43</u>	<u>2,592.82</u>
9 Short-term provisions		
Provision for Income tax	6,425.60	4,845.59
Less: Prepaid Taxes	6,238.64	4,709.54
Total	<u>186.96</u>	<u>136.05</u>



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10 FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS AMOUNT			DEPRECIATION/AMORTIZATION					NET BLOCK	
	As At 01.04.2015	Additions during the year	Sales/ Adjustments during the year	As At 31.03.2016	As At 01.04.2015	For the year	Adjust ments	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
(A) Tangible Assets										
Freehold land	1,881.94	557.54	-	2,439.48	-			-	2,439.48	1,881.94
Leasehold Land	57.32	-	-	57.32	8.46	0.94		9.40	47.92	48.86
Factory Buildings	679.35	-	-	679.35	105.44	21.36		126.80	552.55	573.91
Plant and Machinery	12,355.86	1,174.59	5.98	13,524.47	3,158.03	450.99	1.34	3,607.68	9,916.78	9,197.82
Furniture and Fixtures	48.14	0.72	-	48.86	18.97	3.79		22.76	26.10	29.17
Computers	25.64	12.35	-	37.99	21.41	3.36		24.77	13.21	4.22
Total (A)	15,048.25	1,745.20	5.98	16,787.46	3,312.31	480.44	1.34	3,791.41	12,996.04	11,735.92
(B) Intangible Assets										
Computer Software	28.80	14.69	-	43.49	28.11	0.17	-	28.28	15.21	0.69
Total (A)	28.80	14.69	-	43.49	28.11	0.17	-	28.28	15.21	0.69
GRAND TOTAL (A+B)	15,077.05	1,759.89	5.98	16,830.96	3,340.42	480.61	1.34	3,819.69	13,011.25	11,736.61
Previous Year	14,433.13	643.91	-	15,077.05	2,855.79	484.64	-	3,340.42	11,736.61	11,577.34



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	As at 31st March 2016	As at 31st March 2015
11 Long-Term Loans And Advances (Unsecured, considered good)		
Security Deposits	52.31	34.50
Capital Advance	-	565.59
Total	52.31	600.09
12 Inventories		
Raw Material		
Natural Gas	5.36	5.86
Finished Goods		
Compressed Natural Gas	3.51	3.75
Stores & Spares	151.73	171.92
Total	160.60	181.52
13 Trade Receivables (Unsecured Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	104.33	87.65
	104.33	87.65
-Others	804.80	657.35
Total	909.13	745.00
14 Cash and Bank balances		
Cash and cash equivalents		
Cash balance on hand	22.37	22.25
Balances with banks	368.17	796.31
Other Bank balances		
Fixed deposits *	4,585.62	4,083.08
Total	4,976.16	4,901.64
* Fixed Deposits includes FDR of Rs. 12.57 lacs ear-marked		
15 Short-term loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	32.06	28.61
Advances to Others	61.01	-
Insurance Claim receivable	5.11	-
Security Deposits	2.00	2.00
Prepaid Expenses	14.71	14.55
Income Tax Refundable	29.55	29.55
Deferred Cenvat Credit Recoverable	23.92	47.35
Cenvat Credit Recoverable	11.12	43.01
Total	179.48	165.06



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		As at 31st March 2016	As at 31st March 2015
16 Other Current Assets			
(Unsecured, considered good)			
Unbilled Revenue		36.37	23.29
Interest Accrued		126.30	71.54
Total		<u>162.67</u>	<u>94.83</u>
17 Revenue from operations			
Sale of Compressed Natural Gas	19,991.45		18,180.04
Less: Excise Duty	<u>2,456.68</u>	17,534.77	<u>2,291.17</u>
			15,984.73
Sale of Piped Natural Gas		338.00	252.84
Total		<u>17,872.77</u>	<u>16,237.57</u>
18 Other Income			
Interest received from bank		350.18	163.57
Provisions no longer required written back		-	-
Excess Provision written back		0.04	8.19
Miscellaneous income		106.12	18.71
Total		<u>456.34</u>	<u>190.47</u>
19 Employee benefits expense			
Salaries and wages		255.07	252.10
Staff welfare		4.69	4.86
Contribution to Provident & Other Funds		13.55	13.98
Total		<u>273.31</u>	<u>270.93</u>
20 Finance costs			
Interest on term loans		29.47	61.92
Total		<u>29.47</u>	<u>61.92</u>
21 Other expenses			
Operating Expenses at CNG Stations		258.77	251.79
Fuel expenses		457.21	455.23
Compressor Operation and Maintenance Charges		445.05	365.44
Operation and Maintenance Dispensers		35.20	20.84
Rent		79.57	74.56
Hire Charges:			
-Equipment and LCV		241.41	231.96
Vehicle Hire and Running Expenses		41.49	33.93
Repairs & Maintenance			
-Plant and Machinery	66.56		59.69
-Others	<u>13.83</u>	80.39	<u>14.80</u>
			74.49
Auditors Remuneration			
as auditors	3.20		3.20
out of pocket expenses	<u>-</u>	3.20	<u>1.59</u>
Office Expenses		97.59	86.29



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Electricity Expenses	38.17	37.28
Printing and Stationery	15.42	17.36
Legal and Professional Expenses	18.97	9.87
Travelling Expenses	27.02	21.05
Bank Charges	3.31	4.32
Security Expenses	155.72	163.08
Sitting fees	3.80	-
Prior Period Expense		
Excise duty on difference in Closing and Opening Stock	-	0.09
Miscellaneous Expenses	164.29	79.99
Total	<u>2,166.58</u>	<u>1,932.37</u>



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22. Contingent Liabilities & Commitments (to the extent not provided for) :

i. contingent Liabilities :

Sr.	No.Particulars	As at 31.03.2016 (Rs. In Lacs)	As at 31.03.2015 (Rs. In Lacs)
(a)	Claims against the Company not acknowledge as debts	55.81	49.81
(b)	Tax related matters*	198.00	200.05
(c)	Other Matters**	1800.00	1800.00
(d)	Letter of Credit	816.73	-
(e)	Bank Guarantee	305.20	-
	Total	3175.74	2049.86

* Tax Related Matters

- (a) A demand of Rs. 20.86 Lacs which includes a penalty of Rs. 10.43 Lacs had been raised for the year 2006-2007 for Cenvat Credit of Central Excise Agra, against which the company has filed an appeal with CESTAT and has obtained a stay order to dispense with the condition of pre-deposit of the amount of demand raised.
- (b) A demand of Rs. 8.41 Lac had been raised by U P Commercial Tax Department for the financial year 2005-2006 against which company has filed appeal with Tribunal, Commercial Tax Lucknow.
- (c) A demand of Rs. 38.12 Lacs had been raised by U P Commercial Tax Department for the financial year 2006-2007 against which company has filed appeal in Tribunal, Commercial Tax, Lucknow.
- (d) A demand of Rs. 6.78 Lacs had been raised by U P Commercial Tax Department for the financial year 2010-2011 against which company has filed appeal with Additional Commissioner (Appeal), Commercial Tax, Lucknow.
- (e) A demand of Rs. 20.95 Lacs had been raised by U P Commercial Tax Department for the financial year 2011-2012 against which company has filed appeal with Additional Commissioner (Appeal), Commercial Tax, Lucknow.
- (f) In respect of Assessment Year 2011-2012, Income Tax Department has disallowed certain expenses claimed by the Company and has made a tax demand of Rs. 94.36 Lacs on account of the same. The Company has filed an appeal against the aforesaid demand and the same is pending with Commissioner (Appeal) Income Tax, Lucknow.
- (g) In respect of Assessment Year 2012-13, Income Tax Department has disallowed certain expenses (Rs. 7.50 lacs) claimed by the Company and has made a tax demand of Rs. 8.52 Lacs on account of the same. The Company has filed an appeal against the aforesaid demand and same is pending with Commissioner (Appeals) Income Tax, Lucknow.

** Other Demands

- a) A demand of Rs. 1,000.00 Lacs and Rs. 800.00 Lacs has been raised on 13th March 2014 towards Building Cess by the Building and Other Construction Workers Welfare Board, Ministry of Labour UP under Building and Other Construction Workers Welfare Cess Act 1996 for Lucknow and Agra respectively. As per the legal opinion obtained by the company the provisions of Building and Other Construction Workers Welfare Cess Act 1996 are not applicable to the company. The company has



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filed its reply to the concerned department with a request to quash the said demands.

In the opinion of the management and based on earlier decisions of applicable authorities, the demands raised are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

ii. Commitments :

Sr.No.	Particulars	As at 31.03.2016 (Rs. In Lacs)	As at 31.03.2015 (Rs. In Lacs)
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	4727.68 Nil	3206.48 Nil
(b)	Uncalled Liability on shares and other investments partly paid		
(c)	Other commitments	Nil	Nil
	Total	4727.68	3206.48

23. Capital Work in Progress

Sr. No.	Particulars	As at 31.03.2016 (Rs. In Lacs)			As at 31.03.2015 (Rs. In Lacs)		
		Lucknow	Agra	Total	Lucknow	Agra	Total
(a)	Opening Balance	3058.3	878.2	3936.5	2411.10	706.84	3117.94
(b)	Additions during year	2155.58	1153.52	3309.1	1,114.72	344.47	1,459.19
(c)	Capitalized during year	867.44	303.37	1170.81	467.52	173.11	640.63
(d)	Closing Balance	4346.44	1728.35	6074.79	3058.30	878.20	3936.50

(e) Capital Work in Progress includes material at Stores, material at Site and cost of ongoing projects.

(f) Assets and Capital Work in Progress are capitalized in the books of accounts as the when they are put to use or ready to use.

24. On overall basis, assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the financial statements.

25. Earning per share

Particulars	Year ended March 31,2016	Year ended March 31,2015
Net Profit /(loss) attributable to Share holders (Rs. In Lacs)	3446.23	2677.06
Weighted Average Number of equity shares	46,109,500	176,190
Basic Earnings per Share of Rs. 10/- each (in Rs.)	7.74	1519.41
Diluted Earnings per Share of Rs. 10/- each (in Rs)	7.47	1519.41

26. Segement Reporting

The Company has only one line of business, which is manufacture and sale of compressed natural gas



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(CNG) and Piped Natural Gas (PNG). There are no other reportable segments as per Accounting Standard (AS)-17 on "Segment Reporting" as issued by the Companies (Accounting Standards) Rules, 2006.

27. In accordance with the Account Standard (AS-28) on Impairment of Assets, the company has assessed whether any indications (listed in paragraphs 8 to 10 of the Standard) with regard to impairment of any assets exists as on Balance sheet date. Based on such assement, It has been ascertained that there are no such indications and thereby no formal estimate of recoverable amount has been made. Accordingly, no impairment loss has been provided in the books of account.

28. Employee Benefits :

Sr.	No.Particulars	Gratuity (Funded) (Rs. In lacs) (31 st March)		Leave Encashment (Non Funded) (Rs. In lacs) (31 st March)		Sick Leave Encashment (Non Funded) (Rs. In lacs) (31 st March)	
		2016	2015	2016	2015	2016	2015
1.	Reconiliation of opening and closing balance of the present value of defined benefit obligations (PVO):						
	PVO at the Beginning of the year	44.74	31.28	33.28	31.22	11.84	9.22
	Current Service Cost	7.30	5.87	5.34	4.54	1.97	1.61
	Interest Cost	3.50	2.81	2.60	2.81	0.93	0.83
	Actuarial (gain) loss	(5.66)	4.77	(0.97)	7.14	(1.60)	0.19
	Benefit paid	Nil	Nil	(6.15)	(12.43)	Nil	Nil
	Past service cost						
	PVO at the end of the year	49.88	44.74	34.10	33.28	13.14	11.84
2.	Fair Value of Plan Assets						
	Fair Value of Plan assets at the beginning of the period	14.56	11.35	Nil	Nil	Nil	Nil
	Actual return on plan assets	1.68	1.20	Nil	Nil	Nil	Nil
	Contributions	1.35	2.02	Nil	Nil	Nil	Nil
	Benefits Paid	Nil	Nil	Nil	Nil	Nil	Nil
	Fair Value of Plan assets at the end of the period	17.59	14.56	Nil	Nil	Nil	Nil
3.	Amount recognized in the Profit and Loss account :						
	Current Service Cost	7.30	5.87	5.34	4.54	1.97	1.61
	Interest Cost	3.50	2.84	2.60	2.81	0.93	0.83
	Expected Return on Plan Asset	(1.28)	(0.99)	Nil	Nil	Nil	Nil
	Actuarial (gain) loss	(6.05)	4.57	(0.97)	7.14	(1.60)	0.18
	Net Cost	3.47	12.27	6.97	14.49	1.30	2.62



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4.	Amount recognized in the Balance Sheet						
	Present Value of obligation at the end of the period	49.88	44.74	34.10	33.28	13.14	11.84
	Fair Value of Plan Assets	17.59	14.56	Nil	Nil	Nil	Nil
	Funded Status	(32.29)	(30.18)	Nil	Nil	Nil	Nil
	Net Liability recognized in the Balance Sheet	32.29	30.18	34.10	33.28	13.14	11.84
5.	Assumptions used in accounting for the benefit plan :						
	Discount Rate (%)	8.00 %	9.00 %	8.00 %	9.00 %	8.00 %	8.25 %
	Salary escalation rate (%)	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00%

29. Related Party Transactions

Disclosure as required by Accounting Standard (AS-18) on "Related Party Disclosures" issued under Companies (Accounting Standard) Rules, 2006.

List of related parties as on 31.03.2016:

- (a) Promoter venturer :
 - i. GAIL (India) Limited
 - ii. Indian Oil Corporation Limited
- (b) Key management personnels (KMPs) :
 - i. Mr. M. Ravindran, Chairnam
 - ii. Mr. R Chadha, Managing Director
 - iii. Mr. G. K. Satish, Director
 - iv. Mr. B A Reddy, Director Commercial
 - v. Mr. S. K. Singh, Chief Financial Officer
 - vi. Mr. Rajeev Guglani, Company Secretary

Transactions with related parties during the year

(Rs. In Lacs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Value of Transactions during the year	Outstanding Balance at the Year end March 31, 2016	Value of Transaction during the previous year	Outstanding Balance at the Year end March 31, 2015
GAIL (India) Limited	Enterprise having Significant Influence.	Purchase of Nature Gas	10179.73	486.07 Cr	9431.72	423.48 Cr
		Remuneration (Secondment Expenses)	49.84	4.13 Cr	43.19	3.79 Cr



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		Other Expenditure / Payments	Nil	Nil	Nil	Nil
		Security deposits	Nil	2.00 Dr	Nil	2.00Dr
GAIL Gas Limited	Subsidiary of Enterprises having Significant Influence	Purchase of Natural Gas	356.78	14.40 Cr	1603.99	6.47Cr
Indian Oil Corporation Limited	Enterprise having Significant Influence	Purchase of Natural Gas	Nil	Nil	Nil	Nil
		Sale of CNG	9744.58	551.65 Dr	8752.58	496.05 Dr
		Remuneration (Secondment Expenses)	37.67	Nil	39.07	Nil
Key Management Personnel						
Shri Ramar Chadha	Managing Director (w.e.f. 13.12. 2014)	Remuneration (Secondment Expenses)	49.84	N.A.	11.43	N.A.
Shri S. P. Sharma	Managing Director (w.e.f. 12.12. 2014)	Remuneration (Secondment Expenses)	N.A.	N.A.	32.58	N.A.
Shri B A Reddy	Director (Commercial)	Remuneration (Secondment Expenses)	37.67	N.A.	11.80	N.A.
Shri Aseem Kashyap	Director (Commercial)	Remuneration (Secondment Expenses)	N.A.	N.A.	27.27	N.A.
Sri S. K. Singh	Chief Financial Officer	Salary & Allowances	16.15	N.A.	15.23	N.A.
Sri Rajeev Guglani	Company Secretary	Salary & Allowances	10.81	N.A.	11.76	N.A.

Salaries, allowances and other related payments include payments made to the related Companies on account of Key management personnel which are also disclosed separately.

30. The information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule – III of the Companies Act, 2013 :

a) **Information regarding raw material & stores and spares consumed :**



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Particulars	31 st March, 2016 (Rs. in Lacs)	Percentage	31 st March 2015 (Rs. in Lacs)	Percentage
Raw Material				
Natural Gas	10044.60	100 %	9607.67	100 %
Stores & Spares				
Indigenous	33.77	100 %	14.74	100 %
Imported	-	-	-	-
Total	33.77	100 %	14.74	100 %

b) CIF value of Imports :

- i) Capital goods : Nil
(Previous Year Nil)
- ii) Spare parts and components : Nil
(Previous Year Nil)

c) Others :

- i) Expenditure in Foreign Currency : Nil
(Previous Year Nil)
- ii) Earnings in Foreign Currency : Nil
(Previous Year Nil)

31. Registry of title deeds in the name of the company for the land at CNG station, Gomti Nagar, Lucknow is pending.
32. The company's vendor, GAIL India Limited had raised a claim of Rs. 145.98 lacs during the financial year 2011-2012 towards the balance amount of spur line charges due to it with respect to previous years. The same was not shown under contingent liability since the management was of the view that the vendor's claim was not tenable. During the financial year 2012-2013, GAIL India Limited has reversed the aforesaid claim in line with the contention of the company. For the same, company had lodged a claim of Rs. 946.47 lacs on account of spur line charges recoverable in terms of existing agreement and which have already been paid to GAIL India Limited. The store is pending for settlement.
33. The company's customer, Indian Oil Corporation Limited has deducted Rs. 6.21 Lacs on a unilateral basis out of its dues to the company on account of sale of compressed natural gas towards electricity charges for the financial year 2012-2013 for Vyom online station at Agra. The said amount is disputed by the company and has not been adjusted in the books of account.
34. During the year Company has not incurred any expenses toward Corporate Social Responsibility activities as required under Section 135 of the Companies Act 2013.
35. The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:



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Particulars	Year ended March 31, 2016	Year ended March, 31, 2015
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

36. Previous year figures have been regrouped and reclassified wherever considered necessary. Figures are founded off to lakh rupees with two decimal points.

For and on behalf of Board

As per our report of even date

For R M Lall & Co.
FRN. No. 000932C.
Chartered Accounts

S. K. Singh
Chief Financial Officer

Vikas C. Srivastava
Partner
Membership No. : 401216

B A Reddy
Director (Commercial)

B Chadha
Managing Director

Place : Lucknow
Date : 11/05/2016

Place : Lucknow
Date : 11/05/2016



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INDEPENDENT AUDITORS' REPORT

To,
The Members
Green Gas Ltd,
2nd Floor, Fortuna Tower,
10, Rana Pratap Marg,
Lucknow.

Report on the Financial Statements

We have audited the accompanying financial statements of Green Gas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.



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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.

Emphasis of Matter

We draw attention to Note No. 32 stating that claim amounting to Rs. 946.47lac on account of spur line charges recoverable in terms of existing agreement and which have already been paid to GAIL India Limited, is pending for settlement. Our opinion is not qualified in respect of this matter.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date and,
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) Section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The provisions of the Companies Act, 2013 have not been complied with respect to the following—
 - i. The Board's Report dated 02.09.2015 does not contain specific details in respect of adequacy of the internal financial controls with reference to the financial statements as prescribed vide Companies (Accounts) Rules, 2014.
 - ii. Approval or any subsequent modification of transactions of the company with related parties has not been done by the Audit Committee as required vide section 177(4)(iv).
 - iii. The evaluation of the internal financial controls and risk management systems has not been done by the Audit Committee as required vide section 177(4)(vii).
3. The CAG of India has issued directions/sub directions under section 143(5) of the Companies Act, 2013, the compliance of which are set out below—
 - I. Directions :
 - a) The Company has clear title deeds for freehold lands except for land at CNG Station, Gomti Nagar, Lucknow measuring 600 sq. mtrs.
 - b) There are no cases of waiver/write off of debts/loans/interest etc.
 - c) Adequate records have been maintained for inventories lying with third parties. No assets have been received as gift/grant(s) from Govt. or other authorities.
 - II. Sub – Directions :



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- a) The independent verification has been made by us of the information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the actuary regarding the discount rate, future cost increase, mortality rate, etc. for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement benefits, etc.
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 purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from the examination of those books;
- c. The Company does not have any branch office;
- d. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and returns;
- e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f. In our opinion, there is no adverse effect on the functioning of the company due to our observations/qualifications on financial transactions of the company.
- g. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the director is disqualified on 31st March, 2016 from being appointed as a director on the terms of section 164 (2) of the Act;
- h. In our opinion there are no qualifications, reservations or adverse remark relating to maintenance of accounts and other matters connected therewith.
- i. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operation effectiveness of such controls, refer to our separate report in Annexure B
- j. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us -
- i. the company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 22 (i) to the financial statements.
- ii. the company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts.
- iii. no amount is required to be transferred to the Investor Education and Protection Fund by the Company

Place: New Delhi
Date: 11/05/2016

For R M Lall & Co.
Chartered Accountants
FRN: 000932C

(Vikas C Srivastava)
Partner
M No. 401216



Annexure A referred to in our Independent Auditors' Report of even date to the Members of Green Gas Limited on the financial statements for the year ended on 31st March, 2016

On the basis of such tests as we considered appropriate to apply, the information and explanations rendered to us by the management during the course of audit, we report as under:-

(I)	(a)	The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets as required by the Companies Act, 2013.
	(b)	The company has carried out physical verification of the fixed assets once during the year and no material discrepancies were noticed on such verification.
	(c)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the all immovable properties are held in the name of the company except for freehold land at CNG Station, Gontinagar, Lucknow measuring 600 sqmtrs., whose title is yet to be registered in the name of the Company.
(ii)		The inventory of the company has been physically verified by the management only once during the year and no material discrepancies were noticed on such verification.
(iii)		According to the the information and explanations given to us and on the basis of our examination of the records of the Company, no loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 have been granted by the Company.
(iv)		The Company has no loans, investments, guarantees and security covered under the provisions of Section 185 and 186 of the Companies Act, 2013. Thus, paragraph 3 (iv) of the Order is not applicable to the Company.
(v)		As per the information and explanation given to us, the company has not accepted any deposits from public, hence the directions issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.
(vi)		The cost records for the financial year 2015-16 prescribed under section 148 (1) of the Companies Act 2013, have been maintained by the Company. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.
(vii)	(a)	According to the information and explanation given to us and on the basis of our examination of records, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues.
		According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues were in arrears as at 31 st March 2016 for a period of more than six months from the date they became payable.
	(b)	As informed to us, the following dues have not been deposited by the Company on account of disputes :-



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S. No.	Name of the Statute	Assessment Year	Amount (Rs. in lakhs)	Forum where dispute is pending
1	Central Excise Act, 1944	2007-08	20.86	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)
2	UP VAT Act, 2008	2006-07	8.41	Tribunal Commercial Tax , Lucknow
3	UP VAT Act, 2008	2007-08	38.12	Tribunal Commercial Tax , Lucknow
4	UP VAT Act, 2008	2011-12	6.78	Additional Commissioner (Appeals) Commercial Tax , Lucknow
5	Income Tax Act, 1961	2012-13	20.95	Additional Commissioner (Appeals), Income Tax, Lucknow
6	Income Tax Act, 1961	2011-12	94.36	Commissioner (Appeals), Income Tax, Lucknow
7	Income Tax Act, 1961	2012-13	8.52	Commissioner (Appeals), Income Tax, Lucknow
8	Building and Other Construction Workers Welfare Cess Act 1996	-	1,800.00	Office of the Regional Labour Commissioner (Central), Kanpur

- (viii) The company has not defaulted in repayment of loans or borrowing to financial institution, bank, government or dues to debenture holders.
- (ix) As per the explanations given by the management and on the basis of our examination of records, the company has not raised moneys by way of initial public offering (including debt instruments) and term loans.
- (x) According to the information and explanations given to us, we report that no fraud on or by the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the



records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

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

Annexure B referred to in our Independent Auditors' Report of even date to the Members of Green Gas Limited on the financial statements for the year ended on 31st March, 2016

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT 2013

We have audited the internal financial controls over financial reporting of Green Gas Limited as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of 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. These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and on our audit, the following control deficiencies have been identified in operating effectiveness of the Company's internal financial control over financial reporting as at 31st March 2016 –

- a) Tally Accounting Software package currently being used by the Company does not have robust hierarchical administrative controls. We came across numerous instances where vouchers had either been inserted or deleted at earlier dates in the system leaving no audit trail.
- b) During the course of our audit we came across cases where the Piped Natural Gas customers at Lucknow have not been billed for usage of PNG domestic gas. Further, as noticed during the year an investigation has been initiated and M/s KPMG Advisory Services Private Ltd. have been hired by the Company to conduct an independent investigation of PNG Domestic connections for the period from April, 2013 to 18th June, 2015 for misconduct of operations at Agra as a number of cases have been reported regarding the fudging of PNG domestic connections & un-authorized cash collections. We have been informed that the report of the said investigation is awaited.

The Company does not have authentic database of PNG domestic customers. We also noticed that in a number of cases the bi-monthly billing cycle has not been religiously followed thereby resulting in the postponement of revenue. Further, we noticed that the meter readings taken by the marketing staff manually are not cross-checked for correctness.

- c) The company does not have an adequate internal control system for review of its performance pertaining to the execution of contracts related to Capital-Work-in-Progress (CWIP) and the apportionment of materials and other overhead charges like statutory fee. Further, the classification of sub ledgers under grouping head-CWIP is not adequate and proper in Tally



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Accounting Software. Deficiencies in documentation, non-maintenance of necessary records such as measurement books, lack of proper monitoring of ongoing and running contracts has resulted in deficiencies in the contract management.

- d) We could not be shown evidence regarding the compliance with section 149(8) and clause (II) (4) of Schedule IV of the Companies Act, 2013 requiring satisfaction on the integrity of financial information and that the financial controls and the systems of risk management are robust and defensible.

A material weakness is a deficiency or a combination of deficiencies in internal financial control over financial reporting such that there is reasonable possibility that a material misstatement of the Companies' annual or interim financial statements will not be prevented or detected on timely basis.

In our opinion, except for the effects/probable effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the company considering the essential components of the internal control stated in the guidance note on audit of internal financial control over financial reporting issued by the Institute of Chartered Accountants of India .

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of March, 31st 2016 standalone financial statements of the company and these material weakness does not affect our opinion on the standalone financial statements of the company.

Place: New Delhi
Date: 11/05/2016

For R M Lall & Co.
Chartered Accountants
FRN: 000932C

(Vikas C Srivastava)
Partner
M No. 401216



GREEN GAS LIMITED

For Better Environment and Clean Air to Breathe

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GREEN GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Green Gas Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors 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 11 May 2016.

I, on the behalf of the comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Green Gas Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**(Suprna Deb)
Director General of Commercial Audit
& Ex- officio Member, Audit Board-II
New Delhi**

Place : New Delhi
Date : 22.7.2016



GREEN GAS LIMITED

REGISTERED OFFICE

Fortuna Tower, 2nd Floor, 10 Rana Pratap Marg, Lucknow 226 001