



ANNUAL REPORT 2014-2015



AAVANTIKA GAS LIMITED

(A Joint Venture Company of GAIL & HPCL)





Vision

“Our Vision is to be the Pioneer City Gas Distribution Company in the State of Madhya Pradesh (M.P.) for providing Environmentally Friendly Economic Fuel to the Domestic, Commercial, Industrial and Automobile Sectors, in order to ensure that the Residents of M.P. lead a Pollution Free, Healthy & Safe Life”.



BOARD OF DIRECTORS



Yogesh Gawali
Chairman



Pushp K. Joshi
EX-Chairman



M. Ananth Krishnan
Whole Time Director & CFO



Anil Kumar
Managing Director



Prafulla Kumar Gupta
Director



Maj.Gen. Bhagwati Prasad Tiwari
Independent Director



Penumatsa Ashok Bangar Raju
Independent Director

CONTENTS

PAGE NO.

❖ Corporate Information	1
❖ Notice	2
❖ Directors' Report	11
❖ Independent Auditor's Report	28
❖ Balance Sheet	33
❖ Statement of Profit and Loss	34
❖ Cash Flow Statement	35
❖ Notes forming part of Balance Sheet	39
❖ Proxy Form	51
❖ Attendance Slip	53
❖ Route Map to the AGM Venue	55



CNG Customer Meet



New Office Inauguration, Indore



Inauguration Ceremony of Ujjain CNG Mother Station



CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. Yogesh Gawali Chairman
- Mr. Prafulla Kumar Gupta Director
- Mr. Anil Kumar Managing Director
- Mr. M. Ananth Krishnan Whole Time Director & CFO
- Maj. Gen. Bhagwati Prasad Tiwari Independent Director
- Mr. Penumatsa Ashok Bangar Raju Independent Director

AUDIT COMMITTEE

- Maj. Gen. Bhagwati Prasad Tiwari Chairman
- Mr. Penumatsa Ashok Bangar Raju
- Mr. M. Ananth Krishnan

NOMINATION AND REMUNERATION COMMITTEE

- Mr. Prafulla Kumar Gupta Chairman
- Maj. Gen. Bhagwati Prasad Tiwari
- Mr. Penumatsa Ashok Bangar Raju
- Mr. M. Ananth Krishnan

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Anil Kumar Chairman
- Maj. Gen. Bhagwati Prasad Tiwari
- Mr. M. Ananth Krishnan

COMPANY SECRETARY

- Rashi Joshi

STATUTORY AUDITORS

- Suresh S. Kimtee & Co., Chartered Accountants, Indore

COST AUDITORS

- ABK & Associates, Cost Accountants, Mumbai

BANKERS

- Bank of Baroda, Indore

Registered Office
202-B, 2nd Floor, NRK Business Park,
Vijay Nagar Square, A.B. Road,
Indore (M.P.)-452010 - Phone: 0731-4222520



NOTICE

NOTICE is hereby given that the **Ninth Annual General Meeting** of the members of Aavantika Gas Limited will be held on **Tuesday, September 29, 2015 at 3:00 P.M.** at **202-B, II Floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore (M.P.) 452010** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2015 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. M. Ananth Krishnan (DIN 06801841), who retires by rotation, and being eligible, has offered himself for reappointment.
3. To authorize board of directors of the company to fix remuneration of the Statutory Auditor(s) of the company in terms of the provisions of section 142 of the Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 142 and all other applicable provisions of the Companies Act, 2013 (the “Act”) and rules, circulars, notifications made/ issued there under, including any amendment, modification, variation or re-enactment thereof, the remuneration of M/s Suresh S. Kimtee & Co., Chartered Accountants, Indore (Firm Reg. No.001270C) appointed by Comptroller and Auditor General of India for the financial year 2015-16 be and is hereby fixed at ₹ 50,000/- (Rupees Fifty Thousand Only) and out of pocket expenses plus applicable service tax.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. ABK & Associates, Cost Accountants (Firm Reg. No. 000036) being the Cost Auditor appointed by the board of directors of the company to conduct the audit of the cost records for the financial year 2015-16, be paid the remuneration of ₹ 28,000/- (Rupees Twenty Eight Thousand Only) plus applicable taxes and out-of-pocket expenses of ₹ 4,000/- (Rupees Four Thousand Only) be and is hereby ratified and confirmed.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Major Gen. Bhagwati Prasad Tiwari (DIN 06454549), who was appointed as an additional director of the company w.e.f. April 01, 2015 by the board of directors in terms of section 161 of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of director of the company, be and is hereby appointed as an independent director of the company, not liable to retire by rotation, to hold office for three consecutive years from April 01, 2015 .”
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any



statutory modification(s) or re-enactment thereof for the time being in force), Mr. Penumatsa Ashok Bangar Raju (DIN 07141438), who was appointed as an additional director of the company w.e.f. April 01, 2015 by the board of directors in terms of section 161 of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of director of the company, be and is hereby appointed as an independent director of the company, not liable to retire by rotation, to hold office for three consecutive years from April 01, 2015 .”

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

“**RESOLVED THAT** pursuant to the provisions of section 161 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Prafulla Kumar Gupta (DIN 01237706), who was appointed as an additional director of the company w.e.f. November 14, 2014 by the board of directors and who holds office upto the date of this Annual General Meeting of the company and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as a director of the company liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of section 161 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Yogesh Gawali (DIN 05294482), who was appointed as an additional director of the company w.e.f. July 16, 2015 by the board of directors and who holds office upto the date of this Annual General Meeting of the company and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as a director of the company, liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of all earlier resolutions passed in this behalf consent of the company be and is hereby accorded pursuant to the provisions of section 180(1)(c) and 180(2) of the Companies Act, 2013(including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013, to the board of directors of the company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) any sum or sums of money borrowed or to be borrowed or any other credit facilities availed / to be availed by the company by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issued /to be issued by the company, from time to time, for the purpose of the company’s business on such terms and conditions and with or without security from any bank, financial institution or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board, notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of its paid-up share capital and free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 2,01,00,00,000/- (Rupees Two Hundred and



One Crore Only) or equivalent amount in any other foreign currency together with interest or other costs, charges, expenses and other money payable thereon.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/ agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Whole Time Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of all earlier resolutions passed in this behalf consent of the company be and is hereby accorded pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013, to the board of directors of the company (hereinafter referred to as the "Board") creating such mortgage of and/or charging on such terms and conditions and such time or times and in such form of manner as it may think fit, the whole or substantially the whole or any one or more of the company's undertakings or all its undertakings, including the present and/or future properties, whether movable or immovable comprised in any and/or existing and/or new undertakings of the company, as the case may be, together with the powers to take over the management of the business and concern of all or any such undertakings of the company in certain events, to or in favour financial institutions, banks, including the company's bankers, body corporate, firm individuals as security for the term loans, working capital facilities, inter corporate deposits upto ₹ 2,01,00,00,000/- (Rupees Two Hundred and One Crore Only) (in aggregate) together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other monies payable in connection with the amount loan/financed in terms of the agreement to be entered into between the company and the concerned financial institutions, banks, body corporate, firms and individuals. The securities so given may be exclusive, pari-passu with or second or subservient to the mortgages and/or charges already created or to be created in future by the company in such manner as may be agreed to between the concerned parties as may be thought expedient by the Board.

RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to finalise and execute the documents and any such other deeds, papers and writings for creating the aforesaid mortgage and/or charges and to do all such acts, deeds and things and to settle mutually any such disputes which may arise in terms of any such contracts, agreements or deeds as may be necessary or expedient for implementing this resolution.”

**By Order of the Board
For Aavantika Gas Limited**

**Sd/-
Rashi Joshi
(Company Secretary)**

Mumbai, September 01, 2015

Registered Office:

202-B, II Floor, NRK Business Park,
Vijay Nagar Square, A.B. Road,
Indore (M.P.) - 452010

CIN: U40107MP2006PLC018684



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER.** A person can act as a proxy on behalf of the members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital carrying voting rights may appoint a single person as proxy for any other member.
2. Proxies, if any, in order to be valid and effective, must be received at the company's registered office not later than forty eight (48) hours before the time fixed for commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the company, a certified copy of the relevant board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
4. The relevant statement pursuant to section 102 of the Companies Act, 2013, in respect of special business to be transacted at the meeting, is annexed hereto and forms part of this notice.
5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their queries to the company, so as to reach the registered office of the company at least seven working days before the date of the meeting, to enable the company to make available the required information at the meeting, to the extent practicable.
6. Members / proxy are requested to bring a copy of annual report to the meeting.
7. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of folio number.
8. Relevant documents referred to in the accompanying notice and in the statements are open for inspection by the members at the company's registered office on all working days of the company, during business hours up to the date of the meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

In pursuance of section 148 of the Companies Act, 2013 and rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the company is required to appoint cost auditor to audit the cost records of the company and consequent ratification of remuneration of cost auditor by the members of the company thereon.

The Board has considered and approved appointment of M/s ABK & Associates (Firm Registration No. 000036) for conducting the audit of the company's cost records for the financial year 2015-16 at a remuneration of ₹ 28,000/- (Rupees Twenty Eight Thousand Only) plus applicable taxes and out-of-pocket expenses of ₹ 4,000/- (Rupees Four Thousand Only).

The resolution at Item No. 4 of the notice is set out as an Ordinary Resolution for your approval and ratification by the members in terms of section 148 of the Companies Act, 2013.

None of the promoters, directors, and key managerial personnel of the company and none of their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

ITEM NO. 5

Pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors, an Independent Director shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.



The directors of the company in their board meeting held on March 31, 2015 appointed Major Gen. Bhagwati Prasad Tiwari as a Non Executive Independent Director, to hold office upto the date of next Annual General Meeting. The company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 along with a deposit of ₹ 1,00,000/- (Rupees One Lakh Only) proposing his candidature for the office of the director.

Major Gen. Bhagwati Prasad Tiwari has given declaration that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the company.

A brief profile of Major Gen. Bhagwati Prasad Tiwari is attached to this notice.

Your directors recommend the resolution set out at Item No. 5 to be passed as an Ordinary Resolution by the members.

Except Major Gen. Bhagwati Prasad Tiwari, being the appointee, none of the promoters, directors, key managerial personnel of the company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 5.

ITEM NO. 6

Pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors, an Independent Director shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

The directors of the company in their board meeting held on March 31, 2015 appointed Mr. Penumatsa Ashok Bangar Raju as a Non Executive Independent Director, to hold office upto the date of next Annual General Meeting. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 along with a deposit of ₹ 1,00,000/- (Rupees One Lakh Only) proposing his candidature for the office of the director.

Mr. Penumatsa Ashok Bangar Raju has given declaration that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the company.

A brief profile of Mr. Penumatsa Ashok Bangar Raju is attached to this notice.

Your directors recommend the resolution set out at Item No. 6 to be passed as an Ordinary Resolution by the members.

Except Mr. Penumatsa Ashok Bangar Raju, being the appointee, none of the promoters, directors, key managerial personnel of the company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 6.

ITEM NO. 7

Pursuant to the joint venture agreement between GAIL (India) Limited and Hindustan Petroleum Corporation Limited dated November 16, 2005 and Articles of Association of the company, GAIL (India) Limited vide its Letter No. ND/GAIL/SECTT/AGL/14 dated October 15, 2014 has nominated Mr. Prafulla Kumar Gupta as director on the board of the company.

The directors of the company in their board meeting held on November 14, 2015 appointed Mr. Prafulla Kumar Gupta as an additional director (Non Executive Director) of the company, to hold office upto the date of next Annual General Meeting. The company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 along with a deposit of ₹ 1,00,000/- (Rupees One Lakh Only) proposing his candidature for the office of the director, liable to retire by rotation.

A brief profile of Mr. Prafulla Kumar Gupta is attached to this notice.

Your directors recommend the resolution set out at Item No. 7 to be passed as an Ordinary Resolution by the members.

Except Mr. Prafulla Kumar Gupta, being the appointee and GAIL (India) Limited, none of the promoters, directors, key managerial personnel of the company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 7.



ITEM NO. 8

Pursuant to the joint venture agreement between GAIL (India) Limited and Hindustan Petroleum Corporation Limited dated November 16, 2005 and Articles of Association of the company, Hindustan Petroleum Corporation Limited vide its Letter No. Co.Secy/VM/120/2015 dated July 06, 2015 has nominated Mr. Yogesh Gawali as director on the board of the company.

The directors of the company in their board meeting held on July 16, 2015 appointed Mr. Yogesh Gawali as an additional director (Non Executive Director) of the company, to hold office upto the date of next Annual General Meeting. The company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 along with a deposit of ₹ 1,00,000/- (Rupees One Lakh Only) proposing his candidature for the office of the director, liable to retire by rotation.

A brief profile of Mr. Yogesh Gawali is attached to this notice.

Your directors recommend the resolution set out at Item No. 8 to be passed as an Ordinary Resolution by the members.

Except Mr. Yogesh Gawali, being the appointee and Hindustan Petroleum Corporation Limited, none of the promoters, directors, key managerial personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 8.

ITEM NO. 9 & 10

As per the provisions of section 180(1) (c) of the Companies Act, 2013 a company cannot borrow money (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the company's paid up share capital and free reserves without the consent of shareholders in general meeting by passing special resolution.

The increasing business operations and future growth plans of the company would necessitate restructuring of the borrowing limits by authorizing the board of directors to borrow monies which may exceed at any time the aggregate of its paid up share capital and free reserves of the company but not exceeding ₹ 2,01,00,00,000/- (Rupees Two Hundred and One Crore Only).

The borrowing of the company are in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the company in such form, manner and ranking as may be determined by the board of directors of the company, from time to time, in consultation with the lender(s). In terms of section 180(1)(a) the mortgage or charge on all or any part of the movable and/or immovable properties of the company, will be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the company hence it is necessary to obtain approval from the shareholders of the company by passing special resolution.

Your directors recommend the resolution set out at Item No. 9 and 10 to be passed as a Special Resolution by the members.

None of the promoters, directors, and key managerial personnel of the company and none of their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

**By Order of the Board
For Aavantika Gas Limited**

**Sd/-
Rashi Joshi
(Company Secretary)**

Mumbai, September 01, 2015

Registered Office:

202-B, II Floor, NRK Business Park,
Vijay Nagar Square, A.B. Road,
Indore (M.P.) - 452010

CIN: U40107MP2006PLC018684



**ANNEXURE TO THE NOTICE
BRIEF PROFILE OF DIRECTOR PROPOSED FOR APPOINTMENT/ RE-APPOINTMENT
AT THE NINTH ANNUAL GENERAL MEETING**

1. M. ANANTH KRISHNAN (DIN 06801841)

As regards re-appointment of Mr. M. Ananth Krishnan referred to in Item No. 2 of the notice, following necessary disclosures are made for the information of the members.

Information about the Appointee

Date of Birth	02/01/1963
Date of appointment on the Board	05/02/2014
Date of appointment as CFO	14/11/2014
List of other companies in which he holds directorship	Nil

Brief Biography

Mr. M. Ananth Krishnan is a Whole - Time Director, working in the capacity of Director (Commercial) and Chief Financial Officer (Key Managerial Personnel) of Aavantika Gas Limited.

He is a Chartered Accountant and an alumnus of St. Xavier's College, Calcutta, with a B.Com (Hons.) degree. He also successfully completed 3 Tier Programs for Management Development from IIM Ahmedabad.

Mr. M. Ananth Krishnan joined Hindustan Petroleum Corporation Limited (HPCL) in June 1988 and has handled various assignments during his tenure of over 25 years in HPCL with wide exposure having worked at both HPCL refineries at Visakhapatnam and Mumbai as well as in marketing SBUs of Kolkata and Delhi.

He has handled assignments across various functions covering finance and accounts, costing, indirect taxes, internal audit and project finance.

2. MAJOR GEN. BHAGWATI PRASAD TIWARI (DIN 06454549)

As regards appointment of Major Gen. Bhagwati Prasad Tiwari referred to in Item No. 5 of the notice, following necessary disclosures are made for the information of the members.

Information about the Appointee

Date of Birth	01/01/1954
Date of appointment on the Board	19/12/2012
List of other companies in which he holds directorship	Nil

Brief Biography

Major General Bhagwati Prasad Tiwari (Retd.) is on the Board of Aavantika Gas Limited since December 19, 2012.

He superannuated from the Indian Army on December 31, 2011. During his distinguished service spanning over 36 years, he gained extensive experience in human resource management, policy development, general management, logistics, supply chain management, finance, contract negotiation and post contract management.

He has served in various key positions including Major General Army Service Corps at the HQ, Southern Commands and Central Command and Brigadier Operational Logistics of Southern Command. He has been responsible for providing seamless and an efficient logistics support to troops deployed along the western borders and coastal states. He has been on the faculty of a numbers of prestigious training establishments of the army.

Among other qualifications, he obtained M.Phil (Defence and Management Studies) from Devi Ahilya University, Indore, M.Sc. (Chemistry) from Meerut University and M.Sc. (Defence & Strategic Studies) from Madras University, B.Sc (Chemistry, Botany & Zoology) from Meerut University and Diploma in Senior Level Defence Management from Devi Ahilya University, Indore.



He has also undergone the advance management programme for senior level executives / independent directors in corporate sector at Management Development Institution (MDI), Gurgaon. He is an alumnus of the prestigious National Defence College, New Delhi as also the Defence Service Staff College, Wellington.

3. PENUMATSA ASHOK BANGAR RAJU (DIN 07141438)

As regards appointment of Mr. Penumatsa Ashok Bangar Raju referred to in Item No. 6 of the notice, following necessary disclosures are made for the information of the members.

Information about the Appointee

Date of Birth	23/10/1952
Date of appointment on the Board	01/04/2015
List of other companies in which he holds directorship	Bhagyanagar Gas Limited

Brief Biography

Mr. Penumatsa Ashok Bangar Raju is an Additional and Independent Director on the Board of Aavantika Gas Limited from April 01, 2015.

He has completed his graduation in Chemical Engineering from Andhra University in 1974. He started his professional career with Hindustan Petroleum Corporation Limited (HPCL) in 1976.

He superannuated from HPCL on November 2012. During his distinguished service spanning of almost 37 years with HPCL, he provided strategic direction and leadership to the Corporation and Visakh Refinery in particular and has been a key stake holder in the phenomenal growth of the corporation as the Fortune 500 company.

He has served in various key positions in the corporate/ refinery in the technical services, operations, and safety department before superannuating as the executive director of the Visakh Refinery in November, 2012. As head of the technical services, provided strategic direction for the development of major projects and spearheaded key profitability improvement initiatives for the refinery. While holding the position of General Manager-Operations he directed the refinery's operations, maintenance and fire & safety departments and brought about an enhanced focus on safety culture in the refinery while improving profitability.

While serving as the head of the refinery (Executive Director) he was responsible for ensuring peak performance of the operational, financial and administrative functions. He successfully led cross-functional teams for effective, safe and smooth implementation of mega project such as Visakh Refinery Clean Fuels Project and the Diesel Hydrotreating Project in the refinery.

4. PRAFULLA KUMAR GUPTA (DIN 01237706)

As regards appointment of Mr. Prafulla Kumar Gupta referred to in Item No. 7 of the notice, following necessary disclosures are made for the information of the members.

Information about the Appointee

Date of Birth	14/03/1961
Date of appointment on the Board	14/11/2014
List of other companies in which he holds directorship	GAIL Gas Limited Ratnagiri Gas and Power Private Limited

Brief Biography

Mr. Prafulla Kumar Gupta has got 31 years of rich experience in hydrocarbon sector. He has completed his graduation in mechanical engineering. With his rich experience, he endowed his versatility comprising job stints not only in Projects & O&M but also in HRD and Marketing. Besides that, he had headed largest CGD company of India i.e. Mahanagar Gas Limited, Mumbai as its Managing Director.



He also served Indian Oil Corporation Limited and Oil & Natural Gas Corporation Limited and is working in country's Maharatna Company – GAIL (India) Limited for the last 29 years holding current position of Executive Director (Marketing – Petrochemical & Retail).

5. YOGESH GAWALI (DIN 05294482)

As regards appointment of Mr. Yogesh Gawali referred to in Item No. 8 of the notice, following necessary disclosures are made for the information of the members.

Information about the Appointee

Date of Birth	10/10/1956
Date of appointment on the Board	16/07/2015
List of other companies in which he holds directorship	Hindustan Petroleum Corporation Limited

Brief Biography

Mr. Yogesh Gawali is currently on the Board of Hindustan Petroleum Corporation Limited (HPCL) as Director Marketing.

Armed with a degree in Civil Engineering, he joined the HPCL at Indore LPG Bottling Plant on June 16, 1982 as project engineer. In his initial 10 years of career, he gained rich experience in monitoring and executing key LPG projects. He held very critical positions before assuming charge as Head – O&D at north zone.

In August 2001, he was assigned the responsibility of heading the supply and distribution at marketing headquarters. He is credited with playing a lead role in formulating the complete product pricing policy post dismantling of OCC.

Before taking over as Director – Marketing, he was heading the LPG SBU since April 2012. Under his leadership, the LPG SBU witnessed revolutionary changes in existing LPG bottling plants by incorporating high speed downstream facility and de-bottlenecking of filling operations to increase the operating capacity by 40%. He also made significant contribution in coordinating with multiple stake holders and bringing in major changes in existing business processes which enabled the country to smoothly launch the DBTL scheme.

**DIRECTORS' REPORT**

Dear Members,

Your directors are pleased to present the Ninth Annual Report and the company's audited financial statement for the financial year ended March 31, 2015.

NATURE OF BUSINESS

Aavantika Gas Limited (AGL) is a joint venture company of GAIL (India) Limited (GAIL) and Hindustan Petroleum Corporation Limited (HPCL), for implementation of city gas projects to supply Piped Natural Gas (PNG) to consumers in domestic, industrial and commercial sectors and Compressed Natural Gas (CNG) & Auto LPG to automobile sector in the cities of Madhya Pradesh.

There was no change in the nature of the business of the company during the year under review.

FINANCIAL HIGHLIGHTS & REVIEW

The company's financial performance for the year ended March 31, 2015 is summarized below:

Particulars	(₹ in Crores)	
	2014-15	2013-14
Total Revenue (Net)	110.07	115.26
Profit before Financial Costs, Depreciation & Tax	25.78	8.53
Financial Costs	6.21	3.72
Profit before Depreciation & Tax	19.57	4.82
Depreciation & Amortization expenses	3.57	4.05
Net Profit before Tax	16.00	0.76
Provision for Tax /Deferred Tax Liabilities	5.44	0.26
Net Profit after Tax	10.56	0.50
Balance of Profit/ (Loss) brought forward	(2.15)	(2.65)
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	8.42	(2.15)

The highlights of the company's performance during 2014-15 are as under:

The company registered Profit before Depreciation, Interest and Tax (PBDIT) of ₹ 25.78 Crore (2013-14 PBDIT was ₹ 8.53 Crore) and Profit after Tax (PAT) of ₹ 10.56 Crore (2013-14 PAT was ₹ 0.50 Crore). This increase was due to volume growth, lower gas cost & lower depreciation offset by increase in operating expenditure commensurate with volume growth & expanded pipeline network.

AGL achieved a Profit before Tax (PBT) of ₹16 Crore in FY 2014-15 against ₹ 0.76 Crore in 2013-14, an increase of ₹ 15.24 Crore.

The company achieved a gross turnover of ₹ 134.37 Crore as compared to ₹ 141.46 Crore in the previous year.

The gross turnover was lesser due to reduction in CNG selling prices as the company could obtain gas at a lower cost which was passed on to consumers.

The CNG sales volume increased by 8.09% from 1,44,37,336 kg to 1,56,04,879 kg.

The total capitalization during 2014-15 amounted to ₹ 42 Crore approximately, as compared to ₹ 12 Crore in 2013-14 and the following assets were commissioned during the year:



- 28 km steel pipeline laid during 2014-15 at Ujjain and Gwalior.
- 183 km MDPE pipeline for supplying gas to industrial, commercial and domestic customers.
- New CNG mother station was commissioned in Ujjain.

The company has total installed steel network of 73 km & MDPE network of 344 km in the cities of Indore, Ujjain, Gwalior & Pithampur as on March 31, 2015.

The company has 19 CNG stations, which includes 3 mother stations, 7 online stations & 9 daughter stations. The company had a PNG customer base of around 2600 domestic customers, 33 commercial customers & 55 industrial customers as on March 31, 2015.

MAJOR ACHIEVEMENTS

The new CNG mother station was commissioned at Ujjain on March 30, 2015. This was inaugurated by Hon'ble Chief Minister of Madhya Pradesh, Shri Shivraj Singh Chauhan, in the presence of Hon'ble Minister of State for Petroleum & Natural Gas (I/C), Shri Dharmendra Pradhan.

During the year, five (5) new CNG Stations were commissioned and domestic connections' marketing was accelerated. The company commenced PNG supply to industrial customers at Pithampur and Gwalior.

FUTURE PLANS AND OUTLOOK

CNG mother station at Pithampur is ready for commissioning pending statutory clearance. Further, for increasing the volumes, new CNG stations at Ujjain & Gwalior are being set up.

During 2015-16, for achieving higher number of domestic connections, expansion of existing MDPE network in the cities of Indore, Ujjain & Gwalior are being planned.

The company's aim is to increase number of CNG stations and also domestic customers to drive profitability, while meeting PNGRB & Ministry's targets of achieving 1,00,000 domestic connections by December 31, 2018 & green corridors for CNG.

The company has planned for expanding customer base for Industrial & Commercial customers at Indore & Pithampur for increasing market share through aggressive marketing combined with sourcing cheaper LNG to combat pricing challenges of alternative fuels in the short term.

TRANSFER TO RESERVES & DIVIDEND

To strengthen the net worth of the company and to ensure sustainable growth in assets and revenue, it is important for your company to conserve the financial resources and evaluate various opportunities in the different business segments in which your company operates. Therefore, your directors have not proposed to transfer any amount to reserves out of the profits earned and also not recommended any dividend for the financial year 2014-15.

DEPOSITS

Your company did not accept any deposits in terms of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014. As on April 01, 2014, no amounts were outstanding which were classified as 'Deposits' under the applicable provisions of Companies Act, 1956 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the company's financial position have occurred between the end of the financial year of the company and the date of this report.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as implemented by the company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the company for inefficiency or inadequacy of such controls.



DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed by any regulator or court or tribunal which can have an impact on the going concern status and the company's operations in future.

SHARE CAPITAL

The paid-up share capital of the company as on March 31, 2015 is ₹ 45, 02, 50,000 (Rupees Forty Five Crore Two Lakh Fifty Thousand Only) (on March 31, 2014 it was ₹ 5,00,000 (Rupees Five Lakh Only)) consisting of 4,50,25,000 Equity Shares of ₹ 10/- each. During the year under review, 2,24,87,500 Equity Shares of ₹ 10/- each on preferential basis were allotted equally to GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL) on September 01, 2014 aggregating to 4,49,75,000 Equity Shares of ₹ 10/- each at par.

The authorised share capital of the company as on March 31, 2015 is ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) consisting of 10,00,00,000 Equity Shares of ₹ 10/- each and during the year, there was no change in the authorised share capital of the company.

DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is necessary.

DISCLOSURE RELATING TO SWEAT EQUITY SHARE

The company has not issued any sweat equity shares during the year under review and hence no information as per provisions of rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is necessary.

DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME

The company has not issued any employee stock option during the year under review and hence no information as per provisions of rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is necessary.

DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES

There are no shares held by trustees for the benefit of employees and hence no disclosure under rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is necessary.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

BOARD OF DIRECTORS

Your company has the combination of executive and non-executive directors in conformity with the Companies Act, 2013. The present strength of the board of directors is a mix of four non-executive directors, and two executive directors. Out of the four non-executive directors, two directors are Independent Directors. The Chairman of the Board is a non-executive director.

As per the declarations received by the company from each of the directors, none of them are disqualified under section 164(2) of the Companies Act, 2013.

In terms of provisions of the joint venture agreement between GAIL (India) Limited (GAIL) and Hindustan Petroleum Corporation Limited (HPCL) and Articles of Association of company, following changes have taken place in the composition of the Board of the company:

- GAIL nominated Mr. Anil Kumar as Managing Director on the Board of the company in place of Mr. Pardeep Madan and accordingly, Mr. Pradeep Madan has resigned from the board w.e.f. May 17, 2014.
- GAIL nominated Mr. P K Gupta as Director on the Board of the company in place of Mr. S. Venkatraman and accordingly, Mr. S. Venkatraman has resigned from the board w.e.f. September 30, 2014.
- HPCL nominated Mr. Y.K. Gawali as Director on the Board of the company in place of Mr. Pushp K. Joshi and accordingly, Mr. Pushp K. Joshi has resigned from the board w.e.f. July 14, 2015.

During the year under review, Mr. Anil Kumar was appointed as Managing Director and Mr. M. Ananth Krishnan was appointed as Whole Time Director of the Company under the Companies Act, 2013 for a term of three years commencing from May 27, 2014 and February 05, 2014 respectively, by the members at the eighth Annual General Meeting of the company held on September 01, 2014. Mr. Anil Kumar and Mr. M. Ananth Krishnan are being paid



remuneration in accordance with the terms and conditions as set out in the explanatory statement annexed to the notice of Eighth Annual General Meeting.

Mr. M. Ananth Krishnan was also appointed as Chief Financial Officer of the company in the board meeting held on November 14, 2014 for the purpose of the Companies Act, 2013.

Mr. Pushp K. Joshi was appointed as the director of the company under the Companies Act, 2013 w.e.f. March 01, 2014 by the members at the eighth Annual General Meeting of the company held on September 01, 2014. Further he resigned from the post of director w.e.f. July 14, 2015

Pursuant to section 149(4) of the Companies Act, 2013 read with rules there under, the company is required to appoint at least two of its directors as independent directors. The Board in its meeting held on March 31, 2015 appointed Mr. PAB Raju and existing director Major Gen. B.P. Tiwari as additional director(s) & independent director(s) w.e. f. April 01, 2015, for the period of three years, and in terms of section 161(1) of the Companies Act, 2013 they shall hold office till the date of ensuing Annual General Meeting.

Further, Mr. P. K. Gupta and Mr. Y.K. Gawali who have been appointed as additional director(s) by the board of directors shall hold office till the date of ensuing Annual General Meeting in terms of section 161 of the Companies Act, 2013, as representative director of GAIL & HPCL respectively.

In accordance with the provisions of the Act and the Articles of Association of the company, Mr. M. Ananth Krishnan, Whole Time Director of the company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

KEY MANAGERIAL PERSONNEL

The appointments of Mr. Anil Kumar (Managing Director), Mr. M. Ananth Krishnan (Chief Financial Officer) and Mr. Rachit Inani (Company Secretary), were formalized as the Key Managerial Personnel of the company in accordance with the provisions of section 203 of the Companies Act, 2013 and rules made thereunder.

Further, Mr. Rachit Inani, Company Secretary resigned from the company w.e.f. June 11, 2015 and Ms. Rashi Joshi has been appointed as Company Secretary and Key Managerial Personnel w.e.f. August 03, 2015 in the board meeting held on September 01, 2015.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board is required to carry out the annual performance evaluation of its own performance and that of its committee and directors. Towards this, framework and parameters for evaluation is in the process of being established.

DECLARATIONS BY INDEPENDENT DIRECTORS

Pursuant to the provisions of sub-section (7) of section 149 of the Companies Act, 2013, the company has received individual declarations from the Independent Directors confirming that they fulfill the criteria of independence as specified in section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD

The board of directors met nine (9) times during the financial year ended March 31, 2015 in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the directors actively participated in the meetings and contributed valuable inputs on the matters brought before the board of directors from time to time. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The agenda and notes on agenda are circulated to directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

**NUMBER OF BOARD MEETINGS HELD WITH DATES**

Nine board meetings were held during the year, as against the minimum requirement of four meetings. The details of board meetings are given below:

Date	Board Strength	No. of Directors Present
April 28, 2014	05	05
May 27, 2014	05	04
July 16, 2014	05	05
September 01, 2014	05	05
September 29, 2014	05	04
November 14, 2014	05	05
December 18, 2014	05	04
March 04, 2015	05	05
March 31, 2015	05	05

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the company for the year ended March 31, 2015, the board of directors hereby confirms that -

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had ensured preparation of the annual accounts on a going concern basis; and
- 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.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The company does not have any subsidiaries, associates and joint venture companies for the year ended March 31, 2015.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The company had no employees who were in receipt of remuneration of not less than ₹ 60,00,000 during the year ended March 31, 2015 or not less than ₹ 5,00,000 per month during any part of the year.

AUDITORS AND THEIR REPORTS

The matters related to auditors and their reports are as under:

OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

The auditor's report does not contain any qualification, reservation or adverse remark or disclaimer. Notes to accounts and auditors remarks in their report are self-explanatory and do not call for any further comments.

**SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2015**

In line with good corporate governance practice, the report in respect of the secretarial audit conducted by CS Anurag Gangrade, Anurag Gangrade & Company for the financial year 2014-15 is attached as Annexure I forms part to this report.

The said report does not contain any adverse observation or qualification requiring explanation or comments from the Board. The report is self-explanatory and do not call for any further comments.

STATUTORY AUDITORS APPOINTMENT

The statutory auditor of the company is appointed by the Comptroller and Auditor General of India (CAG) pursuant to section 139 (5) of the Companies Act, 2013. M/s Suresh S. Kimtee & Co., Chartered Accountants, Indore, was appointed as statutory auditors of the company for the financial year 2014-15 who shall hold office till the conclusion of the Ninth Annual General Meeting.

Further, M/s Suresh S. Kimtee & Co., Chartered Accountants, Indore, has been re-appointed as statutory auditors of the company for the financial year 2015-16 by the Comptroller and Auditor General of India (CAG) via letter no. No./CA.V/COY/CENTRAL GOVERNMENT, AGL (1)/307 dated 10/07/2015.

COST AUDITORS

In terms of the provisions of section 148 of the Companies Act, 2013 read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time, the board of directors at their meeting dated April 28, 2014, appointed M/s. ABK & Associates, Cost Accountants, as the cost auditors of the company for FY 2014-15. The Cost Audit Report will be filed within the period stipulated under Companies Act, 2013.

In respect of financial year 2015-16, the Board, has approved the appointment of M/s. ABK & Associates as the cost auditors to conduct the audit of cost records of the company. The remuneration proposed to be paid to them requires ratification by the shareholders of the company. In view of this, ratification for payment of remuneration to cost auditors is being sought by the shareholders at the Ninth Annual General Meeting.

INTERNAL AUDITORS

During the year under review, M/s Mahesh C. Solanki & Co., Chartered Accountants, Indore carried out the internal audit and submitted their report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year under review, the company has not given/ made loans, guarantees and investments and hence no information as per provisions of section 186 of the Companies Act, 2013 has been furnished.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions/contracts/arrangements of the nature as specified in section 188(1) of the Companies Act, 2013 entered into by the company during the year under review with related party (/ies) are in the ordinary course of business and on arms' length basis. Hence, section 188(1) is not applicable and consequently no particulars in form AOC-2 is required to be furnished.

COMMITTEES AND POLICIES**AUDIT COMMITTEE**

The board of directors in the board meeting held on May 06, 2015, constituted an Audit Committee in accordance with the provisions of section 177 of the Companies Act, 2013.

The composition of the Audit Committee is as under:

Name of Members	Category
Major Gen. B. P. Tiwari	(Chairman) Independent Director
Mr. PAB Raju	Independent Director
Mr. M. Ananth Krishnan	Executive Director

**NOMINATION AND REMUNERATION COMMITTEE**

Section 178 of the Companies Act, 2013 requires every listed company and such other classes of companies as mentioned in the Companies (Meetings of Board and its Power) Rules, 2014 as amended from time to time to constitute a 'Nomination and Remuneration Committee'. Accordingly, the board of directors in the board meeting held on May 06, 2015 reconstituted the 'Nomination and Remuneration Committee'.

Name of Members	Category
Mr. P.K. Gupta	(Chairman) Non-Executive Director
Major Gen. B.P. Tiwari	Independent Director
Mr. PAB Raju	Independent Director
Mr. M. Ananth Krishnan	Executive Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with provisions of section 135 of the Companies Act, 2013, the board of directors of the company has constituted a Corporate Social Responsibility Committee in the board meeting held on June 03, 2015.

The composition of this Committee is as under

Name of Members	Category
Mr. Anil Kumar	(Chairman) Executive Director
Major Gen. B.P. Tiwari	Independent Director
Mr. M. Ananth Krishnan	Executive Director

VIGIL MECHANISM

Pursuant to section 177 (9) of the Companies Act, 2013 and rules made thereunder, the Company is required to establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. The audit committee shall oversee the vigil mechanism in line with the directives issued by Central Vigilance Commissioner and the company has initiated the process towards this.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Our company is in the business of city gas distribution in the state of Madhya Pradesh. The risk management policy relating to various risks like operational, strategic, financial, etc. are in the process of being formulated.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 134(3)(a) of the Companies Act, 2013, extract of the annual return for the financial year ended March 31, 2015 made under the provisions of section 92(3) of the Act is attached as Annexure II which forms part of this report.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo by the company during the year under review is as given below:

CONSERVATION OF ENERGY

Energy conservation measures have been included in the plant design of CNG mother station as well the daughter stations commissioned at Indore, Ujjain and Gwalior. The details relating to energy consumption in mother station and energy consumption per unit of production is given below:

**Electricity & Fuel consumption:**

Particulars	2014-15	2013-14
i) Electricity purchased		
Units consumed (kwh)	24,28,229.00	20,76,813.00
Total amount in (₹)	1,94,42,994.00	1,66,73,036.00
Rate / Unit (₹/kwh)	8.00	8.02
ii) Natural gas as fuel (kg) consumed	2,18,584.69	1,65,602.80

Consumption per MT of production:

Particulars	2014-15	2013-14
Electricity Consumed (in kwh)	207.00	207.00
Natural Gas as fuel (in kg.)	25.15	25.32

TECHNOLOGY ABSORPTION

- The efforts made towards technology absorption are **Nil**.
- The benefits derived like product improvement, cost reduction, product development or import substitutions are **Nil**.
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - the details of technology imported;
 - the year of import;
 - whether the technology been fully absorbed;
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.
 All above imported technology are Nil during the last three years reckoned from the beginning of the financial year.
- The expenditure incurred on research and development is also **Nil**.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the total foreign exchange earned and outflow by the company was **Nil**.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on December 09, 2013. Under the said Act, the company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any woman employee. The company has initiated the process for formulating a policy for Prevention of Sexual Harassment of Women at Workplace and to set up a committee for implementation of said policy in accordance with the provision of the above Act.

ACKNOWLEDGEMENTS AND APPRECIATION

Your directors take this opportunity to thank the Ministry of Petroleum and Natural Gas, Petroleum and Natural Gas Regulatory Board, Government of India, State Government of Madhya Pradesh, District Administration of Indore, Ujjain, Dhar and Gwalior, customers, suppliers, bankers, business partners/associates, financial institutions and various regulatory authorities for their consistent support/encouragement to the company.

Your directors would like to thank its promoters GAIL (India) Limited and Hindustan Petroleum Corporation Limited and all other members for reposing their confidence and faith in the company and its management.

Your directors would also like to thank its employees for their contribution towards the growth of the company during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: September 01, 2015

**Sd/-
YOGESH GAWALI
CHAIRMAN**



ANNEXURE I
SECRETARIAL AUDIT REPORT

To,
The Board of Directors
AAVANTIKA GAS LIMITED
202-B, 2nd Floor, NRK Business Park,
Vijay Nagar Square, A.B. Road,
Indore (M.P.) - 452010

CIN: U40107MP2006PLC018684
Authorised Equity Share Capital: ₹ 100 Crores
Paid up Equity Share Capital: ₹ 45.02 Crores

We have conducted the Secretarial audit of the Compliance of applicable statutory provisions of the Companies Act, 2013 for adherence to good corporate practice, transparency and smooth operations of **AAVANTIKA GAS LIMITED**. The secretarial audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts and statutory compliances for expressing my opinion thereon.

We have examined the registers, records, books and all other documents of **AAVANTIKA GAS LIMITED** ("the Company") as required to be maintained under the Companies Act, 2013 or erstwhile Companies Act, 1956 (the Act) and the rules made there under and as per the requirements of the Memorandum and Articles of Association of the Company for the year ended March 31, 2015.

We Report that, during the year under review:

- The Status of the Company during the financial year 2014-15 has been that of an Unlisted Public Company.
- The Company is a Joint Venture Company of GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL).
- 1. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its authorized officers, we report that the Company has complied with the provisions of the Companies Act, 2013 the Rules made there under and within the powers conferred in the Memorandum and Articles of Association of the Company with regard to :
 - a) maintenance of various statutory registers and records;
 - b) Joint Venture Agreement of GAIL and HPCL
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
 - d) service of documents by the Company to its Members, Share Holders, Auditors and the Registrar of Companies;
 - e) notice, agenda & attendance register of Board and various Committee meetings of Directors;
 - f) meetings of Directors and all the Committees of Directors and passing of circular resolutions;
 - g) notice and convening of Annual General Meeting held on 1st September 2014;
 - h) minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
 - i) approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
 - j) Composition of Directors, KMP's and composition of other committee.
 - k) Constitution of the Board of Directors, Committees of Directors and appointment, retirement and



reappointment of Directors including Managing Directors, Executive Directors and appointment of Key Managerial Person (KMP);

- l) payment of remuneration to Directors, Managing Director, Executive Directors and Independent Directors with sitting fess of Independent Directors;
- m) appointment and remuneration of Statutory Auditors and Cost Auditors;
- n) no transfer and transmission of Company's shares were made during the year;
- o) issue and allotment of shares and issue and delivery of share certificates made during the year;
- p) no declaration and payment of dividend made during the year 2014-15;
- q) borrowings, registration and modification of charges and its documentation, details of the charge which was modified during the year;
- r) Annual Report, Statutory Auditor's Report and Report of the Board of Directors;
- s) investment of the Company's funds including inter corporate loans and investments;
- t) generally, all other applicable provisions of the Act and the applicable rules made there under.

2. We further report that:

- a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
- b) the Directors have complied with the disclosure requirements in respect to their eligibility of appointment, compliance with the code of conduct for Directors and Senior Management Personnel;
- c) the Company has obtained all necessary approvals under various provisions of the Act where necessary;
- d) there was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act, regulations and guidelines under these Acts.

3. We further recommend that:

- a) As per the current financials of the Company for the year ending 31st March, 2015, net profit of the Company exceeds the statutory limit provided as per Section 135 of the Companies Act, 2013 accordingly Company needs to constitute a **Corporate Social Responsibility Committee** of the Board of Directors consisting of three or more directors, out of which one Director shall be an Independent Director for aforesaid compliance.
- b) As per Section 118(10) of the Companies Act, 2013 and other rules and regulations as may be applicable, w.e.f. 1st July, 2015 it is made compulsory for every Company to comply with the Secretarial Standards issued by the ICSI and approved by the Ministry of Corporate Affairs from time to time.
- c) As per Section 177(9) of the Companies Act, 2013 and other Rules as may be applicable, Company shall establish a Vigil Mechanism/ Whistle Blower mechanism for Directors and Employees to report genuine concern and unethical issues to the Management.
- d) According to Section 134 sub-section 3(p) read with Sub-rule (4) of Rule 8 of the Companies (Accounts) Rules, 2014, board evaluation is applicable on the company and it should include in the report by its board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder.

**For Anurag Gangrade & Co.
Practicing Company Secretaries**

**Date: 04th July, 2015
Place: Indore**

**Sd/-
CS Anurag Gangrade
ACS: 29651
CP: 13013**



ANNEXURE II

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2015

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

I. REGISTRATION & OTHER DETAILS

CIN	:	U40107MP2006PLC018684
Registration Date	:	June 07, 2006
Name of the Company	:	Aavantika Gas Limited
Category/Sub-category of the Company	:	Company Limited by Shares/ Indian Non Government Company
Address of the registered office & contact details	:	202-B, II Floor, NRK Business Park, Vijay Nagar Square, A. B. Road, Indore (M.P.) – 452010 Telephone No.: (0731) – 4222520 e-mail id: csagl@aglonline.net
Whether listed company	:	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	N.A.

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

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of CNG and PNG	4020	99.25

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
The Company do not have any holding, subsidiary and associate companies.			

IV. SHAREHOLDING 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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	4	4	0.01	-	4	4	0.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies corp.	-	24,996	24,996	49.99	-	449,99,996	449,99,996	99.94	49.95



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	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	25,000	25,000	50.00	-	450,00,000	450,00,000	99.94	49.95
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	-	25,000	25,000	50.00	-	450,00,000	450,00,000	99.94	49.95
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	25,000	25,000	50.00	-	25,000	25,000	0.06	(49.95)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Promoter Group entities	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Foreign Companies	-	-	-	-	-	-	-	-	-
Directors/ Relatives	-	-	-	-	-	-	-	-	-



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	
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	25,000	25,000	50.00	-	25,000	25,000	0.06	(49.95)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	25,000	25,000	50.00	-	25,000	25,000	0.06	(49.95)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100.00	-	4,50,25,000	4,50,25,000	100	-

ii. SHAREHOLDING OF PROMOTERS

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	GAIL (India) Limited	12498	24.99	NIL	2,24,99,998	49.97	NIL	24.98
2	Hindustan Petroleum Corporation Limited	12498	24.99	NIL	2,24,99,998	49.97	NIL	24.98
3	R.K. Sharma	1	00.00	NIL	1	00.00	NIL	00.00
4	N.K. Nagpal	1	00.00	NIL	1	00.00	NIL	00.00
5	Shrikant Bhosekar	1	00.00	NIL	1	00.00	NIL	00.00
6	S. Bhattacharjee	1	00.00	NIL	1	00.00	NIL	00.00

iii. CHANGE IN PROMOTERS' SHAREHOLDING

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year- As on 1st April 2014	25,000	50.00	25,000	50.00
September 01, 2014 (Increase in number of shares 449,75,000) Allotment of 224,87,500 shares each to GAIL (India) Limited and Hindustan Petroleum Corporation Limited	-	-	450,00,000	99.94
At the end of the year			450,00,000	99.94



iv. **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS**
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
IL&FS INVESTMENT MANAGERS LIMITED				
At the beginning of the year	8,250	16.50	8,250	16.50
Increase / Decrease	-	-	-	-
At the end of the year			8,250	00.02
IDBI TRUSTEESHIP SERVICES LIMITED				
At the beginning of the year	8,250	16.50	8,250	16.50
Increase / Decrease	-	-	-	-
At the end of the year			8,250	00.02
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED				
At the beginning of the year	3,500	07.00	3,500	07.00
Increase / Decrease	-	-	-	-
At the end of the year			3,500	00.01
IDFC ALTERNATIVES LIMITED				
At the beginning of the year	2,500	05.00	2,500	05.00
Increase / Decrease	-	-	-	-
At the end of the year			2,500	00.01
IDFC TRUSTEE COMPANY LIMITED A/C IDFC INFRASTRUCTURE FUND 2 A/C IDFC PRIVATE EQUITY FUND II				
At the beginning of the year	2,500	05.00	2,500	05.00
Increase / Decrease	-	-	-	-
At the end of the year			2,500	00.01

v) **Shareholding of Directors and Key Managerial Personnel:**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Increase/ Decrease	-	-	-	-
At the end of the year	-	-	-	-

None of the directors and key managerial personnel held any shares of the company during the financial year 2014-2015.

**V) INDEBTEDNESS**-Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	66,69,91,678	-	3,73,85,111	70,43,76,789
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	65,16,203	-	-	65,16,203
Total (i+ii+iii)	67,35,07,881		3,73,85,111	71,08,92,992
Change in Indebtedness during the financial year				
Addition	25,32,27,264	-	2,44,61,325	27,76,88,589
Reduction	6,10,68,203	-	-	6,10,68,203
Net Change	19,21,59,061		2,44,61,325	21,66,20,386
Indebtedness at the end of the financial year				
i) Principal Amount	86,56,67,342	-	6,18,46,436	92,75,13,778
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,50,881	-	-	5,50,881
Total (i+ii+iii)	86,62,18,223	-	6,18,46,436	92,80,64,659

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole Time Directors and/or Manager:**

(Amount in ₹)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Anil Kumar (Managing Director)	M. Ananth Krishnan (Whole Time Director)	Pardeep Madan (Managing Director)	D.S.Shah (Whole Time Director)	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,62,660	36,38,646	3,47,457	3,97,621	83,46,384
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,31,882	4,34,566	-	-	10,66,448
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	45,94,542	40,73,212	3,47,457	3,97,621	94,12,832
	Ceiling as per the Act					

**B. Remuneration to other directors**

(Amount in ₹)

S.No.	Particulars of Remuneration	Name of Directors			Total
1.	Independent Directors	Major Gen. BP Tiwari			
	Fee for attending board Committee Meetings	60,000			60,000
	Commission	-			-
	Others, please specify	-			-
	Total (1)	60,000			60,000
2.	Other Non-Executive Directors	S. Venkatraman (Resigned)	P.K. Gupta	P.K. Joshi (Resigned)	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	60,000	-	-	60,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

S.No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	CS		*CFO	
1	Gross salary		Om Prakash Lalji Pandey	Rachit Inani		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	68,909	2,43,170	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	-	68,909	2,43,170	-	-

*The remuneration of CFO is the same as that of the Whole-Time Director, Mr. M. Ananth Krishnan, since he is the CFO for the purpose of Companies Act, 2013.



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF AAVANTIKA GAS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AAVANTIKA GAS LIMITED** ("the Company"), which comprise the Balance Sheet as at **31/03/2015**, the Statement of Profit and Loss, the **cash flow statement** for the year then ended, and a summary of the 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 the 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 thereunder.

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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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.

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.

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, of the state of affairs of the Company as at **31/03/2015**, and its **Profit and its cash flows** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure I statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.



As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the **cash flow statement** dealt with by this Report are in agreement with the books of account.
- (d) 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.
- (e) On the basis of the written representations received from the directors as on **31/03/2015** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2015** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

As required by section 143(5) of the Act, our report is as per Annexure II.

Date : 12/05/2015
Place : INDORE

FOR SURESH S. KIMTEE & CO.
(Chartered Accountants)
Reg No. :001270C

Sd/-
CA SUDEEP KIMTEE
Partner
M.No. : 405935



ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(1) In Respect of Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.

(2) In Respect of Inventory

- (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) Procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. There is no inadequacies in such procedures that should be reported.
- (c) Company is maintaining proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.

(3) Loans and advances to parties covered under section 189

The Company has not granted any loans, whether secured or unsecured, to companies, firms and other parties covered in register maintained under section 189 of Companies Act, 2013. Accordingly paragraphs (iii) (a) and (b) are not applicable.

- (a) N.A
- (b) N.A

(4) Internal Control in reference to Purchase of Inventory and Fixed Assets and whether there is continue failure of Internal control

In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit We have not observed continuing failure to correct major weaknesses in internal control system.

(5) Rules followed while accepting Deposits

No deposits within the meaning of Sections 73 to 76 or any other relevant provision of the Act and rules framed there under have been accepted by the Company.

(6) Maintenance of cost records

The Company is maintaining cost accounting records which are being audited by cost accountant. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.

(7) According to the information and explanations given to us in respect of statutory dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income tax, Sales tax, Service tax, Excise duty, Cess and other material statutory dues applicable to it.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, duty of excise, value added tax or cess and any other statutory dues with the appropriate authorities were in arrears, as at 31st March,2015 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, no amount was required to be transferred to Investor Education and Protection Fund.

(8) Company which has been registered for a period less than five years and accumulated losses are more than 50% of Net worth, Reporting of cash Losses

The company`s accumulated losses at the end of the financial year are less than fifty percent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(9) Default in Repayment of Loans taken from Bank or Financial Institutions

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to bank. The Company has no outstanding dues in respect of debenture holders.

(10) Terms for Loans and Advances from Banks or Financial Institutions prejudicial to the interest of the company

On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.

(11) Application versus purpose for which Loan Granted

According to the information and explanations given to us, in our opinion, the terms loans were applied for the purpose for which they were obtained.

(12) Reporting of Fraud During the Year Nature and Amount

Based upon the audit procedures performed for the purpose of recording the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud or by the company has been noticed or reported during the course of our audit.

Place : INDORE
Date : 12/05/2015

FOR SURESH S. KIMTEE & CO.
(Chartered Accountants)
Reg No. :001270C

Sd/-
CA SUDEEP KIMTEE
(Partner)
Membership No. 405935



ANNEXURE II AS REQUIRED BY DIRECTIONS GIVEN BY COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 2014-15 UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Based on the verification of records of the company and based on information and explanation given to us, we give below a report on the directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act.

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liability (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process. :-
Not Applicable as the Government of India does not have any direct Stake in the AAVANTIKA GAS LIMITED and further we have been informed that the Government of India has not intimated the Company about any plan of direct disinvestment. Further, on a review of the minutes of the Audit Committee and Board of Directors, we have not come across discussions related to dis-investments being made.
2. Please report whether there are any cases of waiver/write off of debts/loans/interests etc., if yes, the reasons there for and the amount involved. :-
As per the process of the Company any waiver of debt is accounted, only with the approval of Competent Authority in line with the Delegation of Authority. The Company has written off ₹ 180,074 on account of Failure of Electronic Volume Corrector for PNG supplied to Pratap Snacks Pvt Ltd., who objected on the quantity billed based on calculation from mechanical counter of RPD meter. Accordingly the matter was sorted out in terms of Approval sheet dated 14.05.2014 for waiver of ₹ 180074/- billed in excess. Further ₹ 148.63 on account of sundry balances written off during the year as rounding off differences on debit balances.
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities. :-
a. Proper records are maintained for inventories lying with third parties
b. During the year the Company has not received any assets as gifts from Government or other authorities.
4. A report on age-wise analysis of pending legal / arbitration cases including the reason for pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.:-

The age wise analysis of pending legal/arbitration cases are as under:

Year	No. of Pending Cases
2014-2015	1

The above does not include pending legal cases concerning direct and indirect tax matters.

- Details of above case:- The case is filed by Sadhna Nagar Residents Association against Indore Municipal Corporation (IMC) in Lok adalat, AAVANTIKA GAS LIMITED was made a party to this as a DRS was Installed in the park of Sadhna Nagar without permission from IMC. AAVANTIKA GAS LIMITED has contested the case on the basis that all valid & proper permissions were received & these have submitted to court.
- Reasons of Pendency:- The cases are pending due to various reasons like adjournments sought by either of the parties, pre- occupation of courts due to heavy back log of cases.
- Monitoring Mechanism for expenditure for all legal cases:- There exists a effective Monitoring Mechanism for all legal local cases.

As informed to us there are no legal or arbitration cases pending outside India.

FOR SURESH S. KIMTEE & CO.

Chartered Accountants
Firm Reg. No. 001270C

Sd/-

Sudeep Kimtee

Partner
Membership No. 405935

**BALANCE SHEET AS AT 31st MARCH, 2015**

Amount in ₹

Particulars	Note No	As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	45,02,50,000	5,00,000
(b) Reserves and Surplus	3	8,41,63,741	(2,14,59,168)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	75,77,72,278	59,60,14,122
(b) Deferred tax liabilities (Net)	5	4,33,62,876	-
(c) Other Long term liabilities	6	6,18,46,436	48,71,35,111
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	7	3,49,08,208	1,64,29,956
(b) Trade payables	8	6,70,99,944	7,89,21,771
(c) Other current liabilities	9	12,60,03,530	8,38,04,871
(d) Short-term provisions	10	87,53,786	46,64,994
Total		1,63,41,60,799	1,24,60,11,657
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,07,03,10,698	64,63,02,432
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		28,09,14,751	41,06,70,922
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	1,10,24,681
(d) Long term loans and advances	12	3,47,44,597	32,16,907
(e) Other non-current assets	13	-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	14	35,61,374	33,56,418
(c) Trade receivables	15	7,52,00,176	6,86,23,345
(d) Cash and Cash Equivalents	16	16,09,95,273	9,49,28,859
(e) Short-term loans and advances	17	30,48,277	26,36,494
(f) Other current assets	18	53,85,653	52,51,599
Total		1,63,41,60,799	1,24,60,11,657

Accounting Policies

1

Accompanying Notes are an integral part of the Financial Statements

26-37

As Per Our Report of Even Date

For and on behalf of the Board

FOR SURESH S. KIMTEE & CO.

Chartered Accountants

Firm Reg. No. 001270C

Sd/-**Sudeep Kimtee**

Partner

Membership No. 405935

Place : INDORE

Date : 12.05.2015

Sd/-**Anil Kumar**

Managing Director

Sd/-**M. Ananth Krishnan**Director (Commercial)
& Chief Financial Officer**Sd/-****Rachit Inani**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015**

Amount in ₹

Particulars	Note No	2014-15	2013-14
REVENUE			
- Sale of Products			
- CNG		87,01,13,517	95,60,34,170
- PNG		47,19,73,004	45,02,09,146
- Other Operating Revenues	19	16,14,533	83,77,696
Less : Excise Duty on CNG		9,68,29,917	10,74,30,566
Less : VAT		15,43,99,355	16,16,75,895
- Revenue From Operations		1,09,24,71,782	1,14,55,14,551
- Other Income	20	82,28,230	70,55,416
- Total Revenue		1,10,07,00,012	1,15,25,69,967
EXPENSES			
- Cost of raw materials consumed	21	34,86,23,659	64,16,30,880
- Purchase of Stock-in-Trade		35,14,64,234	31,54,92,195
- Changes in inventories of finished goods, work-in progress and Stock in Trade	22	3,11,145	12,544
- Employee benefit expense	23	1,80,86,930	1,62,80,973
- Financial costs	24	6,20,79,393	3,71,68,436
- Depreciation and amortization expense		3,56,86,066	4,05,82,924
- Other expenses	25	12,44,38,119	9,38,32,403
- Total Expenses		94,06,89,546	1,14,50,00,355
Profit before exceptional and extraordinary items and tax		16,00,10,466	75,69,612
- Exceptional Items		-	-
Profit before extraordinary items and tax		16,00,10,466	75,69,612
- Extraordinary Items		-	-
Profit before tax		16,00,10,466	75,69,612
Tax expense:			
- Current tax (MAT)		3,14,11,157	-
- Deferred tax Liabilities/(Assets)		5,43,87,557	25,72,911
- MAT Credit Entitlement		(3,14,11,157)	
- Total Tax Expenses		5,43,87,557	25,72,911
Profit/(Loss) for the period		10,56,22,909	49,96,701
Earning Per Equity Share			
- Basic		4.02	99.93

As Per Our Report of Even Date

FOR SURESH S. KIMTEE & CO.

Chartered Accountants

Firm Reg. No. 001270C

Sd/-

Sudeep Kimtee

Partner

Membership No. 405935

For and on behalf of the Board

Sd/-

Anil Kumar

Managing Director

Sd/-

M. Ananth KrishnanDirector (Commercial)
& Chief Financial Officer

Sd/-

Rachit Inani

Company Secretary

Place : INDORE

Date : 12.05.2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015**

Amount in ₹

Particulars	2014-15	2013-14
A Cash Flow From Operating Activities		
1 Profit for the Period before adjustment of Extraordinary Item	16,00,10,466	75,69,612
2 Adjustment for :		
Depreciation	3,56,86,066	4,05,82,924
Prior Period Expenses	-	-
Interest Income	(82,28,230)	(70,55,416)
Borrowing Cost	6,20,79,393	3,71,68,436
Operating profit before working capital change (Total 1+2)	24,95,47,695	7,82,65,556
3 Increase/(Decrease) in working capital		
Advance From Related Parties	44,97,50,000	-
Trade receivables	(65,76,831)	1,35,95,160
Loans & Advances and other Assets	(3,20,73,527)	28,51,451
Inventories	(2,04,956)	(10,59,535)
Current Liabilities & Provisions	(39,08,23,051)	(2,90,99,778)
	2,00,71,635	(1,37,12,702)
Net cash generated from operating activities	26,96,19,330	6,45,52,854
B Cash flow from Investing activities		
1 Purchase of fixed assets (Includes CWIP)	(32,99,38,161)	(21,67,66,290)
5 Interest Income	82,28,230	70,55,416
Net cash generated from Investing activities	(32,17,09,931)	(20,97,10,874)
C Cash flow from financing activities		
1 Long term loan raised	21,17,02,156	20,19,51,616
2 Principal Repayment of Term Loan	(4,99,44,000)	(1,84,16,000)
3 Cash Credit	1,84,78,252	2,17,64,335
4 Borrowing Cost	(6,20,79,393)	(3,71,68,436)
Net cash generated from financing activities	11,81,57,015	16,81,31,515
D Net Increase/(Decrease) in cash and cash equivalents	6,60,66,414	2,29,73,495
E Cash and cash equivalents at beginning of the year		
Cash in hand	3,07,086	6,91,500
Balance with banks	9,46,21,773	7,12,63,864
	9,49,28,859	7,19,55,364
Cash and cash equivalents at end of the year		
Cash in hand	5,03,592	3,07,086
Balance with banks	16,04,91,681	9,46,21,773
	16,09,95,273	9,49,28,859
Net Increase/(Decrease) in cash and cash equivalent	6,60,66,414	2,29,73,495

As Per Our Report of Even Date

FOR SURESH S. KIMTEE & CO.

Chartered Accountants

Firm Reg. No. 001270C

Sd/-

Sudeep Kimtee

Partner

Membership No. 405935

Place : INDORE

Date : 12.05.2015

For and on behalf of the Board

Sd/-

Anil Kumar

Managing Director

Sd/-

Rachit Inani

Company Secretary

Sd/-

M. Ananth KrishnanDirector (Commercial)
& Chief Financial Officer

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of preparation of financial statements:**

The financial statements have been prepared and presented under the historical cost convention with Generally Accepted Accounting Principles (GAAP), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 as applicable, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India (ICAI).

All income and expenditure having material bearing are recognized on accrual basis except where otherwise stated. Necessary estimates and assumption of income and expenditure are made during the reporting period and difference between the actual and the estimates are recognized in the period in which the result materialized.

(ii) Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Revised Schedule III to the Companies Act, 2013.

(iii) Fixed Assets:

a) Fixed Assets are stated at their original cost of acquisition/installation (net of Modvat/Cenvat), net of accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost.

b) Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalized at the cost net of Modvat/Cenvat.

c) Capital work in progress:

Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets and are included under "Capital Work in Progress". These are apportioned to fixed assets on commencement of commercial production.

(iv) Construction Period expenses on Project:

a) Related expenditure (including temporary facilities and crop compensation expenses) incurred during construction period are capitalized.

b) Financing cost incurred during the construction period on loans specifically borrowed and utilized for projects is capitalized.

c) Financing cost, if any, incurred on general borrowings used for projects during the construction period is capitalized at the weighted average cost.

(v) Borrowing Cost:

Borrowing costs including interest and commitment charges on borrowing, attributed to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such assets, till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(vi) Depreciation:

a) Depreciation on Fixed Assets is provided on straight line method, at the rates and in the manner defined in Schedule II of the Companies Act, 2013 on the basis of useful life of assets and is charged pro rata on monthly basis on assets, from/ upto and inclusive of the month of capitalization / sale,



disposal or deletion during the year.

- b) Lease hold Land is amortized over the period of lease.
- c) Machinery spares, which can be used only in connection with an item of fixed assets and use of which is expected to be irregular are depreciated over a period not exceeding the useful life of principal life of fixed assets
- d) Intangible Assets other than application software are amortized on a straight line basis over the useful life of the parent asset.
- e) Application software is normally amortized over a period of four years, or over its useful life, before it becomes obsolete, whichever is earlier.

(vii) Impairment of Assets:

At each balance sheet date, an assessment is made of whether there is any indication of impairment. An impairment loss is recognized whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.

(viii) Foreign Currency Transactions:

- a) Foreign Currency transactions during the year are recorded at the rates of exchange prevailing on the dates of transactions.
- b) All foreign currency assets, liabilities and forward contracts are restated at the rates ruling at the year end.
- c) All exchange differences are dealt with in the profit and loss account, except those relating to acquisition of fixed assets, which are adjusted in the cost of assets and those covered by forward contract rates, where the premium / discount arising from such contracts are recognized over the period of contracts.
- d) The realized gain or loss in respect of commodity hedging contracts, the pricing periods of which has expired during the year, are recognized in the Profit & Loss Account along with the underlying transaction. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision is made for likely loss, if any.

(ix) Inventories:

Inventories are valued at cost or net realisable value whichever is lower.

Value of surplus, obsolete and slow moving stores and spares, if any, is reduced to net realizable value. Surplus items when transferred from completed projects are valued at cost/estimated realisable value, pending periodic assessment/ascertainment of condition

(x) Sale of Products:

Sales are shown net of discounts, including applicable excise duty, surcharge and other elements as are allowed to be recovered as part of the price.

(xi) Accounting / Classification of Expenditure and Income:

- a) Insurance claims are accounted on acceptance basis.
- b) All other Claims/ entitlements are accounted on the merits of each case/ realization.



(xii) Provisions:

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

(xiii) Income taxes:

- a) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- b) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reason by certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized against future taxable profits.
- c) At each balance sheet date the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(xiv) Minimum Alternate Tax (MAT):

MAT is recognized as an asset only when and to the extent there is convincing evidence based on projections that the company will pay normal Income-tax during the specified period. In the year, in which the MAT credit becomes eligible to recognize as an asset in accordance with the recommendations contained in the Guidance note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit & Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income-tax during the specified period.

(xv) Contingent Liabilities and Capital Commitments:

Contingent liabilities are considered only for items exceeding ₹ 5 Lakhs in each case. Contingent Liabilities in respect of show cause notices are considered only when converted into demands. Capital Commitments are considered only for items exceeding ₹ 1 Lakh in each case.

**NOTES FORMING PART OF BALANCE SHEET**

	Amount in ₹ As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
2 SHARE CAPITAL		
2.1 Authorised Capital: 10,00,00,000 Equity Shares of ₹ 10/- Each	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>
2.2 Issued, Subscribed and Paid up Capital 4,50,25,000 Equity Shares of ₹ 10/- Each Fully Paid 4,49,75,000 Equity Shares of ₹10/- Each Fully Paid issued during 2014-15.	<u>45,02,50,000</u>	<u>5,00,000</u>
2.3 The List of Shareholders holding more than 5% shares in the company is set out below		
Name of the Shareholders	No. of Shares	Amount
1 GAIL (India) Limited	2,24,99,998	22,49,99,980
2 Hindustan Petroleum Corporation Limited	2,24,99,998	22,49,99,980
2.4 The Reconciliation of the number of Equity Shares outstanding		

	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount (in ₹)	No. of Shares	Amount (in ₹)
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares issued during the year	4,49,75,000	44,97,50,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,50,25,000	45,02,50,000	50,000	5,00,000

3. RESERVES & SURPLUS

	As at 31st March 2015	As at 31st March 2014
3.1 Surplus as per Statement of Profit and Loss A/c		
Opening Balance	(2,14,59,168)	(2,64,55,869)
Add:- Net Profit/(Loss) for the period	10,56,22,909	49,96,701
Less:- Proposed Dividend	-	-
Less:- Dividend Distribution Tax	-	-
Less:- Transferred to General Reserve	-	-
	<u>8,41,63,741</u>	<u>(2,14,59,168)</u>
3.2 General Reserve		
Opening Balance	-	-
Add:- Net Profit Transferred from Profit and loss A/c	-	-
	<u>-</u>	<u>-</u>

**NOTES FORMING PART OF BALANCE SHEET**

	Amount in ₹ As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
4. LONG TERM BORROWINGS		
Secured		
Term Loans from Bank		
- Rupee Term Loans (Bank of Baroda)		
Term Loan - I (2009-11)	5,52,48,000	7,36,64,000
Term Loan - II (2011-12)	15,76,40,000	18,91,72,000
Term Loan - III (2012-13)	13,82,57,144	16,13,00,000
Term Loan - IV (2013-14)	17,18,78,122	17,18,78,122
Term Loan - V (2014- 15)	23,47,49,012	-
Installment due in next 12 months are shown under 'Other Current Liabilities'		
Unsecured		
- Deferred Sales Tax Liability	-	-
- Loans and advances from related parties	-	-
- Other Loans and Advances	-	-
	75,77,72,278	59,60,14,122
Terms of Loan		
- Each Term Loan of 9 year with 2 year moratorium		
- Repayable in 28 Equal Quarterly installment		
- First Charge over fixed assets		
- Second Charge over current assets		
5 DEFERRED TAX LIABILITIES (Net)		
Current Year Charge		
Deferred Tax Assets		
Carried Forward loss	1,41,93,763	-
Unabsorbed Depreciation	1,22,18,555	(3,21,53,981)
Deferred Tax Liabilities		
Accumulated Depreciation	2,79,75,239	7,55,16,858
Deferred Tax Liabilities/(Asset) (Net)	5,43,87,557	4,33,62,877
6. OTHER LONG TERM LIABILITIES		
Security and Other Deposit	6,18,46,436	3,73,85,111
Advance from Related Parties*	-	44,97,50,000
	6,18,46,436	48,71,35,111
* Interest Free advance received from promoters for further issuance of equity share capital , Equity Shares issued in 14-15		

**NOTES FORMING PART OF BALANCE SHEET**

	Amount in ₹ As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
7. <u>SHORT TERM BORROWINGS</u>		
Cash Credit A/c (Secured)*	3,49,08,208	1,64,29,956
	3,49,08,208	1,64,29,956
* First Charge over current assets (including book debts)		
* Second Charge over Fixed assets		
8. <u>TRADE PAYABLES</u>		
Outstanding Expenses including gas cost	5,28,76,552	6,05,81,649
Retention Money	1,43,438	1,43,438
Payable to Promoters for Expenses		
- Payable to HPCL	84,18,099	95,19,881
- Payable to GAIL	56,61,855	86,76,803
	6,70,99,944	7,89,21,771
9. <u>OTHER CURRENT LIABILITIES</u>		
Current Maturities of long Term Debts	7,29,86,856	4,99,44,000
Creditors for Assets	4,70,56,848	2,07,64,733
MAT Payable	27,11,157	-
TDS Payable	5,55,842	6,03,138
Excise Duty Payable/(Receivable)	(3)	(6,58,077)
Excise Duty on Closing Stock	47,758	94,060
Entry Tax Payable	66,599	2,381
WCT Payable	5,81,586	4,35,184
Interst & Installment Accrued but not due on Term Loan	5,50,881	1,11,20,203
Service Tax Payable	1,238	1,76,505
Vat Payable	11,40,260	12,83,691
Professional Tax Payable	5,884	-
Provident Fund Contribution	49,373	-
Stale Cheques balance	2,49,250	39,053
	12,60,03,530	8,38,04,871
10. <u>SHORT-TERM PROVISIONS</u>		
Provision for Expenses	87,53,786	46,64,994
	87,53,786	46,64,994



NOTES FORMING PART OF BALANCE SHEET

11. FIXED ASSETS:

Amount in ₹

DESCRIPTION	GROSS BLOCK			DEPRECIATION			WRITTEN DOWN VALUE				
	As at 01-04-2014	Additions	Deductions	As at 31-03-2015	Upto 01-04-2014	For the year	Deductions	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014	
TANGIBLE ASSETS											
Leasehold Land	75,04,167	-	-	75,04,167	3,80,567	2,50,179	-	6,30,746	68,73,421	71,23,600	
Building	6,27,81,162	5,95,97,950	-	12,23,79,112	48,66,005	21,56,673	-	70,22,678	11,53,56,434	5,79,15,157	
Plant & Machinery*	63,94,71,133	37,95,46,365	-	1,01,90,17,498	7,78,51,256	2,99,48,568	-	10,77,99,824	91,12,17,674	56,16,19,877	
Domestic Meters & Regulators	89,94,979	24,21,619	-	1,14,16,598	89,94,979	1,53,369	-	91,48,348	22,68,250	-	
Electrical and Other Equipment	98,28,485	1,26,35,371	-	2,24,63,856	33,72,794	14,48,119	-	48,20,913	1,76,42,943	64,55,691	
Computer System	9,13,130	12,300	-	9,25,430	5,82,912	2,66,374	-	8,49,286	76,144	3,30,218	
Gas Cylinders including Valves & Regulators	2,96,03,340	48,19,761	-	3,44,23,101	1,94,76,721	8,30,212	-	2,03,06,933	1,41,16,168	1,01,26,619	
Furniture & Fixtures	37,55,764	6,60,966	-	44,16,730	10,24,495	6,32,572	-	16,57,067	27,59,663	27,31,269	
TOTAL TANGIBLE ASSETS	76,28,52,160	45,96,94,332	-	1,22,25,46,492	11,65,49,729	3,56,86,066	-	15,22,35,795	1,07,03,10,698	64,63,02,431	
Previous Year	64,06,99,655	12,27,02,031	-	76,28,52,160	7,59,66,802	4,05,82,924	-	11,65,49,728	64,63,02,432	56,47,32,853	
				Add:- Capital Work in Progress :-						28,09,14,751	41,06,70,922
				Total:-						1,35,12,25,449	1,05,69,73,353



NOTES FORMING PART OF BALANCE SHEET

	Amount in ₹ As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Refundable Security Deposit (IDA)	15,18,610	15,18,610
Refundable Security Deposit (MPEB)	9,01,908	8,07,489
Other Deposit	73,215	1,26,101
Refundable Security Deposit (Railway)	5,47,742	5,47,742
Advance Rent for Pithampur & Ujjain MS Land	2,16,965	2,16,965
Prepaid License Fees (M.P. pollution control Board)	75,000	-
MAT Credit Entitlement F.Y. 2014-15	3,14,11,157	-
	3,47,44,597	32,16,907
13. OTHER NON CURRENT ASSETS	-	-
	-	-
14. INVENTORIES		
Raw Material	18,56,480	14,70,251
Finished Goods	3,88,889	7,46,336
Stores and Spares	13,16,005	11,39,831
	35,61,374	33,56,418
15. TRADE RECEIVABLES		
Unsecured Considered Good		
- Debts outstanding for a period exceeding 6 months	1,31,53,384	58,67,833
- Other Debts	6,20,46,792	6,27,55,512
	7,52,00,176	6,86,23,345
16. CASH AND CASH EQUIVALENTS		
Balances with Banks	6,37,70,603	1,04,74,551
Cash in hand	5,03,592	3,07,086
Other Bank Balance		
Fixed Deposit with banks (maturity more than 3 months)*	9,67,21,078	8,41,47,222
	16,09,95,273	9,49,28,859
	16,09,95,273	9,49,28,859
17. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Prepaid Insurance & Warehouse Rent	10,08,405	6,45,914
Deposit with GAIL Gwalior & Pithampur Project	19,85,580	19,85,580
Imprest A/c	4,292	5,000
Prepaid License Fees (M.P. pollution control Board)	50,000	-
	30,48,277	26,36,494
18. OTHER CURRENT ASSETS		
Cenvat & Service Tax Credit Receivable	24,45,197	24,57,663
Interest accrued on term deposit with bank	-	13,463
TDS Receivable	29,40,457	27,80,473
	53,85,653	52,51,599

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

	Amount in ₹ As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
19. OTHER OPERATING REVENUE		
Connection charges received	5,10,500	29,63,500
Liquidated Damages & Extra pipe charges collected	7,34,033	14,89,776
Tender fees	3,70,000	2,49,000
Credit Note from GAIL	-	36,75,420
	16,14,533	83,77,696
20. OTHER INCOME		
Interest on Deposits (TDS for 2014-15, ₹ 8,15,620/-, for 2013-14, ₹ 6,94,843/-)	81,40,969	69,17,339
Interest on I.T. Refund	20,050	63,043
Interest on Deposit with MPPKVV	67,231	75,033
Sundry Balances written off	(20)	1
	82,28,230	70,55,416
21. COST OF MATERIALS CONSUMED		
Opening Stock	14,70,251	10,25,948
Add:- Purchase	70,66,89,649	96,54,91,924
	70,81,59,900	96,65,17,872
Less :- Captive Consumption	62,15,527	79,24,546
Less :- Direct Sales	35,14,64,234	31,54,92,195
Less :- Closing Stock	18,56,480	14,70,251
Raw Material Consumed (PNG)	34,86,23,659	64,16,30,880
22. CHANGE IN STOCKS		
Opening Stock of Finished goods	7,46,336	7,94,278
Less :- Closing Stock of Finished goods	3,88,889	7,46,336
Less :- (Increase)/Decrease in Excise duty on Stocks	46,302	35,398
	3,11,145	12,544
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Bonus etc.	1,69,72,720	1,53,21,655
Employees Provident Fund (Company Contribution)	5,94,327	5,59,552
Staff welfare expenses	5,19,883	3,99,766
	1,80,86,930	1,62,80,973
24. FINANCE COSTS		
Interest on Term Loan	6,18,93,080	3,67,56,986
interest on Working Capital Loan (CC A/c)	1,86,313	4,11,450
	6,20,79,393	3,71,68,436

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

	Amount in ₹ As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
25. OTHER EXPENSES		
25.1 MANUFACTURING EXPENSES		
Power and Fuel	2,56,29,070	2,44,47,972
Repairs, Operation and Maintenance Charges	2,09,44,897	1,75,84,210
25.2 AUDITORS REMUNERATION		
Audit fees	50,000	60,000
VAT Audit Fees	16,500	15,000
Cost Audit Fees	22,500	25,000
Internal Audit Fees	1,16,000	1,22,000
Tax Audit fees	30,000	15,000
Secretarial Audit	20,000	-
25.3 LEGAL & PROFESSIONAL FEES		
Professional Charges	43,36,794	23,01,836
25.4 RENT, RATES & TAXES		
Lease Rent for Lease hold lands	1,32,669	2,38,991
Office & warehouse Rent	18,83,056	11,11,341
25.5 OTHER ADMINISTRATIVE EXPENSES		
CNG Transportation Charges	2,27,38,994	1,80,12,795
Business Promotion Expenses	61,72,470	7,35,850
Conferences & Meetings	2,62,112	1,66,266
Office Administration Expenses	12,37,129	11,70,179
Printing and Stationary	2,65,736	1,92,218
Books and Periodicals	13,634	10,258
Telephone, Fax, Etc.	6,27,781	3,69,131
General Expenses	33,65,316	8,45,771
Repairs, Operation and Maintenance Charges	2,08,09,039	1,78,65,494
Travelling and Conveyance	73,76,731	33,29,610
Postage and Courier	25,179	26,982
Service Tax Paid	12,21,905	23,48,919
Insurance Premium	7,26,557	9,61,305
License fees	6,06,906	29,440
Festival Expenses	9,22,694	5,51,632
Bank Charges	16,59,932	12,36,027
ROC Filing Fees & Stamp Duty Charges	9,20,754	19,520
Duties & Taxes	1,89,404	39,656
Advertisement	19,43,600	-
Training fees	1,70,760	-
	12,44,38,119	9,38,32,403

**NOTES FORMING PART OF THE ACCOUNTS****Note 26 DEFERRED TAX (ASSET)/ LIABILITY**

Amount in ₹

	As at 31.03.2014	For the year 2014-15	As at 31.03.2015
Depreciation	4,75,41,619	2,79,75,239	7,55,16,858
Carry Forward Losses	(1,41,93,763)	1,41,93,763	-
Carry Forward Depreciation	(4,43,72,537)	1,22,18,555	(3,21,53,981)
Total deferred Tax Liability/ (Assets)	(1,10,24,681)	5,43,87,557	4,33,62,876

Note 27 INFORMATION AS REQUIRED TO BE GIVEN AS PER SCHEDULE III OF THE COMPANIES ACT IS GIVEN BELOW:

Amount in ₹

		2014-15	2013-14
A	Estimated Amount of Contracts remaining to be executed on Capital Account not provided for	30,90,17,511	20,74,54,087
B	Claims Against the Company Not Acknowledged as Debt	-	-
C	Managerial Remuneration: Salary and Allowances (Managing Director and Director-Commercial are on deputation from GAIL and HPCL respectively. The amount represents remuneration paid by GAIL / HPCL and debited to the company.)	83,46,384	77,75,708
D	CIF Value of Imports during the Year	NIL	NIL
E	Expenditure in Foreign Currency on account of participation in Exhibition	NIL	NIL
F	Earning in Foreign Currency	NIL	NIL

**NOTES FORMING PART OF THE ACCOUNTS****Note 28 DETAILS OF TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR* :**

Amount in ₹

Nature of Transaction	2014-15		2013-14	
	HPCL	GAIL	HPCL	GAIL
Manpower Cost of employees on deputation	1,05,30,456	72,57,451	94,28,211	86,76,803
Traveling & Conveyance	54,707	2,17,891	1,87,910	-
Raw Material Purchased	NIL	80,51,06,141	NIL	1,09,60,52,032
Gas Transportation Charges	NIL	NIL	NIL	NIL
Sale of CNG	32,62,70,924	NIL	41,78,79,396	NIL
Deposit With GAIL For Pithampur GSA	-	-	NIL	12,64,435
Amount Payable (Net) as of 31.03.2015	(46,54,618)	5,22,36,846	(38,20,739)	6,88,30,927

*Confirmations from Related Parties are awaited.

Note 29 VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED :

	2014-15	2013-14
I Raw Materials		
- Imported (in%)	NIL	NIL
- Imported (Value in ₹)	NIL	NIL
- Indigenous (in%)	100	100
- Indigenous (Value in ₹)	34,03,13,650	64,16,30,880
II Spare Parts & Components		
- Imported (in%)	NIL	NIL
- Imported (Value in ₹)	NIL	NIL
- Indigenous (in%)	100	100
- Indigenous (Value in ₹)	6,70,258	8,13,578

Note 30 INFORMATION FOR EACH CLASS OF GOODS PURCHASED, SOLD AND STOCKS DURING THE YEAR

		Opening Stock		Purchase/Production		Sales/Consumption		Closing Stock	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
PNG	SCM	40,853	38,795	3,30,46,091	3,04,23,375	3,30,31,504	3,04,21,317	55,440	40,853
	Value in ₹	14,70,251	10,25,948	70,66,89,649	95,75,67,379	70,63,03,420	1,09,15,73,160	18,56,480	14,70,251
CNG	KG	16,610	18,570	1,56,04,889	1,44,35,376	1,56,04,879	1,44,37,336	16,620	16,610
	Value in ₹	7,46,336	7,94,278	34,86,23,659	64,16,30,880	67,31,82,044	73,78,11,300	3,88,889	7,46,336



NOTES FORMING PART OF THE ACCOUNTS

Note 31 EXPENSES BEFORE ASSETS CAPITALIZATION DURING THE YEAR PENDING ALLOCATION

Amount in ₹

Particulars	Opening Balance	Expense During the Year	Capitalized during year	Amount Includes in CWIP
Interest on term loan	5,20,83,496	2,53,50,244	5,44,63,495	2,29,70,245
Project Manpower cost	61,08,286	86,25,761	1,07,86,029	39,48,018
EPMC Fees	36,61,400	37,05,522	41,83,410	31,83,512

Note 32 Segmental Reporting: The Company operates in a single segment of Natural Gas business in the M.P State region and therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

Note 33 Contingent Liability: GAIL (India) Limited raised 2 debit notes for ₹ 7,24,58,736/- and ₹ 48,47,434/- on take or pay claim for the Contract year 2014 under the Long Term RLNG GSA. Whereas the Company has replied regarding non applicability of take or pay clause due to availability of APM/PMT gas pursuant to MoP&NG guidelines. As per copy of Balance confirmation submitted, the amounts of these Debit Notes are not included in the Balance outstanding. Hence the same is treated as Contingent.

Note 34 Management has made an assessment on the impairment of assets and observed that there are no assets whose value got impaired.

Note 35 Year - end balances of receivable/payable are subject to confirmation/reconciliation.

Note 36 Figures have been rounded off to nearest rupee.

Note 37 Figures of previous year have been reclassified /regrouped and shown in bracket where ever required.

As Per Our Report of Even Date

FOR SURESH S. KIMTEE & CO.

Chartered Accountants
Firm Reg. No. 001270C

Sd/-
Sudeep Kimtee
Partner
Membership No. 405935

Place : INDORE
Date : 12.05.2015

For and on behalf of the Board of Directors

Sd/-
Anil Kumar
Managing Director

Sd/-
Rachit Inani
Company Secretary

Sd/-
M. Ananth Krishnan
Director (Commercial)
& Chief Financial Officer



NOTES



AAVANTIKA GAS LIMITED

202-B, 2nd Floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore (M.P.) - 452010
CIN: U40107MP2006PLC018684

Form No. MGT-11
Proxy form

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

Name of the Member(s):
Registered address :
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the Member(s) ofshares of the above named Company, hereby appoint

- Name:
Address:
E-mail Id:.....
Signature: _____, or failing him
- Name:
Address:
E-mail Id:.....
Signature: _____, or failing him
- Name:
Address:
E-mail Id:.....
Signature: _____, or failing him

as my / our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Ninth Annual General Meeting of the company, to be held on the **Tuesday, September, 29, 2015 at 3:00 p.m. at 202-B, 2nd Floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore (M.P.) - 452010** and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.:	Vote	
	For	Against
Ordinary Business		
1. Adoption of financial statements, report of Board of Director's and Auditor's for the financial year March 31st, 2015.		
2. Re-appointment of Mr. M. Ananth Krishnan (DIN 06801841) as Whole Time Director who retires by rotation.		
3. To fix the remuneration of statutory auditors of the company for the financial year 2015-16.		
Special Business		
4. To ratify the remuneration paid to M/s. ABK & Associates, Cost Accountants, Mumbai for the financial year 2015-16.		
5. To confirm Major Gen. Bhagwati Prasad Tiwari (DIN 06454549) as Independent Director for a term of 3 consecutive years.		
6. To confirm Mr. Penumatsa Ashok Bangar Raju (DIN 07141438) as Independent Director for a term of 3 consecutive years.		
7. To confirm Mr. Prafulla Kumar Gupta (DIN 01237706) as Director of the company.		
8. To confirm Mr. Yogesh Gawali (DIN 05294482) as Director of the company.		
9. Borrowing powers u/s 180(1) (c) of the Companies Act, 2013.		
10. Power to create Mortgage u/s 180(1)(a) of the Companies Act, 2013.		

Signed thisday of2014

Signature of Shareholder

Signature of Proxy Holder

Affix
Revenue
Stamp

- Note: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2) The proxy need not be a member of the company

INTENTIONALLY LEFT BLANK



AAVANTIKA GAS LIMITED

202-B, 2nd Floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore (M.P.)-452010 - Phone: 0731-4222520

CIN: U40107MP2006PLC018684

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. PLEASE ALSO BRING YOUR COPY OF THE ENCLOSED ANNUAL REPORT.

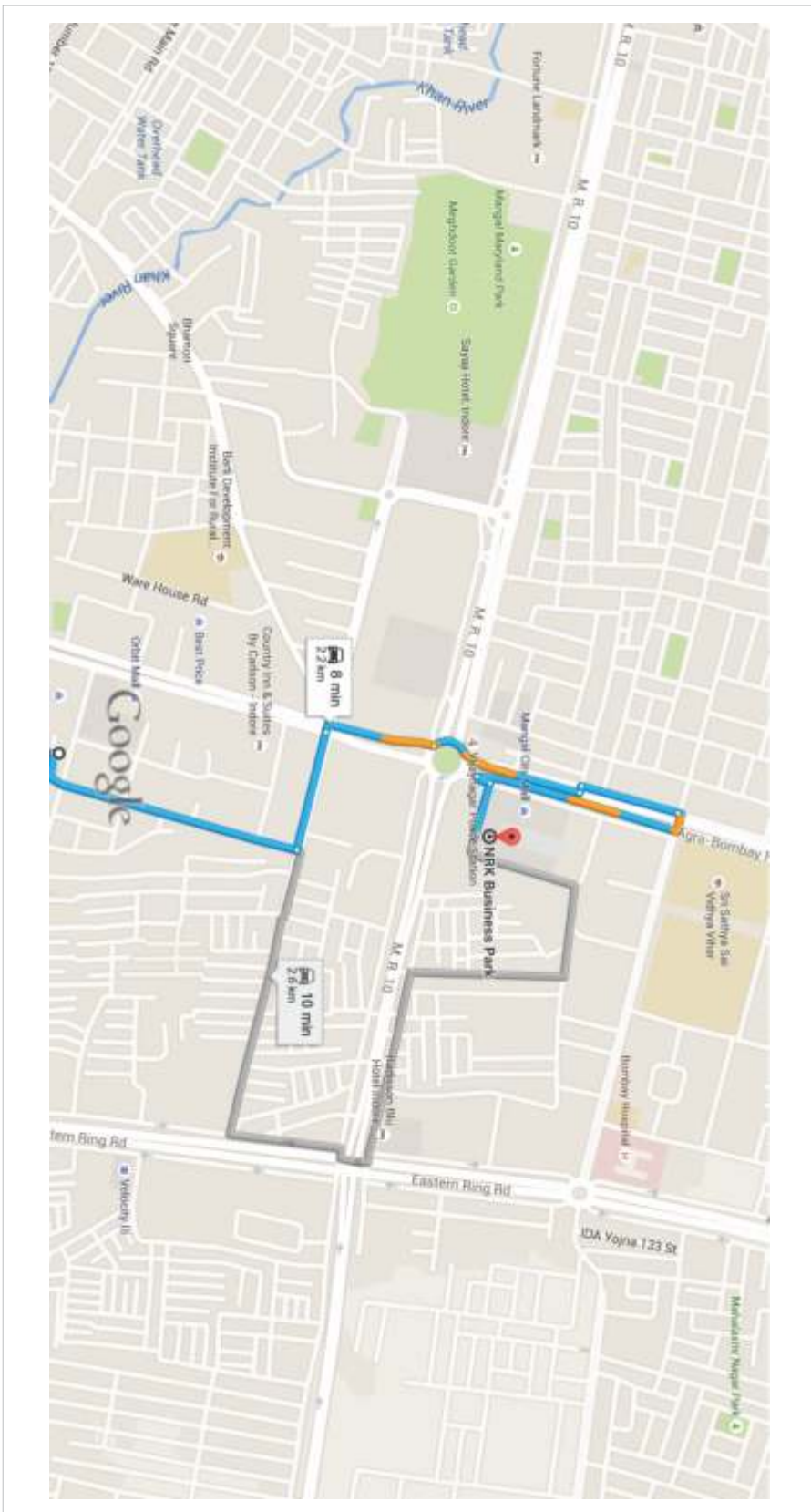
I hereby record my presence at the Ninth Annual General Meeting to be held on Tuesday, September 29, 2015 at 3:00 pm at 202-B, 2nd floor, NRK Business Park, Vijay Nagar Square, A.B. Road, Indore (M.P.)-452010

Particulars	Name of shareholder/Proxy (in block letters)	Signature
Folio No.		
DP ID No.*		
Client ID No.*		

* Applicable for investors holding shares in electronic form.

INTENTIONALLY LEFT BLANK

ROUTE MAP TO THE AGM VENUE





Use Natural Gas for a Greener Environment



AAVANTIKA GAS LIMITED

(A Joint Venture Company of GAIL & HPCL)

CIN : U40107MP2006PLC018684

Registered Office : 202-B, 2nd Floor, NRK Business Park,
Vijay Nagar Square, A.B. Road, Indore (M.P.)-452010 - Phone: 0731-4222520

www.aglonline.net