

# ANNUAL REPORT

2014 - 2015



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**DNP LIMITED**

(A Govt. of Assam Undertaking)

CIN : U5141UAS2007SGC008410





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### **Bankers**

- State Bank of India, Duliajan Branch
- Allahabad Bank, AGCL Branch

### **Statutory Auditors**

M/s. Kanoi Associates (SPA087)  
Chartered Accountants  
Central Chowkedenghi  
Dibrugarh-786001  
Assam

### **Secretarial Auditors**

M/s Biman Debnath & Associates  
House No. 3 (2nd Floor)  
ABC, G. S. Road  
Guwahati-781 005  
Assam

### **Registered Office**

"Adams Plaza", 1st Floor  
G. S. Road, Christian Basti  
Guwahati-781005  
CIN : U5141UAS2007SGC008410

### **Corporate Office**

Assam Gas Company Ltd. campus  
P. O. Duliajan, Dist. Dibrugarh  
PIN - 786 602, Assam

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## **DNP LIMITED**

### **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 8<sup>th</sup> Annual General Meeting of the Shareholders of DNP Limited will be held in the Registered Office of the Company at "Adams Plaza" 1<sup>st</sup> Floor, Christian Basti, G. S. Road, Guwahati - 781005 on Friday, the 11<sup>th</sup> September, 2015 at 11.00 A.M. to transact the following Ordinary and Special Businesses:

#### **Ordinary Business**

1. To receive, consider and adopt the Directors' Report and the Report on Corporate Governance, the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015 along with the Reports of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.
2. To declare Dividend.
3. To appoint a Director in place of Shri Ram Tirath Jindal (DIN-05292121) who retires by rotation in pursuance of Section 152 of the Companies Act, 2013. Shri Ram Tirath Jindal being eligible, offers himself for re-appointment.

#### **Special Business**

4. Appointment of Director

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

"RESOLVED THAT Shri Achintya Kumar Nath be and is hereby appointed as Director of the Company."

5. Remuneration of Cost Auditor

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

"RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, approval accorded by the Board in its meeting held on 6<sup>th</sup> September, 2014 for appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati as the Cost Auditor of the Company for the financial year 2015-2016 for carrying out the audit of cost records maintained by the Company at a remuneration of ₹ 30,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc. be and is hereby ratified and approved."

By Order of the Board of Directors

#### **Registered Office**

Adams Plaza, 1<sup>st</sup> Floor  
Christian Basti, G. S. Road  
Guwahati - 781005

Sd/-

**(D. Dev Gupta)**  
Company Secretary, AGCL

Date : 20/08/2015

## **DNP LIMITED**

- a. Explanatory statements under Section 102 of the Companies Act, 2013 in respect of the business under Item 4 to 5, as set out above are annexed hereto.
- b. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies, in the alternative, to attend and vote instead of himself and such proxy need not be a member. Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp and be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting.

By Order of the Board of Directors

Sd/-

**(D. Dev Gupta)**

Company Secretary, AGCL

### **Registered Office**

Adams Plaza, 1st Floor  
Christian Basti, G. S. Road  
Guwahati-781005

Date : 20/08/2015

Explanatory Statements for the Special Business pursuant to Section 102 of the Companies Act, 2013.

The following are the Explanatory Statements in respect of item No. 4 & 5 of the Special Business indicated in the Notice dated 20<sup>th</sup> August, 2015.



**Item No. 4. Appointment of Director**

Shri Achintya Kumar Nath was appointed as Additional Director on the Board of the Company w.e.f. 12th February, 2015 pursuant to Article 125 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Shri Achintya Kumar Nath being appointed as Additional Director will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Achintya Kumar Nath as a Director of the Company. A brief resume of Shri Achintya Kumar Nath is provided separately in the Corporate Governance Report enclosed with the Directors' Report. The Board recommends the appointment of Shri Achintya Kumar Nath as Director of the Company.

Except Shri Achintya Kumar Nath, no other Director or their relatives are interested or concerned in the Resolution.

**Item No. 5 : Remuneration of Cost Auditor**

M/s Subhadra Dutta & Associates was appointed by the Board as the Cost Auditor of the Company for the financial year 2015-2016 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of Rs. 30,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses, and payment of service tax at applicable rates.

Pursuant to Rule 14 of the Companies (Audit & Auditors) Rules, 2014, remuneration of Cost Auditor approved by the Board under section 148(3) of the Companies Act, 2013 is required to be ratified by the shareholders.

Accordingly, approval is sought from the shareholders for ratification of remuneration payable to M/s Subhadra Dutta & Associates, Cost Auditor of the Company for the year 2015-2016.

By Order of the Board of Directors

Sd/-

**(D. Dev Gupta)**

Company Secretary, AGCL

**Registered Office**

Adams Plaza, 1st Floor  
Christian Basti, G. S. Road  
Guwahati-781005

Date : 20/08/2015

## **DNP LIMITED**

### **Explanatory statement pursuant to section 102(i) of the companies act. 2013**

#### **Item No. 4. Appointment of Director (under special business)**

Shri Achintya Kumar Nath was appointed as Additional Director on the Board of the Company w.e.f. 12<sup>th</sup> February, 2015 pursuant to Article 125 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Shri Achintya Kumar Nath being appointed as Additional Director will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Achintya Kumar Nath as a Director of the Company. A brief resume of Shri Achintya Kumar Nath is provided separately in the Corporate Governance Report enclosed with the Directors' Report. The Board recommends the appointment of Shri Achintya Kumar Nath as Director of the Company.

Except Shri Achintya Kumar Nath, no other Director or their relatives are interested or concerned in the Resolution.

#### **Item No. 5 : Remuneration of Cost Auditor (under special business)**

M/s Subhadra Dutta & Associates was appointed by the Board as the Cost Auditor of the Company for the financial year 2015-2016 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of ₹ 30,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses, and payment of service tax at applicable rates.

Pursuant to Rule 14 of the Companies (Audit & Auditors) Rules, 2014, remuneration of Cost Auditor approved by the Board under section 148(3) of the Companies Act, 2013 is required to be ratified by the shareholders.

Accordingly, approval is sought from the shareholders for ratification of remuneration payable to M/s. Subhadra Dutta & Associates, Cost Auditor of the Company for the year 2015-2016.

By Order of the Board of Directors

Sd/-

**(D. Dev Gupta)**

Company Secretary, AGCL

#### **Registered Office**

Adams Plaza, 1<sup>st</sup> Floor  
Christian Basti, G. S. Road  
Guwahati - 781005

Date : 20/08/2015



## DNP LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Eighth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2015.

Your Company has successfully completed its 4<sup>th</sup> year of operation and during the year, the gas transmission was higher than the previous year by 8.38 % due to higher availability of gas by the supplier OIL and higher drawal by NRL.

Your Company continued to overcome challenges to service existing loans and yet register a profit after tax of ₹ 6.70 Crores as against profit after tax of ₹ 4.42 Crores in the previous year. During the year, profit before interest, depreciation and taxes was ₹ 46.90 Crores against a turnover of ₹ 66.03 Crores.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2015 is summarised below:-

Particulars	2014-2015 (₹ In thousands)	2013-2014 (₹ In thousands)
Gross Revenue from Operations	660,333	591,549
Other Income	5,274	8,811
<b>Total Revenue</b>	<b>665,607</b>	<b>600,360</b>
Profit before Depreciation & Amortisation, Interest and Tax	469,032	423,074
Profit before prior period adjustments and Tax	196,498	92,979
<b>Profit before Tax</b>	<b>196,498</b>	<b>92,979</b>
Provision for Taxation- (Minimum Alternate Tax )	47,479	18,619
Provision for Taxation- Deferred	81,995	30,167
<b>Profit (Loss) after tax</b>	<b>67,024</b>	<b>44,193</b>
Earnings per Share(Face value ₹ 10/- each)		
1. Basic	0.40	0.26
2. Diluted	0.40	0.26

## Directors propose to appropriate this amount as under

<b>Appropriations</b>	<b>2014-2015</b> (₹ In thousands)	<b>2013-2014</b> (₹ In thousands)
Adjustment of brought forward losses		
Towards Dividend	18,398	11,708
Corporate Dividend Tax	3,745	1,990
Transfer to General Reserve	44,881	30,495
Balance at Profit& Loss Account	500	500

## Summarized Cash Flow Statement

<b>Cash Flows</b>	<b>2014-2015</b> (₹ In thousands)	<b>2013-2014</b> (₹ In thousands)
Inflow/(Outflow) from operations	441,884	574,096
Inflow/(Outflow) from investing activities	(1,496)	(66, 443)
Inflow/(Outflow) from financing activities	(427,599)	(567,609)
Net Increase/(decrease) in cash & cash equivalent	12,789	(59,956)

## PERFORMANCE HIGHLIGHTS

### Financial Performance

Total revenue generated during the year on account of transportation charges was at ₹ 66.03 Crores compared to ₹ 59.15 Crores in 2013-14, i.e., an increase of 11.63%. Profit before tax was 111% higher at ₹ 19.65 Crores compared to ₹ 9.30 Crores in the previous year.

The value of fixed assets as on 31st March, 2015 stood at ₹ 273.33 Crores which include the new gas intake pipeline of approx length of 800 metres laid from OIL's new delivery point to the company's dispatch station at Madhuban.

### Physical Performance

During the year 2014-15, your Company transported 242.12 MMSCM of natural gas to NRL which is 80.71% of the annual contracted quantity (ACQ) of 300 MMSCM as against 223.39 MMSCM transported during the previous year.

During the year, your Company continued its focused attention towards optimum utilization of all available resources. Various cost control initiatives have also been taken up to ensure generation of reasonable levels of operating surplus.



In accordance with relevant clauses of the gas supply agreement between DNPL and NRL, transportation charges for the year were revised to ₹ 2727.45 per thousand standard cubic meters (TSCM) with effect from 1.4.2014.

### Results of operations and the State of Company's Affairs

The highlights of the Company's performance are as under:

1. Operating Revenue increased by 11.63 % during the year from ₹ 59.15 Crores (2013-14) to ₹ 66.03 Crores.
2. Operating Expenses increased by 9.82 % during the year from ₹ 15.17 Crores (2013-14) to ₹ 16.66 Crores excluding provision for project surplus materials.
3. Interest expenditure has reduced by 25.56% from ₹ 16.08 Crores in 2013-14 to ₹ 11.97 Crores.
4. During the year the company repaid SBI Loan amounting to ₹ 9.00 Crores and OIL Loan amounting to ₹ 21.70 Crores.
5. Profit after Tax for the year is ₹ 6.70 Crore as compared to ₹ 4.42 Crores for 2013-14 due to increase in operating revenue ( ₹ 6.88 Crores) and decrease in Finance Cost ( ₹ 4.11 Crores) and Depreciation ( ₹ 1.64 Crores).
6. Earning per Share (EPS) has increased to ₹ 0.40 during the year from ₹ 0.26 in 2013-14.

### Treasury Operations

During the year, as on 31<sup>st</sup> March, 2015, outstanding balance of term loan availed from OIL stood at ₹ 88.80 Crores. The Company has fully liquidated the term loan of ₹ 9.00 Crores which was availed from SBI. Total borrowings as on 31<sup>st</sup> March, 2015 stood at ₹ 88.80 Crores as compared to last year's figure of ₹ 119.50 Crores. During the year, interest cost has been reduced to ₹ 11.97 Crores as against ₹ 16.08 Crores paid during the previous year.

During the intervening period from the Balance Sheet date to the date of reporting, the company has repaid an amount of ₹ 8.00 Crores to OIL. As on the date of report, total outstanding loan balance is ₹ 80.80 Crores.

### Share Capital

During the year, your Company's paid up share capital stood at ₹ 167.25 Crores. Consequently, debt equity ratio as on the date of the report has changed from 0.53:1 to 0.48 : 1.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### Dividend

Your Directors have recommended a dividend of ₹ 0.11 (i.e. 1.1%) per equity share of ₹ 10.00 each (last year ₹ 0.07 per equity share) for the financial year ended March 31, 2015, amounting to ₹ 2.21 Crores (inclusive of tax of ₹ 0.37 Crores). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Your Directors after taking into account financial results of the Company during the year are pleased to recommend for your approval, a dividend of 1.1 % (i.e. ₹ 0.11 per fully paid equity shares of ₹ 10.00 each) for the year 2014-2015 on the paid up share capital of ₹ 167.25 Crores, which would absorb a

sum of ₹ 2.21 Crores (inclusive of Corporate Dividend Tax) out of Company's PAT. After retaining an amount of ₹ 0.05 Crores in the statement of Profit & Loss for the year, your Directors' propose to transfer the remaining amount of ₹ 4.49 Crores to the General Reserve Account.

### **Govt. Audit Review**

As required under section 139(5) of the Companies Act, 2013, the Comments of the Comptroller and Auditor General of India (C&AG) on the Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2015 together with addendum thereto, is placed before the shareholders for consideration.

### **Management's Discussion and Analysis Report**

Optimum utilization of gas transportation infrastructure plays an important role in the gas industry for efficient delivery of gas to end consumers. In spite of various constraints experienced by the company, it has been successfully operating the dedicated state-of-the-art Duliajan Numaligarh Gas Transportation System.

### **Strengths, Weaknesses, Opportunities and Threats**

DNPL's primary strength emanates from the fact that the three promoters represent three vertices of the gas value chain - gas producer OIL, gas transporter AGCL and gas consumer, NRL. The professional strengths and unstinted support of the three promoter organizations are always available to your company in all its endeavors and in overcoming various challenges.

DNPL owns and operates a single dedicated gas transportation system delivering gas from a single source to a single customer. The major weakness of the company is that any variation in supply of gas by the producer and/ or variation of drawal of gas by the consumer may adversely affect your company's revenue.

Risks and associated concerns for 2015-16 mainly pertains to possible reduced availability of contracted quantity of natural gas from the producer in view of the likely commissioning of the BCPL's gas cracker plant at Lepatkata, Dibrugarh, Assam.

### **Human Resource**

During the year, there was no permanent employee of DNPL and some of the key technical and managerial personnel drawn from AGCL during project execution stage continue to be engaged in your company's operations on full time as well as on part time basis. They were being supported by technical and non technical manpower outsourced from manpower supply agencies.

On receipt of approval from the Government of Assam on the proposal for recruitment of 52 permanent managerial, technical and non technical executives, staff and supervisors, the company completed the recruitment process for 24 persons in various grades on 16th April, 2015.



## Safety

During the year 2014-2015, there was no loss time accident (LTA). Safety training and awareness programmes were organized during the year. The Safety Policy may be accessed at the Company's website at [www.dnpl.co.in](http://www.dnpl.co.in).

## DIRECTORS' RESPONSIBILITY STATEMENT

### Your Directors state that

- a. in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a 'going concern' basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. **(Refer Annexure-I)**

The CSR Policy may be accessed on the Company's website at [www.dnpl.co.in](http://www.dnpl.co.in)

The key philosophy of all CSR initiatives of the Company is guided by core commitments of Impact and Sustainability.

The Company has identified three focus areas of engagement which are as under:-

- i. Health Care and Sanitation
- ii. Environmental Sustainability and Ecological Balance and
- iii. Promotion of education.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act.

During the year, the Company's Budget was ₹ 22.00 Lakhs (around 2 % of the average net profits of last three financial years) on CSR activities. However, although the CSR Policy was approved by the Board in the financial year 2014-2015 i.e. on 12/02/2015, all related expenditure on CSR activities has been incurred in the present financial year i.e. 2015-2016. Hence the amount of ₹ 22.00 Lakhs has to be carried forward and added with the Budget on CSR activities for the financial year 2015-2016.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance. The report on Corporate Governance forms an integral part of this Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance at **Annexure-III**.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to Section 152 of the Companies Act, 2013, Shri R. T. Jindal will retire by rotation in the ensuing Annual General Meeting and being eligible, offer himself for reappointment as director at the same meeting.

Since the date of last Annual General Meeting held on 23.09.2014, the Board comprised of the following members : Please also refer to report on Corporate Governance in **Annexure-III** of this Annual Report.

Shri R. T. Jindal, IAS, Chairman

Shri B. Borpatragohain, Director

Shri K. J. Baruah, Director (ceased w.e.f. 31.12.2014)

Shri S. K. Barua, Director

Shri N. N. Barkakoty, Director (ceased w.e.f. 31.12.2014)

Shri A. K. Nath, (appointed w.e.f. 12.02.2015)

The Board approved Shri B. Borpatragohain, Managing Director, Assam Gas Company Limited and Director, DNP Ltd as the Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) of the Company w.e.f. 06/09/2014.

## **Meetings of the Board**

Six meetings of the Board of Directors were held during the year. Please refer to Report on Corporate Governance in **Annexure-III** of this Annual Report.

The Board places on record its deep appreciation for the valuable contribution made by Shri K. J. Baruah and Shri N. N. Barkakoty during their tenure as Director of the Company. Shri K. J. Baruah and Shri N. N. Barkakoty, who were appointed as directors, demitted office as Directors effective 31st December, 2014.

## Independent Directors

In line with the provisions of the Companies Act, 2013 the Company is taking necessary action in consultation with the Govt. of Assam to appoint at least two Independent Directors of which at least one would be a woman in the Board of DNPL.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

DNPL being a Government Company, the Statutory Auditor is appointed by the Comptroller and Auditor General of India (C&AG) as per Section 139(5) of the Companies Act, 2013.

M/s Kanoi Associates, (SPA087) Chartered Accountants, Central Chowkidinghee, Dibrugarh-786001 were appointed as Statutory Auditors for the financial year 2014-15 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

M/s Kanoi Associates (SPA087), Chartered Accountants, Central Chowkidinghee, Dibrugarh-786001 has also been appointed as Statutory Auditor for the Financial Year 2015-2016 by the office of C&AG of India vide letter No. CA.V/COY/ASSAM.DNPL (1)/233 dated 08/07/2015. The remuneration for the Statutory Auditors was fixed at ₹ 40,000.00 (Rupees Forty Thousand only).

The Notes on financial statement referred to in the Auditors' Report for the year 2014-2015 are self-explanatory and do not call for any further comments as it does not contain any qualification, reservation or adverse remark.

### Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s Biman Debnath & Associates, a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report given by the secretarial auditors in **Form MR-3** is at **Annexure-II**.

### Cost Auditors

Pursuant to Rules under the Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s Subhadra Dutta & Associates, Cost Accountants, Guwahati a firm of Practicing Cost Accountants, to undertake the Audit of the Cost Records of the Company for the Financial Year 2014-15.

## DISCLOSURES

### CSR Committee

The present Corporate Social Responsibility Committee comprises of Directors, viz., Shri S. K. Barua (Chairman), Shri B. Borpatragohain and Shri A. K. Nath as other members.

### **Audit Committee**

The present Audit Committee comprises Directors namely Shri S. K. Barua (Chairman), Shri B. Borpatragohain and Shri A. K. Nath as other members. All the recommendations made by the Audit Committee were accepted by the Board.

### **Particulars of Loan, Guarantees and Investments under Section 186**

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

### **Particulars of Contracts or Arrangements with Related Parties**

The company did not enter into any related party transaction with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the company except transportation of natural gas from OIL to NRL which is the reason for existence of the company.

### **Material changes Affecting the Financial Position of the Company**

There were no such material changes and commitments in the company which could affect the financial position from the date of the financial statements of the company for the Financial Year 2014-15 till the date of signing of this report.

### **Conservation of Energy, Technology Absorption**

The Company is taking effective steps at every level of its activities for conservation of energy.

### **Foreign Exchange Earnings and Outgo**

During the year, there have been no direct foreign exchange earnings or Outgo. Quarterly Annual Maintenance Charges (AMC) for SCADA system is made in INR to a designated foreign bank.

### **Particulars of Employees and related disclosures**

As there is no employee drawing the specified remuneration, particulars of employees under Section 134 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2015 are not furnished.

### **Company's Policy Relating to directors appointment, payment of remuneration and discharge of their duties.**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required to be given in the case of Government Company vide Ministry of Corporate Affairs Notification dated 05.06.2015.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary, AGCL and the same will be furnished on request.



## Business Risk Management

Although the company doesn't have any specific risk management policy as on this date, the Board of Directors of the company do deliberate on threats, risks and concerns which in the opinion of the Board may threaten the continuation of its business or pose threat its existence. The Board reviews the means adopted by the company to mitigate the risk from time to time. The details of risk and concerns of the company are discussed in the Management Discussion and Analysis Report.

## Nomination & Remuneration Committee Policy

The Company has already initiated action for the appointment of Independent Directors and one Woman Director in its Board. Presently as there are no such directors, the Company has not devised any policy relating to Nomination and Remuneration Committee as required under the provisions of the Companies Act, 2013.

## Disclosure on Establishment of a Vigil Mechanism

The Company doesn't have any Vigil Mechanism.

## Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Directors further state that Assam Gas Company Ltd.'s Redressal Cell under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 when operative will also cover DNP Ltd since AGCL is its holding Company.

There were no cases filed for Sexual Harassment of Women at Workplace during the Financial Year 2014-15.

## Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure IV** to this Report.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## ACKNOWLEDGEMENT

Your Directors express their earnest appreciation for the untiring efforts put in by the employees of AGCL deputed to DNPL as well as the outsourced personnel, without whom it would not have been possible for DNPL to operate this gas transportation system smoothly and safely. Your Directors also express their deep gratitude to the managements of OIL and NRL and to various employees of the two

promoter companies who in spite of their busy schedules were called upon to provide professional support to your company on various occasions.

Your Directors sincerely acknowledge the role played by all other agencies, contractors and suppliers including their employees in its success.

The Directors also sincerely acknowledge the assistance, guidance and support received from various Government Departments, particularly, from Industries and Commerce Dept. Govt. of Assam, Public Enterprises Deptt. Govt of Assam, Offices of Commissioner of Income Tax, Commissioner of Central Excise & Service Tax as well as other Central and State Government agencies.

Your Directors wish to thank all the employees of AGCL, NRL and OIL for their unstinting support and cooperation.

Your Directors are also grateful to the Oil Industry Development Board, Oil India Limited and State Bank of India for providing required term loan assistance to the Company.

Your Directors would like to extend their sincere thanks to all the shareowners of the Company, namely, AGCL, NRL, and OIL for reposing their confidence and continued support to DNPL management.

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

**R. T. Jindal**

Chairman

Date : 20/08/2015

Place : Guwahati

## ANNEXURE I TO DIRECTORS' REPORT

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2014-15

- |   |  |
|---|--|
| <p>1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.</p> | <p>Refer Sections :<br/>a. Corporate Social Responsibility and<br/><br/>b. Disclosures: CSR Committee in this Report</p> |
| <p>2. Average net profit of the Company for last three financial years</p>  | <p>₹ 11.00 Crores</p>  |
| <p>3. Prescribed CSR expenditure<br/>(Two percent of the amount mentioned in item 2 above)</p>  | <p>₹ 22.00 lakhs</p>   |
| <p>4. Details of CSR spent during the financial year:</p>   | <p>NIL</p>   |
| <p>5. Total amount to be spent for the financial year</p>   | <p>₹ 22.00 Lakhs</p>   |
| <p>6. Amount unspent, if any</p>  | <p>₹ 22.00 Lakhs</p>   |
| <p>7. Manner in which the amount spent during the financial year</p>  |  |

# DNP Limited

Annual Report 2014-15

## DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise ( in crore)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads ( in crore)	Cumulative Expenditure upto the reporting period i.e. FY 2014-2015 ( in crore)	Amount Spent Direct or through Implementing Agency
1.	Health care & Sanitation	(i) of Schedule-VII	Within 10.00 km radius of the Despatch station of DNPL at Madhuban and 5 km of other stations of DNPL	22.00 lakhs	Nil	Nil	Nil
2..	Environmental Sustainability & Ecological Balance	(iv) of Schedule-VII	1.00 km in either side of ROW				
3.	Promotion of Education	(ii) of Schedule-VII					

## RESPONSIBILITY STATEMENT

The projects under CSR activities of the Company were identified and physical implementation was started during the financial year 2015-2016. There was no financial outgo on CSR during the year 2014-2015.

**B. Borpatragohain**  
Director

**S. K. Barua**  
Chairman, CSR Committee

**A.K. Nath**  
Director



**ANNEXURE-II****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST March, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

**To,**  
**The Members,**  
**M/s. DNP LIMITED,**  
**CIN: U51410AS2007SGC008410**  
**Adams Plaza, 1st Floor, Christian Basti, G. S. Road,**  
**Guwahati - 781005, Assam**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s DNP LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of :

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Memorandum and Articles of Association of the Company.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. Factories Acts and Rules ;
- b. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- c. The Environment (Protection) Act, 1986;
- d. Air (Prevention and Control of Pollution) Act, 1981;

The Acts which are not applicable to the Company though forming part of the prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit Report.

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

- i. Petroleum and Natural Gas Regularity Board Act 2006
- ii. Order, Instructions of the Government of Assam.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following :

1. The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Women Director during the financial year under review.
2. The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Independent Director during the financial year under review.
3. Pursuant to the Provisions of Section 203 of the Companies Act, 2013 the board has not appointed a Full time Company Secretary for the Company. However as intimated by the management of the Company, the Company Secretary of Assam Gas Company Limited, the holding company of DNP Limited is doing the secretarial work of Company.
4. Although a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting but the agenda and detailed notes were not given to the Directors before seven days in advance to schedule the Board Meetings as prior approval of Board was taken for conducting the Board Meetings at a shorter notice.
5. The Company has formed Board committees but the Composition of Committee is not as per the requirement of Section 177 and 178 of the Companies Act, 2013.
6. The Company is using the premises of its Holding Company "Assam Gas Company Limited" as its office premise but there is no such agreement for using the same.

As informed and apprised by the Company being a State Government Company, the appointment of Directors are done by the State Government and the Government has not yet appointed or nominated any Independent Director and Women Director on the Board of the Company.

### **I further report that**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

Sd/-

Signature :

Name of the Company Secretary : Biman Debnath

FCS No. : 6717, C P No.: 5857

Date : 06/08/2015

Place : Guwahati

**Addendum to the Directors Report :**

Sl. No.	Secretarial Auditors Observations	Management Reply
1.	The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Women Director during the financial year under review.	DNP Limited, being a Government Company, in line with the Central Government Notification dtd 05/06/2015 has already initiated action with Industries & Commerce Department, Government of Assam for the appointment of Woman Director in the DNPL Board.
2.	The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Independent Director during the financial year under review.	DNP Limited, being a Government Company, in line with the Central Government Notification dtd 05/06/2015 has already initiated action with Industries & Commerce Department, Government of Assam for the appointment of Independent Director in the DNPL Board.
3.	Pursuant to the Provisions of Section 203 of the Companies Act, 2013 the board has not appointed a Full time Company Secretary for the Company. However as intimated by the management of the Company, the Company Secretary of Assam Gas Company Limited, the holding company of DNP Limited is doing the secretarial work of Company.	Process is on for the appointment of new Company Secretary in DNPL.
4.	Although a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting but the agenda and detailed notes were not given to the Directors before seven days in advance to schedule the Board Meetings as prior approval of Board was taken for conducting the Board Meetings at a shorter notice.	Noted.
5.	The Company has formed Board committees but the Composition of Committee is not as per the requirement of Section 177 and 178 of the Companies Act, 2013.	Noted.
6.	The Company is using the premises of its Holding Company "Assam Gas Company Limited" as it office premise but there is no such agreement for using the same.	Noted for compliance.



## DNP LIMITED

## ANNEXURE - III

### REPORT ON CORPORATE GOVERNANCE

#### Company's philosophy on Code of Corporate Governance

Corporate Governance is a set of system and practices adopted by a Company to ensure that it is managed in a way to ensure accountability, transparency, fairness in all its transactions and also to meet the aspiration of the stake holders and expectation of the Society. Corporate Governance is crucial to integrate all components by carefully balancing the complex relationship amongst the Board of Directors, Audit Committee & other subcommittees. DNPL is adopting best governance practices, which are critical to ensure optimization of returns and satisfaction to all the shareholders. The Company has been sharing relevant information with the various shareholders from time to time through Annual Reports, Minutes etc. Being a non-listed entity it is not mandatory to disclose as per Clause 49 of the Listing Agreement & Companies Act. However, as good corporate governance practice and as per Guidelines on Corporate Governance for State Level Public Enterprises issued by Department of Public Enterprises (DPE), Govt. of Assam in May, 2013, the Company has been complying with the stipulations contained therein to the extent applicable.

Relevant information on areas covered under Corporate Governance disclosures during the financial year 2014-2015 are furnished below :-

#### 1. Board of Directors

DNPL is a Government Company under Section 2(45) of the Companies Act, 2013 by virtue of being a subsidiary of Assam Gas Company Limited (AGCL), which is a Government Company. The Board of Directors is the Apex Body constituted by the Share Holders for overall functioning of the Company. In terms of the Articles of Association of the Company, the number of Directors shall not be less than three (3) and not more than nine (9).

As on 31<sup>st</sup> March, 2015, the Board of DNPL comprises of 3 Part time (Ex-Officio) Directors from the promoters organizations, namely, Assam Gas Company Limited, Numaligarh Refinery Limited and Oil India Limited and one Part time (Ex-Officio) Director from Government of Assam.

Additional Chief Secretary, Industries & Commerce Department, Government of Assam is the Chairman of the Company. During the year, all the meetings of the Board and the 7<sup>th</sup> Annual General Meeting was chaired by the Chairman. None of the Directors (ex Officio part time) of DNPL had any pecuniary relationship/transaction with the company during the year.

As per Section 165 of the Companies Act, 2013, a Director should not hold directorship in more than 20 Companies at the same time and directorship in Public Companies should not exceed 10 nos. During the year, there was no violation of Section 165 pertaining to number of directorship held by the directors.

The Board's actions and decisions are aligned with the Company's best interests. The Board has an effective mechanism to facilitate Post Meeting, follow ups, Review and Reporting process for the decision taken by the Board or Sub-Committee of the Board.

#### Details regarding Board Meetings, Annual General meeting, Directors' attendance thereat, Directorship held by the Directors are as under :

Six Board Meetings were held during the financial year 2014-2015 on the following dates:

9 <sup>th</sup> May, 2014	6 <sup>th</sup> June, 2014	6 <sup>th</sup> Sept., 2014	23 <sup>rd</sup> Sept., 2014	14 <sup>th</sup> Nov., 2014	12 <sup>th</sup> Feb., 2015
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The relevant details of the Directors of the Company are as below

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
1.	Shri Ram Tirath Jindal, IAS Additional Chief Secretary to the Govt of Assam, Industries & Commerce Department, Dispur, Guwahati-781006 (w.e.f 20/06/2012)	M.Sc. (Chemistry) from Punjab Agriculture University	20/07/2012	6	100	Attended	Chairman 1. AIIDCL 2. DNP Ltd.  Dy. Chairman 1. AGCL  MD 1. AHECL  Director 1. AIDC 2. APL 3. BCPL 4. ATPO 5. ATCL 6. IIE 7. AIM
2.	Shri Bhupen Borparagohain Managing Director, AGCL (w.e.f. 01.04.2009)	B.E. (Mech)	01.04.2009	6	100	Attended	Managing Director 1. AGCL  Director, 1. TNGCL
3.	Shri S. K. Barua Director(F), NRL (w.e.f. 28/06/2013)	ACMA and LLB from Dibrugarh University	28/06/2013	6	100	Attended	Director, (Finance), (1) NRL (w.e.f.01.05.2013)
4.	Shri Krishna Jyoti Baruah General Manager (Risk Management) OIL (upto 31/12/2014) (retired)	B.E (Chemicals)	11/01/2012	4	80	Attended	
5.	Shri N. N. Barkakoty (upto 31/12/2014) (since retired)	M.Sc. (Chem)	06/09/2014	3	100	-	Directors 1. APHCL 2. AFDCL 3. ATDCL 4. ASTCL 5. AIDCL 6. ASIDCL 7. ASHB 8. APGCL 9. APDCL
6.	Shri Achintya Kumar Nath	B.E. (Mech.)	12/02/2015	1	100	-	

- **AGCL** : Assam Gas Company Limited, **AHECL** : Assam Hydrocarbon & Energy Co. Limited; **AIDC** : Assam Industrial Development Corporation Ltd; **AIM** : Assam Institute of Management; **AIIDCL** : Assam Industrial Infrastructure Development Corporation Ltd; **APL** : Assam Petrochemicals Limited; **ATCL** : Assam Tea Corporation Limited; **ATPO**: Assam Trade Promotion Orgn.; **BCPL** : Brahmaputra Cracker & Polymer Limited; **IIE** : Indian Institute of Entrepreneurs; **APHCL** : Assam Police Housing Corporation Ltd., **AFDCL** : Assam Fisheries Development Corporation Ltd., **ATDCL** : Assam Tourism Development Corporation Ltd., **ASTCL** : Assam State Transport Corporation Ltd., **ASIDCL** : Assam Small Industries Development Corporation Ltd., **ASHB** : Assam State Housing Board, **APGCL** : Assam Power generation Corporation Ltd., **APDCL** : Assam Power Distribution Corporation Ltd. **DNP Ltd.** : Duliajan Numaligarh Pipeline Ltd.
- Percentage computed by considering the meetings attended with the total meetings held during his tenure.

## 2. Audit Committee

DNPL took the initiative to introduce Corporate Governance in the organization during the year 2012 itself, by constituting an Audit Committee. The Audit Committee assist the Board in its responsibility for overseeing the integrity of the accounting, auditing and reporting practices of the Company and its compliances of the legal and regulatory requirement. The Committee assists the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, remuneration of Statutory Auditors, appointment and remuneration of Cost Auditors, performance of Internal Auditor and its compliance with the legal and regulatory requirements, etc.

The role, powers and functions of the Audit Committee were specified and approved by the Board. The quorum for the meetings of the Committee is two members or 1/3rd of the members of the Audit Committee, whichever is higher.

The present Audit Committee was reconstituted w.e.f. 16.05.2015. As of 31st March, 2015, the Audit Committee comprised of Shri S. K. Barua, Director (F), NRL and Director, DNPL as the Chairman, Shri B. Borpatragohain, Managing Director, AGCL and Director, DNPL and Shri Achintya Kumar Nath, Director as members. There are no Independent Directors in the Board of the Company. The members possess the requisite knowledge of Finance and Accounts for effective functioning of the Audit Committee. The Company Secretary, AGCL acts as the Secretary of the Committee.

The role and responsibilities of the Audit Committee as approved by the Board broadly includes the following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee, and also approval for payment for any other services.
- Reviewing with management the quarterly/ half yearly /annual financial statements before submission to the Board, focusing primarily on :

- Reviewing any Related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries, relatives etc. that may have potential conflict of the interest with the Company at large.
- ❖ Reviewing with management, external and internal auditors, the adequacy of internal control systems and any significant findings and follow up thereon.
- ❖ Reviewing the Company's financial and risk management policies.

During the financial year 2014-2015, five meetings of the Audit Committee were held on the following dates:-

9 <sup>th</sup> May, 2014	6 <sup>th</sup> June, 2014	16 <sup>th</sup> August, 2014	14 <sup>th</sup> November, 2014	31 <sup>st</sup> January, 2015
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#### **Attendance at the Audit Committee meetings during the financial year 2014-2015**

<b>Name of the members</b>	<b>No. of meetings attended</b>	<b>%age thereof (out of 4 meetings held)</b>	<b>Attendance at the last Annual General Meeting held on</b>
Shri S. K. Barua, Chairman (w.e.f 28.06.2013)	5	100	Attended
Shri Bhupen Borpatragohain (w.e.f. 28.06.2013)	5	100	Attended
Shri Krishna Jyoti Baruah (upto 31/12/2014)	4	100	Attended

- Percentage computed by considering the meetings attended with the total meetings held during his tenure.

### **3. Nomination and Remuneration Committee**

Presently there is no Nomination and Remuneration Committee of the Board in DNPL. As there are no Independent Directors in the Board of DNPL, the Company has initiated action with the Industries & Commerce Department, Government of Assam to appoint at least two Independent Director and One Woman Director on the Board of DNP Ltd from a panel of eminent persons having requisite qualification and experience.

### **4. Investors Grievance Committee**

DNPL being a non-listed Company with only ten shareholders, no such Committee has been formed.



## Annual / Extra Ordinary General Meetings

### a. Details of location, time and date of last three AGMs/EGM are given below :

	<b>Date and Time of the Meetings</b>	<b>Venue</b>
5th Annual General Meeting	28th September, 2012 11:00 AM	1st Floor, "Adams Plaza" Christian Basti, G. S. Road Guwahati-781005
6th Annual General Meeting	28th September, 2013 11:00 AM	1st Floor, "Adams Plaza" Christian Basti, G. S. Road Guwahati-781005
7th Annual General Meeting	23rd September, 2014 11:00 AM	1st Floor, "Adams Plaza" Christian Basti, G. S. Road Guwahati-781005

### b. Details of Special Resolution passed during the last three years

<b>Special Business</b>	<b>Type of Resolution</b>	<b>Date of Meeting</b>
Appointment of Director	Ordinary	23/09/2014
Remuneration of Cost Auditor	Ordinary	23/09/2014

### c. Postal Ballot

The number of Members being below 200, the Company is not required to transact any business by way of Postal ballot pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

### d. Brief Resumes of Directors seeking re-appointment/appointment

The information to be provided in case of re-appointment/appointment of Directors is as under :

- Shri Ram Tirath Jindal is a senior IAS Officer of 1983 Batch of Assam Meghalaya joint Cadre. He did his post graduation from Punjab Agriculture University. He has worked in different capacities under Government of Assam, Government of Punjab and Central Government. He was also Managing Director of Assam State Transport Corporation, Secretary of Labour and Employment Department, Principal Secretary to Governor of Assam and Principal Secretary to the Govt. of Assam, for the Department of Agriculture, Irrigation, Veterinary and Animal Husbandry and Fisheries. Presently Shri Jindal is the Additional Chief Secretary to the Government of Assam, Industries and Commerce Department, Mines & Mineral Department, Handloom, Textiles & Sericulture Department. Besides holding directorship of the DNP Limited, he is also the Chairman of the Company. He is also Managing Director of Assam Hydrocarbon and Energy Company Limited, Director

& Deputy Chairman of Assam Gas Company Limited, Director of Numaligarh Refinery Limited, Brahmaputra Cracker and Polymer Limited, Assam Industrial Development Corporation Limited, Assam Institute of Management and Indian Institute of Entrepreneurship.

He is liable to retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

- ii. Shri Achintya Kumar Nath is a Mechanical Engineer who worked in ASEB for a very brief period prior to joining Oil India Limited in 1982 as an Executive trainee in Production Department. He has wide and rich experience in oil and gas production; completion & commissioning of oil & gas wells; operation and maintenance of reciprocating compressors; worked as a core team member of OIL in selection, procurement and implementation of SAP as ERP system across the organization. He worked as the ERP team lead for the modules like Sales and distribution, Production planning, Production and Revenue accounting, Traders and Schedulers Workbench, Transportation and Distribution and its sub modules. He was instrumental as the project in charge for roll out of ERP in Rajasthan project of OIL. He was the project manager and force behind for successful erection and commissioning of two very critical infrastructures of OIL i.e Central Gas Gathering Station (CGGS) at Madhuban as well as Field gathering station (FGS) at Chabua which are constructed as main infrastructures for meeting M/s BCPL's requirements of supplying specific ethane rich gas for the Brahmaputra Gas Cracker Ltd Plant at Lapetkata using project management skills. Presently he is working as Head of Production Gas Department with Oil India Limited, Duliajan.

Shri Achintya Kumar Nath, Head- Production (Gas) was appointed as Additional Director on the Board of the Company w.e.f. 12/02/2015 pursuant to Article 123 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Shri Achintya Kumar Nath, being appointed as Additional Director will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Achintya Kumar Nath as a Director of the Company.

## **5. Disclosures and compliance**

- a. There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- b. There was no instances of non-compliance of any provisions of Law, guidelines issued by any regulatory authorities as well as no penalties was imposed on the Company during the last three years.
- c. During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.

- d. There were no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.
- e. The Company could not incur any expenditure on CSR and Sustainability activities during the financial year 2014-2015 as the Board approval on CSR Policy of DNPL was obtained on 12/02/2015. The budgeted amount of ₹ 22.00 Lakhs on CSR activities has been carried forward in the current financial year 2015-2016.
- f. During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Means of communication of financial performance

DNPL, being a non listed company, publishing of quarterly/half yearly and annual financial statements are not mandatory. However, as a good corporate practice, the Company has been sharing relevant information with its shareholders as well as other stakeholders from time to time through its web site ([www.dnpl.co.in](http://www.dnpl.co.in)), Annual Report, etc.

### Management Discussion & Analysis Report

A detailed chapter on Management Discussion & Analysis is incorporated in the Directors' Report.

### General information to shareholders

Number of AGM	8 <sup>th</sup> Annual General Meeting
Date and Time	11 <sup>th</sup> September, 2015 11.00 A.M.
Venue	Registered Office 1 <sup>st</sup> Floor "Adams Plaza", Christian Basti, G.S. Road Guwahati-781005
Dividend Payment	The Board has recommended Dividend of @ ₹ 0.11 per share (i.e., 1.1% of the paid-up share capital) for consideration of the shareholders at the ensuing Annual General Meeting. If approved by the shareholders, the same will be paid within 30 days from the date of declaration.

Financial year - DNPL follows the financial year from 1<sup>st</sup> April to 31<sup>st</sup> March.

Since the Company's shares are not listed, market price of share is not available.

## Share Transfer system

The Board of Directors considers the request for transfer/transmission of shares etc.

Shareholding Pattern as on 31-03-2015:

Sl. No.	Name of shareholder	Capital contribution in `	No.s of shares held	Percentage of holding (%)
1.	Assam Gas Company Limited along with nominees	85,300,000/-	8,530,000	51%
2.	Numaligarh Refinery Limited along with nominees	43,490,000/-	4,349,000	26%
3.	Oil India Limited	38,460,000/-	3,846,000	23%
	Total	167,250,000/-	16,725,000	100%

### Registered Office

DNP Limited  
1st Floor "Adams Plaza"  
Christian Basti, G. S. Road  
Guwahati - 781005  
CIN : U5141UAS2007SGC008410

### Corporate Office

Assam Gas Company Limited Campus  
P. O. Duliajan, Dist. : Dibrugarh  
Pin-786602

### Site Office (Plant Office)

Madhuban  
P. O. Kendriya Vidyalaya  
Borpathar No. 1  
Duliajan, Dist. Dibrugarh  
PIN-786602

*BIMAN DEBNATH & ASSOCIATES*  
**Company Secretaries**

*BIMAN DEBNATH*  
B. Com., LLB, DTL., FCS.  
House No. 3, 2nd Floor, Sarvodaya Path  
Opp. Rajiv Bhawan, Bhangagarh  
ABC, Guwahati-781005 (Assam)  
Tele Fax: 0361-2463370 (O), 9864028145(M)  
Email: [csbimandebnath@gmail.com](mailto:csbimandebnath@gmail.com),

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To,  
The Members,  
M/s DNP Limited,  
P. O: Duliajan,  
Dibrugarh - 786602, Assam

### **COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS**

We have examined the compliance of conditions of Corporate Governance by **M/s DNP Limited** (a Non-Listed PSU) for the year ended **31<sup>st</sup> March, 2015** as stipulated in the Guidelines on Corporate Governance for State Level Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of Assam.

The compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the Guidelines except:

- a. Clause 3.1.1 relating to the Board of Directors /Board of Management / Managing Committee shall have an optimum combination of Functional, Nominee and Independent directors.
- b. Clause 3.1.3 relating to the number of Nominee Directors to be appointed by the Government.
- c. Clause 3.1.4 relating to the number of Independent Directors on the Board of the Company.
- d. Clause 3.4.3 relating to Guidelines and policies evolved by the State Government with respect to the structure, composition, selection,



*BIMAN DEBNATH & ASSOCIATES*  
**Company Secretaries**

*BIMAN DEBNATH*  
B. Com., LLB, DTL., FCS.  
House No. 3, 2nd Floor, Sarvodaya Path  
Opp. Rajiv Bhawan, Bhangagarh  
ABC, Guwahati-781005 (Assam)  
Tele Fax: 0361-2463370 (O), 9864028145(M)  
Email: [csbimandebnath@gmail.com](mailto:csbimandebnath@gmail.com)

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appointment and service conditions of the Board of Directors shall be strictly followed.

- e. Clause 4.1.1, relating to the composition of Audit Committee which states that two-thirds of the members of the Audit Committee shall be Independent Directors.
- f. Clause 4.1.2 relating to the chairman of the Audit Committee shall be an Independent Director.
- g. Clause 4.4 relating to the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings and the quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two Independent members must be present.
- h. Clause 5.1 relating to the constitution of a remuneration committee comprising of atleast three Directors (i.e., Nominee Directors or Independent Directors), and the Committee should be headed by an Independent Director.
- i. Clause 6.1 relating to Composition of the Board of Directors of the Subsidiary Company which states that atleast one Independent Director on the Board of Directors of the Holding Company shall be a Director of its Subsidiary Company.
- j. Clause 6.2 relating to the Audit Committee of the Holding Company shall also review the financial statements of its Subsidiary Companies.
- k. Clause 6.3 relating to the minutes of the Board Meetings of the Subsidiary Company shall be placed at the Board meeting of the Holding company and the Management should periodically bring to the attention of the Board of Directors of the Holding Company a statement of all significant transactions and arrangements entered into by its Subsidiary Company.

It has been apprised and informed by the Company that being a State Level PSU, the appointment of Directors are made by the State Government and the State Government has not appointed any Independent Director on its Board.

*BIMAN DEBNATH & ASSOCIATES*  
**Company Secretaries**

*BIMAN DEBNATH*  
B. Com., LLB, DTL., FCS.  
House No. 3, 2nd Floor, Sarvodaya Path  
Opp. Rajiv Bhawan, Bhangagarh  
ABC, Guwahati-781005 (Assam)  
Tele Fax: 0361-2463370 (O), 9864028145(M)  
Email: [csbimandebnath@gmail.com](mailto:csbimandebnath@gmail.com)

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We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the Affairs of the Company.

**For Biman Debnath & Associates**  
**Company Secretaries**

Date: 08/09/2015  
Place: Guwahati

Sd/-  
**Biman Debnath**  
(Proprietor)  
C.P. No. 5857  
FCS No. 6717

**FORM NO. MGT 9**

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

**EXTRACT OF ANNUAL RETURN**

For the financial year ended on 31st March, 2015

**I. REGISTRATION & OTHER DETAILS**

i	CIN	U51410AS2007SGC008410
ii	Registration Date	15/06/2007
iii	Name of the Company	DNP LIMITED
iv	Category of the Company	GOVERNMENT COMPANY/LIMITED BY SHARES
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	Adams Plaza, 1st Floor, Christian Basti, G. S. Road
	Town / City :	GUWAHATI
	Pin Code:	781005
	State :	ASSAM
	Country Name :	INDIA
	Telephone (with STD Code) :	0374-2800558
	Fax Number :	0374-2800557
	Email Address :	<a href="mailto:adgoswami@rediffmail.com">adgoswami@rediffmail.com</a>
	Website, if any:	<a href="http://www.dnpl.co.in">www.dnpl.co.in</a>
vi	Whether listed company	No
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	Nil
	Address :	Nil
	Town / City :	Nil
	State :	Nil
	Pin Code:	Nil
	Telephone :	Nil
	Fax Number :	Nil
	Email Address :	Nil

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Transportation of Natural Gas	99611912	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No. of Companies for which information is being filled	3
--	---

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Assam Gas Company Ltd.	U11101AS1962SGC001184	Holding	51%	2(46)
2	Numaligarh Refinery Limited	U11202AS1993GOI003893	Associate	26%	2(6)
3	Oil India Limited	L11101AS1959GOI001148	Associate	23%	2(6)

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

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other-	-	-	-	-	-	-	-	-	-
Government Companies	-	16,72,49,930	16,72,49,930	99.99%	-	16,72,49,930	16,72,49,930	100%	-
Individual (nominees of promoters) (AGCL,NRL)	-	70	70	0.01%	-	70	70	0.01%	-
2. Foreign									
a. NRI - Individual/	-	-	-	-	-	-	-	-	-
b. Other - Individual/	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	16,72,50,000	16,72,50,000	100.00%	-	16,72,50,000	16,72,50,000	100%	-
<b>B. Public Shareholding</b>									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)									
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a. Bodies Corp.									
i. Indian									
ii. Overseas	-	-	-	-	-	-	-	-	-

b. Individuals	-								
i. Individual									
shareholders holding									
nominal share									
capital upto									
Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual									
shareholders									
holding nominal									
share capital in									
excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public</b>									
<b>Shareholding (B)=</b>									
<b>(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by									
Custodian for									
GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	16,72,50,000	16,72,50,000	100%	-	100%	100%	100%	No Change

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Assam Gas Company Limited	8,52,99,960	51%	-	8,52,99,960	51%	-	No change
	Prafulla Chandra Sharma	10	Negligible	-	10	Negligible	-	
	Bhupen Borpatragohain	10	Negligible	-	10	Negligible	-	
	Ajay Kumar Bhattacharyya	10	Negligible	-	10	Negligible	-	
	Kunal Mazumdar	10	Negligible	-	10	Negligible	-	
2	Numaligarh Refinery Limited	4,34,89,970	26%	-	4,34,89,970	26%	-	No change
	Sona Ram Medhi	10	Negligible	-	10	Negligible	-	
	Saumendra Kumar Barua	10	Negligible	-	10	Negligible	-	
	Hamonta Kumar Sarma jointly with Numaligarh Refinery Limited	10	Negligible	-	10	Negligible	-	
3	Oil India Limited	3,84,60,000	23%	-	3,84,60,000	23%	-	No change
	<b>TOTAL</b>	16,72,50,000	100%	-	16,72,50,000	100%	-	-

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

Sl. No I- Assam Gas Company Limited		Shareholding at the beginning of the year		Cumulative Share holding 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		8,52,99,960	51%	8,52,99,960	51%
Changes During the Year		No Change			
Increase					
Date	Reason for Increase	No Change			
Decrease					
Date	Reason for Decrease	No Change			
At the End of the year		8,52,99,960	51%	8,52,99,960	51%



Sl. No. II- Numaligarh Refinery Limited		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		4,34,89,970	26%	4,34,89,970	26%
Changes During the Year		No Change			
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>	No Change			
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>	No Change			
At the End of the year		4,34,89,970	26%	4,34,89,970	26%

Sl. No. III - Oil India Limited		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		3,84,60,000	23%	3,84,60,000	23%
Changes During the Year		No Change			
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>	No Change			
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>	No Change			
At the End of the year		3,84,60,000	23%	3,84,60,000	23%

iv

Sl. No. IV - Nominees of Promoters i.e. NRL & AGCL		Shareholding at the beginning		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		70	Negligible	70	Negligible
Changes During the Year		No Change			
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>	No Change			
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>	No Change			
At the End of the year		70	Negligible	70	Negligible

Sl. No.: 2 For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
At the End of the year (or on the date of separation, if separated during the year)					

## V. Shareholding of Directors and Key Managerial Personnel : NIL

S. No.: 1 Mr. _____ NIL		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					
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
At the End of the year					

S. No.: 2 Mr. _____ NIL		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					
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
At the End of the year					

## VI. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2014-15	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	9.00	110.50	-	119.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	9.00	110.50	-	119.50
<b>Change in Indebtedness during the financial year 2014-15</b>				
* Addition	-	-	-	-
* Reduction	9.00	21.70	-	30.70
<b>Net Change</b>	9.00	21.70	-	30.70
<b>Indebtedness at the end of the financial year 2014-15</b>				
i) Principal Amount	NIL	88.80	-	88.80
ii) Interest due but not paid	NIL	-	-	-
iii) Interest accrued but not due	NIL	-	-	-
<b>Total (i+ii+iii)</b>	NIL	88.80	-	88.80

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : Not Applicable

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	79 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act, 2013			

**B. Remuneration to other directors : NIL**

Sl. no.	Particulars of Remuneration	Name of Directors					Total
		A	B	C	D	E	
1	<b>Independent Directors</b>						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	<b>Other Non-Executive</b>						<b>Total</b>
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	NA					

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

Not Applicable

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

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL**

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## KANOI ASSOCIATES

**CHARTERED ACCOUNTANTS**  
**CENTRAL CHOWKIDINGHEE**  
**DIBRUGARH 786 001, ASSAM**  
 Phone : 2324408 & 2328951  
 Fax : 91-0373-2320532  
 kanoi\_jp@hotmail.com

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DNP LIMITED : DULIAJAN**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of DNP Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and 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 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 there under.

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



Contd..2



**KANOI ASSOCIATES**

**CHARTERED ACCOUNTANTS**  
**CENTRAL CHOWKIDINGHEE**  
**DIBRUGARH 786 001, ASSAM**  
Phone : 2324408 & 2328951  
Fax : 91-0373-2320532  
kanoi\_jp@hotmail.com

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**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:

- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2015;
- ii. In the case of the statement of Profit & Loss of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

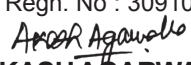
**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to the extent applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone 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<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company has made provision, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



Place : DIBRUGARH

Date : 19<sup>TH</sup> MAY, 2015

For **KANOI ASSOCIATES**  
Chartered Accountants  
ICAI Regn. No : 309101E  
  
**(AAKASH AGARWALLA)**  
Partner  
M. No: 058427



## KANOI ASSOCIATES

**CHARTERED ACCOUNTANTS**  
**CENTRAL CHOWKIDINGHEE**  
**DIBRUGARH 786 001, ASSAM**  
 Phone : 2324408 & 2328951  
 Fax : 91-0373-2320532  
 kanoi\_jp@hotmail.com

**The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of DNP Limited, Duliajan for the year ended on 31<sup>st</sup> March, 2015. We report that :**

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 b. The major items of fixed assets have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
- ii. a. As explained to us physical verification of inventory has been conducted at reasonable intervals by the management.  
 b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
 c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a) & (b) of clause (iii) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. The Company has not accepted any deposits from the public, therefore the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products/providing of services, to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other statutory dues wherever applicable and no undisputed amounts payable in respect of above referred statutory dues were outstanding, at the yearend for a period of more than six months from the date they became payable.

Contd..2

**KANOI ASSOCIATES****CHARTERED ACCOUNTANTS****CENTRAL CHOWKIDINGHEE****DIBRUGARH 786 001, ASSAM**

Phone : 2324408 &amp; 2328951

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kanoi\_jp@hotmail.com

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(b) According to the information and explanations given to us and the records examined by us, there are no dues outstanding in respect of income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax on account of any dispute other than a Service Tax demand of Rs.11.14 lac (excluding penalty and interest) received from the office of the Commissioner of Central Excise & Service Tax, Dibrugarh vide their Order dated 31/03/2015 which has been disclosed under Note No. 33 of Financial Statement as Contingent Liability.

c. According to the information and explanations given to us and the records examined by us, no amount was required to be transferred to investor education and protection fund in accordance with the provisions of the Companies Act.

- viii. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- ix. 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 did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. According to the information and explanations given to us and the records examined by us, the term loans were applied for the purpose for which the loans were obtained.
- xii. Based on the audit procedures performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year.

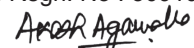


Place : DIBRUGARH

Date : 19<sup>TH</sup> MAY, 2015For **KANOI ASSOCIATES**

Chartered Accountants

ICAI Regn. No : 309101E

**(AAKASH AGARWALLA)**

Partner

M. No: 058427

## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DNP LIMITED FOR THE YEAR ENDED 31 MARCH, 2015**

The preparation of financial statements of **DNP Limited** for the year ended 31 March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **19 May 2015**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the financial statements of **DNP Limited** for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

## COMMENTS ON DISCLOSURE

The Company has claimed an interest of ₹ 0.66 crore from M/s Numaligarh Refinery Limited on account of delayed payment of penalty amount for drawing lesser quantity of gas than agreed quantity under Minimum Demand Charges clause of the agreement. The Company, however, has not recognized the said interest income in its accounts on account of uncertainty involved in final recovery of the claim. The fact merits for suitable disclosure under 'Notes to Accounts'.

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



**(C H KHARSHING)**

Accountant General (Audit), Assam

Place : Guwahati  
Date : 30/07/2015



## Management Reply to C&AG Comments on Annual Accounts of DNPL for the financial year 2015-2016

### Addendum to the Directors Report

Sl. No.	Comments on Disclosure	Management Reply
1.	The Company has claimed an interest of ₹ 0.66 Crore of penalty amount for drawing lesser quantity of gas than agreed quantity under Minimum Demand Charges clause of the Agreement. The Company, however, has not recognised the said interest income in its accounts on account of uncertainty involved in final recovery of the claim. The fact merits for suitable disclosure under "Notes of Accounts".	Noted

## Management Reply to Secretarial Auditors Observations of DNPL for the year 2014-2015

## BALANCE SHEET AS AT MARCH, 31, 2015

₹ In thousands

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a. Share Capital	3	16,72,500	16,72,500
b. Reserves and Surplus	4	1,55,678	1,10,797
		<b>18,28,178</b>	<b>17,83,297</b>
<b>2. Non-current Liabilities</b>			
a. Long-term Borrowings	5	6,48,000	10,67,312
b. Deferred Tax Liabilities (Net)	6	1,86,557	1,04,562
c. Other Long-term Liabilities	7	30,000	30,000
		<b>8,64,557</b>	<b>12,01,874</b>
<b>3. Current Liabilities</b>			
a. Trade Payables	8	52,748	47,005
b. Other Current Liabilities	9	2,61,600	1,64,725
c. Short-term Provisions	10	69,625	32,317
		3,83,973	2,44,047
<b>TOTAL</b>		<b>30,76,708</b>	<b>32,29,218</b>
<b>ASSETS</b>			<b>II.</b>
<b>1. Non-current Assets</b>			
a. Fixed Assets			
i. Tangible Assets	11	27,99,247	29,32,305
ii. Intangible Assets	12	-	9
iii. Capital Work-In-Progress	13	90	15,936
b. Long-term Loans and Advances	14	872	872
		<b>28,00,209</b>	<b>29,49,122</b>
<b>2. Current Assets</b>			
a. Inventories	15	40,354	72,277
b. Trade Receivables	16	1,17,301	1,04,151
c. Cash and Cash Equivalents	17	43,480	30,691
d. Short-term Loans and Advances	18	57,356	65,242
e. Other Current Assets	19	18,008	7,735
		2,76,499	2,80,096
<b>TOTAL</b>		<b>30,76,708</b>	<b>32,29,218</b>

Corporate Information & Significant Accounting Policies **1 & 2**

Notes to Financial Statement **3 - 34**

The accompanying notes are an integral part of these financial statements.

In terms of our Report of even date attached

For and on behalf of Kanoi Associates

Chartered Accountants  
Firm Reg. No. 309101E



*Aakash Agarwalla*  
(CA. Aakash Agarwalla)  
Membership No. 058427

For and on behalf of the Board of Directors

*B. Borpatragohain*

**B. Borpatragohain**  
Director

*S. K. Barua*

**S. K. Barua**  
Director

Place : Dibrugarh

Date :

Place : Guwahati

Date : 16/05/2015

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

₹ In thousands

Particulars	Note No	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>I. Revenues from Operations</b>	20	6,60,333	5,91,549
Less : Excise Duty		-	-
Revenues from Operations (Net)		6,60,333	5,91,549
<b>II. Other Income</b>	21	5,274	8,811
<b>III. Total Revenue (I+II)</b>		<b>6,65,607</b>	<b>6,00,360</b>
<b>IV. Expenses :</b>			
Employee Benefits	22	29,187	30,164
Finance Costs	23	1,19,693	1,60,842
Depreciation and Amortisation	11 & 12	1,52,841	1,69,253
Other Expenses	24	1,67,388	1,47,122
<b>Total Expenses</b>		<b>4,69,109</b>	<b>5,07,381</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		1,96,498	92,979
<b>VI. Exceptional items</b>			
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		1,96,498	92,979
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before tax (VII- VIII)</b>		1,96,498	92,979
<b>X. Tax Expense</b>			
1. Current tax (MAT Payable)		47,479	18,619
2. Deferred tax	6	81,995	30,167
<b>XI. Profit (Loss) for the period (IX - X)</b>		<b>67,024</b>	<b>44,193</b>
<b>XII. Earnings per equity share (EPS) - Rs.</b>	26		
[Equity Shares of Rs. 10/- each]			
1. Basic	0.40	0.26	
2. Diluted		0.40	0.26

Corporate Information & Significant Accounting Policies **1 & 2**

Notes to Financial Statement **3 - 34**

The accompanying notes are an integral part of these financial statements.

In terms of our Report of even date attached

For and on behalf of Kanoi Associates

For and on behalf of the Board of Directors


Chartered Accountants  
Firm Reg. No. 309101E

*Aakash Agarwalla*  
(CA. Aakash Agarwalla)  
Membership No. 058427

*B. Borpatragohain*

**B. Borpatragohain**  
Director

*S. K. Barua*

**S. K. Barua**  
Director

Place : Dibrugarh

Date :

Place : Guwahati

Date : 16/05/2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

₹ In thousands

	31-Mar-15	31-Mar-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX BEFORE EXTRA-ORDINARY ITEMS AND PRIOR PERIOD ITEMS</b>	1,96,498	92,979
<b>ADD ADJUSTMENTS FOR</b>		
Depreciation	1,52,841	
Provision for Project Surplus Material/ Inventory	30,019	
Interest expense	1,19,693	
	3,02,553	3,55,724
	4,99,051	4,48,703
<b>LESS ADJUSTMENTS FOR</b>		
Interest / Dividend / Brokerage Income	5,043	8,783
Other Non Cash Items	-	28
Operating profit before working capital changes	4,94,008	4,39,892
<b>ADJUSTMENTS FOR</b>		
Trade and other receivables		5,465
Inventories		1,904
Trade and other payables		(19,674)
Cash generated from operations (Before Extra Ordinary Items)(12,305)	1,55,679	
Direct taxes paid	(39,819)	(21,475)
<b>NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)</b>	<b>4,41,884</b>	<b>5,74,096</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
a) PURCHASE OF FIXED ASSETS	(6,737)	(74,992)
b) INTEREST ON FIXED DEPOSITS	5,241	8,549
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,496)</b>	<b>(66,443)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
a) INTEREST PAID	(1,20,599)	(1,60,109)
b) ISSUE OF SHARE CAPITAL	-	-
c) SECURED LOAN	(90,000)	-
d) UNSECURED LOAN	(2,17,000)	(4,07,500)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(4,27,599)</b>	<b>(5,67,609)</b>





Page - 2

<b>D. NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>12,789</b>	<b>(59,956)</b>
<b>E CASH AND CASH EQUIVALENT CONSISTS OF :</b>		
a. CLOSING CASH AND CASH EQUIVALENT		
i. Cash and Bank Balance	13,375	1,150
ii. Short Term Deposit with Banks	30,105	29,541
b. LESS : OPENING CASH AND CASH EQUIVALENT		
i. Cash and Bank Balance	1,150	45,400
ii. Short Term Deposit with Banks	29,541	45,247
<b>F. INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>12,789</b>	<b>(59,956)</b>

For and on behalf of Kanoi Associates

 Chartered Accountants  
 Firm Reg. No. 309101E


*Aakash Agarwalla*  
**(CA. Aakash Agarwalla)**  
 Membership No. 058427

For and on behalf of the Board of Directors

*B. Borpatragohain*  
**B. Borpatragohain**  
 Director

*S. K. Barua*  
**S. K. Barua**  
 Director

Place : Dibrugarh

Place : Guwahati

Date :

Date : 16/05/2015





## Notes to Accounts

### 4. Reserves and Surplus

₹ In thousands

	General Reserve	Profit & Loss Account	Total
<b>As at 01-April- 2014</b>	1,10,297	500	1,10,797
Profit/(Loss) for the year	-	67,024	67,024
Dividend to Equity shareholders	-	(18,398)	(18,398)
Tax on Distribution Profits	-	(3,745)	(3,745)
Corporate Income Tax payment adjusted	-	-	-
Transfer (to)/from	44,881	(44,881)	-
<b>As at 31-Mar-15</b>	1,55,178	500	1,55,678
<b>As at 31-Mar-14</b>	1,10,297	500	1,10,797



## Notes to Accounts

### 5. Long-term Borrowings

₹ In thousands

	Non-current portion		Current Maturities	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Term Loans</b>				
From Oil India Limited				
Secured	-	-	-	-
Unsecured	6,48,000	9,82,000	2,40,000	1,23,000
<b>From State Bank of India</b>				
Secured	-	85,312	-	4,688
Unsecured	-	-	-	-
<b>Amount disclosed under the head "Other Current Liabilities".</b>	-	-	(2,40,000)	(1,27,688)
	<u>6,48,000</u>	<u>10,67,312</u>	<u>-</u>	<u>-</u>

#### Additional Information to Secured/Unsecured Long Term Borrowings :

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Schedule III.

#### Detail of Securities and Terms of repayment

Oil India Limited :

The loan of ₹ 8,88,000 thousand bearing interest at the rate of 11.45% is repayable in 45 (fourty-five) monthly installments, consisting of 44 (fourty-four) equal monthly installments of ₹ 20,000 thousand each and Last 1 (one) installment of ₹ 8,000 thousand only.





## Notes to Accounts

### 6. Deferred Tax Liabilities (Net)

As per requirement of the Accounting Standard 22 -"Accounting of Taxes on Income" the net tax Liability Debited to Statement of Profit and Loss during the year is ` 81,995 thousand (previous year ` 30,167 thousand). The year end position of Deferred Tax Liability and Asset is given below :

₹ In thousands

	31-Mar-15	31-Mar-14
<b>Deferred Tax Liability</b>		
Difference of Book Depreciation & Tax Depreciation	3,34,212	2,67,633
<b>Deferred Tax Assets</b>		
Disallowed U/S 35D of Income Tax Act, 1961	807	1,542
Unabsorbed Depreciation under Income Tax Act, 1961	1,46,848	1,61,529
Total	1,47,655	1,63,071
<b>Net Deferred Tax Liability</b>	1,86,557	1,04,562

The Company has recognized Deferred Tax Asset in respect of Unabsorbed Depreciation on the basis of Gas Transportaion Agreement between the Company and Numaligarh Refinery Limited for a period of 15 years, being convincing evidence to substantiate Virtual Certainty of sufficient future taxable income for realisation of such deferred assets.

### 7. Other Long-term Liabilities

₹ In thousands

	31-Mar-15	31-Mar-14
Trade Payables	-	-
Deposits from Customer	30,000	30,000
Others	-	-
	30,000	30,000

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.





## Notes to Accounts

8. Trade Payables	₹ In thousands	
	31-Mar-15	31-Mar-14
Trade Payables	52,748	47,005
	<u>52,748</u>	<u>47,005</u>

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9. Other Current Liabilities	₹ In thousands	
	31-Mar-15	31-Mar-14
Current maturities of long term debt	2,40,000	1,27,688
Interest Accrued and due on borrowings	-	906
EMD from Contractors & Suppliers	452	752
Statutory Liabilities	8,239	4,577
Security Deposits from Contractors	1,174	2,129
Retentions from Contractors	1,162	7,934
Creditors for Capital Expenditure	4,812	7,621
Other Payables	5,761	13,118
	<u>2,61,600</u>	<u>1,64,725</u>

10. Short-Term Provisions	₹ In thousands	
	31-Mar-15	31-Mar-14
Other Provisions		
Provision for Income Tax (MAT)	47,479	18,619
Provision for Professional Tax	3	-
Proposed Dividend	18,398	11,708
Corporate Dividend Tax on Proposed Dividend	3,745	1,990
	<u>69,625</u>	<u>32,317</u>





**Notes to Accounts**

**11 Tangible Assets**

	Gross Block/Cost				Depreciation				Net Block	
	As at	Addition	Deductions on account of	As at	As at	Addition	Deductions on account of	As at	As at	As at
	01-Apr-14		Retirement/ Adjustments	31-Mar-15	01-Apr-14		Retirement/ Adjustments	31-Mar-15	31-Mar-14	31-Mar-14
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)
<b>Land</b>	20,865	-	-	20,865	-	-	-	-	20,865	20,865
<b>Buildings</b>										
1) Building (Other than Factory Building)										
RCC Frame Structure	41,306	-	-	41,306	1,990	653	-	2,643	38,663	39,316
2) Factory Building	94,650	130	-	94,780	9,161	2,982	-	12,143	82,637	85,489
<b>Roads &amp; Drains</b>										
1) Carpeted Roads - Other than RCC	43,348	-	-	43,348	2,009	18,661	-	20,670	22,678	41,339
<b>Plant &amp; Machinery</b>										
1) Continuous Process Plant(Compressors)	440,297	-	-	440,297	69,220	15,850	-	85,070	355,227	371,077
2) Pipeline	2,338,496	18,231	68	2,356,659	327,178	70,163	7	397,334	1,959,325	2,011,318
3) Other Plant & Machinery	210,609	193	-	210,802	28,411	14,126	-	42,537	168,265	182,198
<b>Furniture &amp; Fixtures</b>										
1) Furniture General	843	-	-	843	221	102	-	323	520	622
<b>Computers &amp; Data Processing Units</b>										
1) Servers & Networks	75,333	-	-	75,333	33,758	11,577	-	45,335	29,998	41,575
2) End use devices - Desktops, Laptops etc.	1,321	74	-	1,395	865	335	-	1,200	195	456
<b>Electrical Installation and Equipment</b>	160,082	1,193	-	161,275	22,032	18,369	-	40,401	120,874	138,050
<b>Small Value Assets</b>	295	21	-	316	295	21	-	316	-	-
<b>Total</b>	<b>3,427,445</b>	<b>19,842</b>	<b>68</b>	<b>3,447,219</b>	<b>495,140</b>	<b>152,839</b>	<b>7</b>	<b>647,972</b>	<b>2,799,247</b>	<b>2,932,305</b>
Previous Year	3,418,068	9,377	-	3,427,445	325,895	169,245	-	495,140	2,932,305	3,092,173

1. Free hold land owned by the company as on 31.03.2015 stands at 54B-4K-15 43L (including 7B-3K-6 56L allotted by Govt. of Assam) out of which mutation is pending for 16B-4K-16 43L.

2. Depreciation includes ₹ 250 thousand on assets of which useful life as per Schedule II of Companies Act, 2013 is over.



*[Handwritten signature]*

**12 Intangible Assets**

	Gross Block/Cost				Depreciation			Net Block		
	As at	Addition	Deductions on	As at	Addition	Deductions on	As at	As at	As at	As at
	01-Apr-14		Retirement/ Adjustments	31-Mar-15	01-Apr-14	Retirement/ Adjustments	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
	(1)	(2)	(3)	(4) = (1 + 2 + 3)	(5)	(7)	(8) = (5 + 6 + 7)	(9) = (4 - 8)	(10) = (1 - 5)	
Software	41	-	-	41	32	9	41	-	9	9
<b>Total</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>32</b>	<b>9</b>	<b>41</b>	<b>-</b>	<b>9</b>	<b>9</b>
Previous Year	41	-	-	41	24	8	32	9	17	17



*One*



**Notes to Accounts**
**13. Capital Work in Progress** ₹ In thousands

	31-Mar-15	31-Mar-14
<b>FIXED ASSETS (UNDER CONSTRUCTION)</b>		
<b>A. BUILDING</b>		
a) Other Factory Buildings	-	59
(A)	-	59
<b>B. PIPELINES</b>		
a) Pipeline (Materials)	-	12,717
b) Pipeline (Other Expenses)	-	3,079
c) Right Of Way Expenses	-	81
(B)	-	15,877
<b>C. SOFTWARE</b>		
a) Inventory Management Software	90	-
(C)	90	-
(A + B + C)	90	15,936

**14. Long-Term Loans and Advances** ₹ In thousands

	31-Mar-15	31-Mar-14
<b>Security Deposits</b>		
(Unsecured, considered good)	872	872
	872	872

**15. Inventories** ₹ In thousands

	31-Mar-15	31-Mar-14
Stores and spares valued at Weighted Average Cost	96,002	97,906
(includes Project Surplus Material valued at ₹ 58,577 thousand)		
Less : Provision for Losses on Project surplus materials	(55,648)	(25,629)
	40,354	72,277

**16. Trade Receivables** ₹ In thousands

	31-Mar-15	31-Mar-14
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they are due for payment :		
Considered good	-	-
Considered doubtful	-	-
Provision for doubtful receivable	-	-
<b>Not Exceeding Six Months</b>		
Other receivables	-	-
Considered good	1,17,301	1,04,151
Considered doubtful	-	-
	1,17,301	1,04,151
	1,17,301	1,04,151



## Notes to Accounts

### 17. Cash & Cash Equivalents

₹ In thousands

	31-Mar-15	31-Mar-14
<b>Cash in Hand</b>	-	-
Balances with bank		
In current account	13,375	1,150
Deposits with original maturity of less than three months	30,105	19,541
Other Bank Balances		
Deposits with original maturity for more than three months	-	10,000
	<u>43,480</u>	<u>30,691</u>

### 18. Short-Term Loans and Advances

₹ In thousands

	31-Mar-15	31-Mar-14
<b>Security Deposits</b>		
(Unsecured, considered good)	-	-
<b>Loans and advances to related parties</b>		
(Secured, considered good)	-	-
<b>Other Loans and advances</b>		
<b>To Employees</b>		
(Secured, considered good)	-	-
<b>To Others</b>		
(Unsecured, considered good)	876	881
(Unsecured, considered doubtful)	-	-
Less : Provision for doubtful advances	-	-
Prepaid Expenses	824	735
Deposit with Statutory Authorities	3,726	29,960
Claimable CENVAT on Service Tax	1,819	4,755
Advance Income Tax	50,111	28,911
	<u>57,356</u>	<u>65,242</u>

Deposits with Statutory Authorities includes CENVAT credit on capital goods of ₹ 58 thousand (previous year ₹ 777 thousand) and CENVAT on Service Tax ₹ 3,668 thousand (previous year ₹ 29,183 thousand ).

### 19. Other Current Assets

₹ In thousands

	31-Mar-15	31-Mar-14
Interest accrued but not due on Fixed Deposits	101	299
Other Receivables	17,907	7,436
	<u>18,008</u>	<u>7,735</u>





## Notes to Accounts

20. Revenue from operations	₹ In thousands	
	31-Mar-15	31-Mar-14
<b>Sale of Services</b>		
Transportation of Gas	6,60,333	5,91,549
	<u>6,60,333</u>	<u>5,91,549</u>
<b>21. Other Income</b>	₹ In thousands	
	31-Mar-15	31-Mar-14
<b>Interest Income</b>		
On Bank Deposits	5,043	8,783
Other non-operating income	231	28
	<u>5,274</u>	<u>8,811</u>
<b>22. Employee benefits expenses</b>	₹ In thousands	
	31-Mar-15	31-Mar-14
<b>Salaries and wages</b>	29,187	30,164
	<u>29,187</u>	<u>30,164</u>
<b>23. Finance costs</b>	₹ In thousands	
	31-Mar-15	31-Mar-14
<b>Interest expenses on loans</b>		
Oil India Limited	1,17,150	1,37,320
Oil Industry Development Board	-	12,807
State Bank of India	2,543	10,633
Interest to Income Tax Department	-	82
	<u>1,19,693</u>	<u>1,60,842</u>



## Notes to Accounts

### 24. Other expenses

₹ In thousands

	31-Mar-15	31-Mar-14
Power & Fuel	78,162	69,808
Operation & Maintenance		
- Compressor	15,453	13,757
- Others	9,949	9,409
ROW Expenses		
- ROW Rental Charges	3,921	3,844
- ROW Supervision Charges	392	384
Rent	275	268
Repair & Maintenance		
Plant & Machinery	10,894	5,928
Building	48	10
Others	614	290
Insurance	5,153	4,723
Rates and Taxes-excluding taxes"on income"	522	562
Auditors' Remuneration		
Statutory Audit Fees	40	40
Cost Audit Fee	15	30
Tax Audit Fee	15	15
For Other Matters	8	8
Reimbursement of Out of Pocket Expenses ( Statutory Auditor)	21	21
Reimbursement of Out of Pocket Expenses ( Cost Auditor)	28	5
Travelling and Conveyance	2,875	3,281
Stationery, Postage, Telephone & Advertisement	581	480
Security Expenses	5,776	5,347
Accounting Service Charges	1,268	1,114
Professional Charges	361	1,017
Bank Charges & Other Misc. Expenses	734	597
Foreign Exchange Fluctuation	-	555
Provision for Project Surplus Material/ Inventory	30,019	25,629
Discount on Sale of Inventory	264	-
	<u>1,67,388</u>	<u>1,47,122</u>





## Notes to Accounts

25. Provision for taxation (MAT) for the financial year 2014-15 amounting to ₹ 47,479 thousand ( Previous Year ₹ 18,619 thousand) has been made as per section 115JB of the I T Act, 1961. MAT Credit has not been recognized due to uncertainty of recovery of same within the specified period.

### 26. Earnings per equity share ₹ In thousands

	31-Mar-15	31-Mar-14
Face value ₹ 10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	67,024	44,193
Weighted average number of Equity Shares outstanding during the year	16,72,50,000	16,72,50,000
Basic earnings per share (‘)	0.40	0.26
Diluted earnings per share (‘)	0.40	0.26

27. The company is operating under a single segment. As such there is no other reportable segment as defined by the Accounting Standard-17 Segment Reporting issued by the Institute of Chartered Accountants of India.

28. Trade payable, Trade Receivable and Creditors for Capital Expenditure are subject to Confirmation.

29. The Company is not having any permanent employee on its rolls as on date. The Operations are managed through outsourced personnel in addition to the officers and employees of Assam Gas Company Limited (The Holding Company) working on deputation.

30. Permanent manpower of the company including the post of Co. Secretary was approved by the Govt. of Assam in November 2014. The company has already taken steps to appoint a full time company secretary. However, pending appointment of the company secretary the job responsibilities of Company Secretary have been discharged by the Company Secretary of Assam Gas Company Limited, its holding company, on secondment basis.

31. There was no woman director on the Board of the Company as on 31/03/2015 as required U/s. 149 of Companies Act, 2013.

32. As per guidelines issued by the Institute of Chartered Accountants of India under AS-28 “Impairment of Assets”, the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2015.

### 33. Contingent Liabilities ₹ In thousands

	31-Mar-15	31-Mar-14
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts :	-	-
In respect of Taxation matters		
Service Tax	2,229	3,164
<b>Guarantees :</b>	-	-
Other Money for which the company is contingently liable :		
Rental and Supervision Charges for ROW to Oil India Limited	5,817	-
Money appeal pending before the Court of District Judge, Jorhat	500	-
	8,546	3,164
<b>Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	2,787	4,000
	2,787	4,000

### 34. Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary for comparison and conforms to current year's classification.





**D N P Limited**

## **1. CORPORATE INFORMATION**

DNP Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. At present the Registered Office of the Company is situated at Adams Plaza, 1<sup>st</sup> Floor, Christian Basti, G.S. Road, Guwahati, Assam and the Operational Office is situated at AGCL Campus, Duliajan, Assam

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis for preparation**

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 2013. Revenues are generally recognized on accrual system of accounting except where otherwise stated.

### **B. Change in Accounting Policy**

During Current Financial Year 2014-15 the Company has changed its Accounting Policy on inventories. Project materials identified as surplus are provided for 95% of the value. Accordingly, the inventories during the year have been reduced by ₹ 30,018 thousand with corresponding effect in Statement of Profit & Loss.

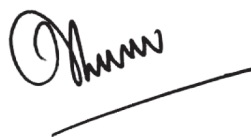
### **C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

### **D. Fixed Assets**

#### **a) Land**

Land acquired on outright purchase / perpetual lease basis are treated as free hold Land at cost plus incurred incidental expenses.




b) Fixed Asset other than Land

Fixed Assets are valued at historical cost on consistent basis inclusive of incidental expenses related thereto.

Machinery spares that are specific to an item of fixed asset and their use is expected to be periodical, are capitalized with the cost of that fixed asset and depreciated fully over the remaining useful life of that asset.

c) Intangible Assets:

Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS) 26- Intangible Assets.

Expenditure incurred for creating / acquiring intangible assets from which future economic benefits will flow over a period of time, are amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible assets start providing the economic benefit.

d) Expenditure during construction period:

Direct expenses including borrowing cost incurred during construction period on capital projects are capitalised. Indirect expenses including related pre-production expenses are allocated to projects and are also capitalised.

e) Pre-operative Expenditure

Pre-operative expenditure incurred during construction period are allocated on completion of the project after setting off the income earned, if any.

**E. Depreciation**

Depreciation on fixed assets, other than those mentioned below is provided on Straight Line Method, at rates prescribed under schedule II to the Companies Act, 2013. Additions to fixed assets during the year are being depreciated from the date such Assets are capitalized.

(a) Assets costing upto ₹ 5 thousand are depreciated fully in the year of capitalization.

(b) Cost of the leasehold land not exceeding 99 years is amortized over the lease period.





## **F. Inventories**

Inventories/Stores are valued at weighted average cost. Project materials identified as surplus are provided for 95% of the value.

## **G. Revenue Recognition**

- i) Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue from services rendered is recognized net of Service Tax on performance of service based on agreements/arrangements with the concerned parties.
- ii) Other claims are booked when there is a reasonable certainty of recovery. Claims are reviewed on a periodical basis and if recovery is uncertain, provision is made in the accounts.
- iii) Income from sale of scrap is accounted for on realisation.
- iv) Dividend income is recognised when the company's right to receive the dividend is established.
- v) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- vi) Liquidated damages, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled after capitalisation of the assets and less than ₹ 500 thousand in each case are charged to revenue, otherwise adjusted against the cost of the relevant assets.
- vii) Insurance claim is accounted for on the basis of claims admitted by the insurers.

## **H. Classification of Income/Expenses**

Expenses are accounted for on accrual basis and provision is made for all known liabilities.

Income/ expenditure up to ₹ 100 thousand in each case pertaining to prior years is charged to the current year.

Prepaid expenses up to ₹ 100 thousand in each case are charged to revenue as and when incurred.

## **I. Borrowing Costs**

Borrowing cost of the funds that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. The same is capitalized up to the date when the asset is ready for use, after netting off any income earned on temporary investment of such funds.





**J. Foreign Currency Transaction**

- (a) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.
- (b) All exchange differences are dealt with as per AS 11, without exercising the option given under notification No.GSR 225(E) dated 31.03.2009.
- (c) Monetary items carried at historical cost denominated in foreign currency are converted at exchange rates prevailing at the year end. Any gain/loss arising out of such conversion is recognized in the Profit & Loss Account.

**K. Capital Grants**

Government grants in the nature of promoters' contribution are credited to Capital Reserve and treated as part of shareholders' fund.

**L. Provisions, Contingent Liabilities and Capital Commitments**

- (a) Provisions are recognized when there is 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.
- (b) Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ₹ 100 thousand in each case are disclosed by way of notes to accounts.
- (c) Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹ 100 thousand.

**M. Taxes on Income**

The tax expense comprises of current tax & deferred tax charged or credited to the statement of profit and loss for the year. Provision for Current tax is calculated in accordance with the provisions of the Income Tax Act, 1961 and rules thereunder applicable for the current financial year. Adjustments of Taxes/ Provisions are made on receipt of Intimation/ Deemed Intimation.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit & Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

Deferred tax expenses or benefit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. In the event of unabsorbed depreciation or carry forward





losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future.

#### **N. Impairment of Assets**

The values of Fixed Assets in respect of Cash Generating Units are reviewed by the Management for impairment at each Balance Sheet date if events or circumstances indicate that the carrying values may not be recoverable. If the carrying value is more than the net selling price of the Asset or present value, the difference is recognized as an impairment loss.

#### **O. Cenvat**

Cenvat credit of Excise Duty on eligible material is recognized on receipt of such materials and Cenvat credit of Service Tax is recognized on payment of Service Tax to the Service Provider.



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A handwritten signature in black ink.







**CIN : U51410AS2007SGC008410**

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**Assam Gas Company Ltd. campus**

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