



ANNUAL REPORT 2015-16

DNP LIMITED
(A Government of Assam Undertaking)

Board of Directors



R T Jindal
Chairman



B Borparagohain
Director
[up to 31.8.2015]



A K Sharma
Director
[w.e.f. 11.09.2015]



S K Barua
Director



Ms. Roshan Ara Begum
Director
[w.e.f. 28.09.2015]



A K Nath
Director

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Bankers

- State Bank of India, Duliajan Branch, P.O. Duliajan, Dist: Dibrugarh-786602
- Allahabad Bank, AGCL Branch, P.O. Duliajan, Dist: Dibrugarh-786602

Statutory Auditors

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

Secretarial Auditors

M/s Biman Debnath & Associates
Secretarial Auditors
Flat No. 402, Block-C
Prakash Choudhury Housing Complex
Tarun Nagar, Guwahati-781005
Assam

Cost Auditors

M/s Subhadra Dutta & Associates
Cost Accountants
House No. 29, Krishnagar
Chandmari, Ghy- 781005

Registered Office

DNP Limited
“Adams Plaza”, 1st Floor
G. S. Road Christan Basti
Guwahati- 781005

Head Office

Assam Gas Company Ltd. Campus
P. O. Duliajan, Dist.- Dibrugarh
PIN: 786602, Assam

Site Office

Madhuban
P. O. Kendriya Vidyalaya
Borpathar No. 1
Duliajan
Dist: Dibrugarh
Pin: 786602

Notice to the Shareholders

Notice is hereby given that the 9th Annual General Meeting of the Shareholders of DNP Limited will be held in the Registered Office of the Company at “Adams Plaza” 1st Floor, Christian Basti, G. S. Road, Guwahati – 781005 on Monday, the 29th August, 2016 at 2.00 P.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, Secretarial Audit Report etc, the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended 31st March, 2016 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 S. K. Barua, who retires by rotation in pursuance of Section 152 of the Companies Act, 2013. Shri S. K. Barua 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 Aditya Kumar Sharma be and is hereby appointed as Director of the Company.”

5. 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 Ms. Roshan Ara Begum be and is hereby appointed as Director of the Company.”

6. 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 the provisions of Section 148 and other applicable provisions of the Companies Act,2013 read with Companies (Audit & Auditors) Rules, 2014, appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati as the Cost Auditor of the Company for the financial year 2016-17 by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company under Companies (Cost Records and Audit) Rules, 2014 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

Sd/-

(D. Dev Gupta)

Company Secretary, AGCL

Registered Office:
Adams Plaza, 1st Floor
Christian Basti, G. S. Road
Guwahati-781005
Date: 18.08.2016

- a) Explanatory statements under Section 102 of the Companies Act, 2013 in respect of the business under Item 4 , 5 and 6 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.

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 & 6 of the Special Business indicated in the Notice dated 18/08/2016.

Item No. 4. Appointment of Director

Shri Aditya Kumar Sharma was appointed as Additional Director on the Board of the Company w.e.f. 11th September, 2015 pursuant to Article 119(i) of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Shri Aditya Kumar Sharma 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 Aditya Kumar Sharma as a Director of the Company. A brief resume of Shri Aditya Kumar Sharma is provided separately in the Corporate Governance Report enclosed with the Directors' Report. The Board recommends the appointment of Shri Aditya Kumar Sharma as Director of the Company.

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

Item No. 5. Appointment of Director

Ms. Roshan Ara Begum was appointed as Additional Director on the Board of the Company w.e.f. 28th September, 2015 pursuant to Article 119(i) of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Ms. Roshan Ara Begum 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 Ms. Roshan Ara Begum as a Director of the Company. A brief resume of Ms. Roshan Ara Begum is provided separately in the Corporate Governance Report enclosed with the Directors' Report. The Board recommends the appointment Ms. Roshan Ara Begum as Director of the Company.

Except Ms. Roshan Ara Begum, no other Director or their relatives are interested or concerned in the Resolution.

Item No. 6: 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 2016-2017 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 financial years 2016-2017.

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: 18.08.2016

Directors' Report

Dear Members,

Your Directors are pleased to present the Ninth Annual Report on the performance of your Company together with audited financial statement for the year ended 31st March, 2016.

Financial Results

The Company's financial performance for the year ended 31st March, 2016 as compared to those of the previous year are summarized below:-

Particulars	2015-16 (₹ in thousands)	2014-15 (₹ in thousands)
Gross Revenue from Operations	626,211	660,333
Other Income	6,615	5,274
Total Revenue	632,826	665,607
Profit before Depreciation & Amortization, Interest and Tax	467,419	469,032
Profit before prior period adjustments and Tax	224,990	196,498
Profit before Tax	224,990	196,498
Provision for Taxation- (Minimum Alternate Tax)	48,015	47,479
Provision for Taxation- Deferred	81,192	81,995
Profit (Loss) after tax	95,783	67,024
Earnings per Share in Rupees (Face value ₹10/- each)		
1. Basic	0.57	0.40
2. Diluted	0.57	0.40

Directors propose to appropriate this amount as under :

Appropriations:	2015-16 (₹ in thousands)	2014-15 (₹ in thousands)
Towards Dividend	28,433	18,398
Corporate Dividend Tax	5,788	3,745
Transfer to General Reserve	61,562	44,881
Balance at Profit & Loss Account	500	500

Summarized Cash Flow Statement:

Cash Flows :	2015-16 (₹ in thousands)	2014-15 (₹ in thousands)
Inflow/(Outflow) from operations	358,426	441,884
Inflow/(Outflow) from investing activities	(2,826)	(1,496)
Inflow/(Outflow) from financing activities	(329,280)	(427,599)
Net Increase/(decrease) in cash & cash equivalent	26,320	12,789

Performance Highlights

Physical Performance

During the year 2015-16, your Company transported 222.91 MMSCM of natural gas to NRL as against 242.12 MMSCM transported in the previous year. Utilisation of the pipeline was lower by 7.94% compared to the 2014-15 primarily due to maintenance shutdown of Numaligarh refinery for 25 days in the month of April, 2015 and lower gas availability from OIL during the period.

In terms of the gas supply agreement between DNPL and NRL, transportation charges for the year was revised to ₹2809.27 per thousand standard cubic meters (TSCM) with effect from 1.4.2015 as against ₹2727.45 in the previous year.

Your company continued its focused attention towards various control measures as well as optimum utilization of available resources to ensure reasonable level of operating surplus.

Financial Performance

DNPL's gross revenue from operations for the year 2015-16 was ₹62.62 crores, 5.16% lower than the previous year's revenue of ₹66.03 crores. The profit before tax for the year was ₹22.50 crores, which is 14.50% higher compared to ₹19.45 crores in 2014-15. The profit after tax for the year stood at ₹9.58 crores as against ₹6.70 crores recorded in 2014-15. The earnings per share achieved in 2015-16 was ₹0.57 compared to ₹0.40 in the previous year.

The total amount of Capital Expenditure incurred during the year was ₹0.42 crores as compared to ₹1.98 Crores in 2014-15. Value of total fixed assets as on 31st March, 2016 stood at ₹265.03 Crores.

Dividend

Your Directors, after taking into account financial results of the Company during the year and keeping in view the need to maintain strategic investments for a secure future, are pleased to recommend for your approval, a dividend of ₹0.17 (i.e. 1.7%) per equity share of ₹10.00 each (₹0.11 per equity share in the year 2014-15) for the financial year ended March 31, 2016 on the paid up share capital of ₹167.25 Crores, which would absorb a sum of

₹3.42 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 ₹6.16 Crores to the General Reserve Account. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Treasury Operations

As a part of better treasury management, during the year balance outstanding term loan of ₹66.80 crores was repaid to Oil India Limited(OIL) by taking a fresh loan from Assam Gas Company Limited at a lower rate of interest. In order to reduce cost on borrowed fund, term loan amounting to ₹22.00 Crores was repaid during the year. Total borrowings as on 31st March, 2016 stood at ₹64.80 Crores as compared to ₹88.80 Crores in the previous year.

During the year, interest cost has been reduced from ₹11.97 Crores in the previous year to ₹8.93 Crores. Debt equity ratio at the close of the financial year stood at 0.39: 1.

During the intervening period from the Balance Sheet date to the date of reporting, the Company has repaid an amount of ₹9.00 Crores to AGCL. As on the date of report, total outstanding loan balance is ₹55.80 Crores and the Debt Equity Ratio stood at 0.33:1.

Contribution to Exchequer

Your Company has contributed an amount of ₹13.58 crores to the Central Exchequer and ₹0.47 crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹9.99 Crores and ₹0.11 Crore respectively in the previous year.

Govt. Audit Review

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6)(b) of the Companies Act 2013 on accounts of the Company for the year ended 31st March, 2016 together with managements reply as an addendum thereto are placed before the shareholders for consideration.

Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business on an arm's length basis and are intended to further the Company's interests. Relevant information in Form AOC 2 has been provided as **Annexure B** to Directors' Report.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which were in conflict with the Company's interest.

Post balance sheet events

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

Business Risk Management

Although the Company does not have any specific risk management policy as on date, the Board of Directors of the company deliberates on threats, risks and concerns which in the opinion of the Board may threaten the continuation of its business or pose threat in 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 forming part of this Report.

Internal financial controls

The Company has put 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.

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.

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

There were no foreign exchange earnings during 2015-16. Foreign exchange outgo during the year was equivalent to ₹6.44 lakhs on account of quarterly payment of Annual Maintenance Charges (AMC) for SCADA system.

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, 2016 are not furnished.

Remuneration

As per MCA Notification No. GSR 463(E) dated 5th June, 2015, Section 197 does not apply to a Government company. Therefore, the requirement of disclosure to be made in the Directors' report in terms of Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

Corporate Governance

Corporate Governance is about maintaining a trusted relationship with all stakeholders and is an integral part of our value creation in the Company. Your Company has been maintaining integrity, transparency and accountability in all its spheres of business.

In accordance with the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE) in May 2013, a report on Corporate Governance together with a Certificate from a practicing Company Secretary on compliance with guidelines on Corporate Governance is annexed at **Annexure A** to the Directors' Report.

The forward looking statements made in the 'Management Discussion and Analysis' are based on certain assumptions and expectations of future events. The Directors do not guarantee that such expectations will eventually materialise.

Statutory Auditors

M/s Kanoi Associates, (SPA087) Chartered Accountants, Central Chowkidinghee, Dibrugarh-786001 were appointed as Statutory Auditors of the Company for the financial year 2015-16 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.

Cost Auditors

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, M/s Subhadra Dutta & Associates, Cost Accountants, Guwahati a firm of Practicing Cost Accountants was appointed as Cost Auditors of the Company for the financial year 2014-15. Cost Audit Report for the year 2014-15 were filed with the Ministry of Corporate Affairs within the due date.

M/s. Subhadra Dutta & Associates, Cost Accountant, Guwahati were appointed as Cost Auditors of the Company for the year 2015-16 in accordance with the provision of Section 148(3) of the Companies Act, 2013. The due date for filing of cost audit report for the year 2015-16 is 30.9.2016 for which necessary action is being taken.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Biman Debnath & Associates, Practicing Company Secretaries, Guwahati were appointed by the Board as Secretarial Auditors for conducting the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year 2015-16 together with Managements' reply on the comments of the Secretarial auditors are annexed as part of **Annexure -A** to this report.

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, 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 considered such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 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.

Board Evaluation

As per MCA Notification No. GSR 463(E) dated 5th June, 2015, provisions of section 134(3)(p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. As DNPL is a Government Company, disclosure requirement in respect of board evaluation process is not applicable to the Company.

Extract of Annual Return

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with

Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as at 31st March, 2016 in the prescribed form MGT 9, forms part of this report and is annexed as 'Annexure - C'.

Directors and Key Managerial Personnel

Shri B. Borpatragohain, erstwhile Managing Director, Assam Gas Company Limited and Director of the Company relinquished his charge w.e.f. 1st September, 2015 on expiry of his tenure in AGCL. The Directors have placed on record their appreciation of the valuable contribution made and guidance given by Shri B. Borpatragohain for the development and progress of the Company during his tenure as Director.

Shri Aditya Kumar Sharma, Managing Director, AGCL was appointed as Additional Director on the Board of the Company w.e.f. 11.9.2015. Subsequently, the Board appointed him as the Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) of the Company w.e.f. 22.01.2016. As he has been appointed as Additional Director, he will hold office till the date of the ensuing Annual General Meeting. Notice under section 160 of the Companies Act, 2013 has been received from a member proposing his name for appointment as Director at the ensuing Annual General Meeting.

Ms. Roshan Ara Begum, IAS. Secretary, Public Enterprises Department, Govt. of Assam was appointed as Additional Director on the Board of the Company as AGCL's Nominee w.e.f. 28.9.2015. Ms. Begum is the only Woman Director appointed in compliance with the provisions of the Companies Act, 2013. Being an Additional Director, she will hold office till the date of the ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received from a member proposing her name for appointment as Director at the ensuing Annual General Meeting.

In accordance with provisions of Section 152 of the Companies Act, 2013, Shri S.K. Barua will retire by rotation at the ensuing Annual General Meeting

and being eligible, offer himself for re-appointment as Director at the said meeting. As required under Corporate Governance clause, brief bio-data of the Directors who are proposed to be appointed/re-appointed at the Annual General Meeting are provided in the Corporate Governance Report.

Declaration by Independent Directors

As there are no Independent Directors on the Board of the Company, the declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 does not arise.

CSR Committee

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

Audit Committee

The details of the composition of the Audit Committee are provided in the Corporate Governance Report which forms part of this Report.

Nomination & Remuneration Committee Policy

In absence of Whole Time Directors and Independent Directors, no such Committee has been formed.

Disclosure on Establishment of a Vigil Mechanism

The Company does not have any Vigil Mechanism.

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

There were no cases filed for Sexual Harassment of Women at Workplace during the Financial Year 2015-16.

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 take this opportunity to express their deep gratitude for the untiring efforts put in by the employees including those who are on deputation from AGCL as well as other outsourced personnel, without whom it would not have been possible for DNPL to operate this gas transportation system smoothly and safely.

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

The Directors are grateful for all 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 are also grateful to Oil India Limited, State Bank of India and Assam Gas Company Limited for providing required loan assistance to the Company.

Your Directors express 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: 18.08.2016

Place: Guwahati

Management's Discussion and Analysis

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.

Directors perception of the future of the Company from the point of view of Market competition, production/service constraints and Government Policies etc.

To grow, the company has to expand its operations. As per the Hydrocarbon Vision 2030 for North Eastern Region of the Govt of India, the company is likely to be part of the consortium engaged in the development of the trunk gas pipeline connecting the Duliajan Numaligarh Gas Transportation System to the proposed Barauni – Guwahati Numaligarh Pipeline 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 2016-17 mainly pertain to possible reduced availability of contracted quantity of natural gas from the producer due to changing field conditions.

Human Resource

Your Company is committed to operational excellence and increased productivity through optimum utilization of human resources. The company recognizes the need for strategic and customer centric HR initiatives through development of HR strategy aligned to the overall organizational goal. It has continued to enable its employees to work in a conducive environment, leveraging technology to ease its operations.

As on 31st March, 2016, there were total 24 employees on the roll of the Company of which 9 are executive cadre and remaining 15 are non executive cadre.

During the year, 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.

Safety

During the year 2015-2016, there was no loss time accident (LTA). Regular Mock drills and Safety meetings awareness programmes were organized during the year. The Safety Policy may be accessed at the Company's website at www.dnpl.co.in.

Industrial Relations

Industrial relations were cordial and harmonious throughout the year. Issues with various groups and agencies were amicably resolved facilitating smooth conduct of business during the year.

Corporate Social Responsibility and Sustainability

DNPL's initiatives towards CSR and Sustainability were pursued with increased emphasis during 2015-16. The CSR Policy has been uploaded in the Company's website at www.dnpl.co.in

Some of the highlights of CSR and Sustainability activities undertaken by your Company during the year are:

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

Based on the average net profits of the Company for the last three financial years, total amount to be spent on CSR for the year 2015-16 was ₹25.31 lakhs. However, after considering the unspent amount of ₹22.28 lakhs earmarked for the year 2014-15, total fund available for the year 2015-16 was ₹47.59 lakhs.

As against above, total amount spent on CSR activities during the financial year 2015-2016 was ₹20.81 Lakhs and the balance committed and unspent amount of ₹26.78 Lakhs has been carried forward to the financial year i.e. 2016-2017.

A detailed report on DNPL's CSR and Sustainability activities is enclosed as **Appendix to Annexure - D**.

Members of the CSR & Sustainability Committee confirmed that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company as stated in **Annexure - D**.

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, 2013. 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 2015-2016 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 Shareholders 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 31st March, 2016, the Board of DNPL comprises of 4 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, Mines & Minerals, Handloom Textiles etc., Government of Assam is the Chairman of the Company. During the year, all the meetings of the Board and the 8th 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:-

Four Board Meetings were held during the financial year 2015-2016 on the following dates:

16 th May, 2015	6 th August, 2015	28 th September, 2015	22 nd January, 2016
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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 meetings attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
1.	Shri R. T. Jindal, IAS Addl. Chief Secretary to the Govt of Assam, Mines & Minerals Deptt. Handloom, Textiles etc	M.Sc. (Chemistry) from Punjab Agriculture University	20/07/2012	4	100	Attended	Chairman: 1. ATPO 2. GTAC Dy. Chairman: AGCL Managing Director, AHECL Director: NRL
2.	Shri B. Borparagohain, Managing Director, AGCL (upto 31.08.2015)	B.E. (Mech)	01/04/2009 to 31.08.2015	2	100	-	Managing Director: AGCL & Director : TNGCL
3.	Shri S. K. Barua, Director (Finance), NRL	ACMA and LLB from Dibrugarh University	28/06/2013	4	100	Attended	Director (Finance), NRL
4.	Shri A. K. Nath GM (GMS), Oil India Ltd.	B.E.(Mech.)	12/02/2015	4	100	Attended	Director: AGCL
5.	Shri A. K. Sharma Managing Director, AGCL (w.e.f. 11/09/2015)	B.Com (Hons.), ACMA, MBA(Finance) from IISWBM, Calcutta University	11/09/2015	1	50	Attended	Managing Director: AGCL Director: TNGCL
6.	Ms. Roshan Ara Begum, IAS Secretary, Public Enterprises Dept., Govt. of Assam (w.e.f. 28/09/2015)	Phd.in (Economics) from Dibrugarh University	28/09/2015	1	100	-	Director: AIDC APDCL AEGCL AFCSCCL ASTCL APHCL

- **AGCL:** Assam Gas Company Limited; **NRL:** Numaligarh Refinery Limited; **ATPO:** Assam Trade Promotion Organisation; **GTAC:** Guwahati Tea Auction Centre; **TNGCL:** Tripura Natural Gas Company Limited; **APDCL:** Assam Power Distribution Company Limited; **AEGCL:** Assam Electricity Grid Corporation Limited; **AFCSCCL:** Assam Food and Civil Supplies Corporation Limited; **ASTCL:** Assam State Transport Corporation Limited; **APHCL:** Assam Police Housing Corporation Limited, **AIDC:** Assam Industrial Development Corporation Ltd., **AHECL:** Assam Hydrocarbon Energy Corporation 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. 28.09.2015 with the following members :-

- (i) Shri S. K. Barua, Director (F), NRL & Director, DNPL as the Chairman;
- (ii) Shri Aditya Kumar Sharma, Managing Director, AGCL & Director, DNPL and
- (iii) Shri Achintya Kumar Nath, Director, AGCL & Director, DNPL as members.

There are no Independent Directors on 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 2015-2016, four meetings of the Audit Committee were held on the following dates:-

16 th May, 2015	25 th July, 2015	20 th October, 2015	22 nd January, 2016
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Attendance at the Audit Committee meetings during the financial year 2015-2016:

Name of the members	No. of meetings attended	%age thereof (out of 4 meetings held)	Attendance at the last Annual General Meeting held on
Shri S. K. Barua, Chairman	4	100	Attended
Shri Bhupen Borpatragohain (upto 31/08/2015)	1	50	-
Shri Achintya Kumar Nath (w.e.f. 16.05.2015)	3	75	Attended
Shri Aditya Kumar Sharma (w.e.f. 28/09/2015)	1	50	Attended

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

3. Corporate Social Responsibility (CSR) Committee:

DNPL took the initiative to contribute towards society in a transparent, responsible, accountable and fair manner. DNPL's CSR policy was approved by the Board on 12th February, 2015. Consequently, a CSR committee was formed with the following members: -

- Shri S.K. Barua, Director (F), NRL & Director, DNPL as the Chairman;
- Shri B. Borpatragohain, Managing Director, AGCL & Director, DNPL and
- Shri A.K. Nath, Member. Director, AGCL & Director, DNPL as members.

Shri B. Borpatragohain relinquished his charge as Managing Director of AGCL on the expiry of his extended term on 31st August, 2015 and as such resigned from his position as Director of DNPL w.e.f. 1st September, 2015.

Accordingly, the Board reconstituted the CSR Committee on 28th September, 2015 with the following members: -

- Shri S.K. Barua, Director (F), NRL & Director, DNPL as the Chairman;
- Shri A.K. Sharma, Managing Director, AGCL & Director, DNPL and
- Shri A.K. Nath, Director, AGCL & Director, DNPL as members.

During the financial year 2015-2016, only one meeting of the CSR Committee was held on 20th October, 2015.

Attendance at the CSR Committee meeting during the financial year 2015-2016:

Name of the members	No. of meetings attended	%age thereof (out of 4 meetings held)	Attendance at the last Annual General Meeting held on
Shri S. K. Barua, Chairman	1	100	Attended
Shri Achintya Kumar Nath (w.e.f. 16.05.2015)	1	100	Attended
Shri Aditya Kumar Sharma (w.e.f. 28/09/2015)	1	100	Attended

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

4. Nomination and Remuneration Committee:

In absence of Whole Time Director and Independent Directors in the Board of DNPL, no such Committee has been formed.

5. 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:-

No. of AGM	Date and Time of the Meetings	Venue
6 th Annual General Meeting	28 th September, 2013; 11 A.M.	1 st Floor, "Adams Plaza" Christian Basti, G. S. Road, Guwahati- 781005
7 th Annual General Meeting	23 rd September, 2014; 11 A.M.	1 st Floor, "Adams Plaza" Christian Basti, G. S. Road, Guwahati- 781005
8 th Annual General Meeting	11 th September, 2015; 11 A.M.	1 st Floor, "Adams Plaza" Christian Basti, G. S. Road, Guwahati- 781005

b) Details of Special Resolution passed during the last three years: NIL

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 appointment/re-appointment :

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

- (i) Shri S. K. Barua, Director (Finance), NRL was first appointed by the Board as Additional Director w.e.f. 28th June, 2013 under Article 119(ii) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 in pursuance of his nomination from Numaligarh Refinery Limited and thereafter by the shareholders in the 6th Annual General meeting held on 28.9.2013.

Shri S. K. Barua is a Member of the Institute of Cost & Works Accountants of India and a graduate in Law from Dibrugarh University. Shri Barua started his career in Indian Oil Corporation (Assam Oil Division) in 1985 and thereafter joined NRL in the year 1993 as its first permanent employee. He has more than 31 years of rich and varied experience in Finance & Business Development disciplines in Oil & Gas Industry. Prior to his appointment as Director (Finance), he was holding the position of General Manager (Finance) in NRL.

He is liable to retire by rotation and being eligible, offers himself for re-appointment.

- (ii) Shri Aditya Kumar Sharma did his B.Com.(Hons) from the St. Xavier's College, Calcutta in 1984 and completed his CWA from the ICWAI in 1986 and MBA(Finance) from the Indian Institute of Social Welfare & Business Management (IISWBM) affiliated to Calcutta University in 1987.

Shri Sharma started his career as a Costing Trainee in Dunbar Cotton Mill, a Textile Mill in the suburbs of Kolkata but then discontinued the service for further studies. After completing his MBA, Shri Sharma joined a Jute Mill as a Management Trainee in October 1987 but left the job in January 1988 to Join Assam Gas Co. Ltd. as Accounts Officer.

Shri Sharma has had a long association with AGCL and has held positions of Asstt. Manager (Fin), Manager (Fin), Chief Manager (Fin) and Deputy General Manager (F&A) before being appointed as the Managing Director of AGCL.

Shri Aditya Kumar Sharma was appointed as Additional Director on the Board of the Company w.e.f. 11th September, 2015. In accordance with the approval of the Government of Assam vide Notification dated 28th August, 2015, Shri Sharma assumed the charge of the post of Managing Director in Assam Gas Company Limited (AGCL). By virtue of his position as Managing Director in AGCL, he was nominated for Directorship in DNP Limited by Resolution dated 10th September, 2015. Being an Additional Director of DNP Limited, he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a member proposing his name as a Director of the Company.

- (iii) Ms. Roshan Ara Begum, IAS did her Phd in Economics from Dibrugarh University in the year, 2006. She joined Assam Civil Service in the year 1986 and started her career as Extra Assistant Commissioner in Jorhat. Thereafter she worked in different capacities in various Departments of the Government of Assam viz. Finance, Social Welfare and Information Technology. She is a nominated IAS. Presently she is working as Secretary, Handloom, Textiles & Sericulture and Public Enterprises Department to the Government of Assam.

Ms. Roshan Ara Begum, apart from being Director of this Company is also holding Directorship in five other State Level Public Enterprises of Assam

Ms. Roshan Ara Begum, Secretary, Public Enterprises Deptt. Government of Assam was appointed as Additional Director on the Board of the Company w.e.f. 28/09/2015 pursuant to Article 123 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Ms. Roshan Ara Begum, 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 Ms. Roshan Ara Begum as a Director of the Company.

6. 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 has spent an amount of ₹20.81 lakhs towards CSR and Sustainability activities during the financial year 2015-2016 against the total allocation of ₹47.59 lakhs and balance unspent amount of ₹26.78 lakhs has been carried forward to the next financial year i.e. 2016-17.
- 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), 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	9 th Annual General Meeting
Date and Time	29 th August, 2016 at 2.00 P.M.
Venue	Registered Office:- 1 st Floor "Adams Plaza", Christian Basti, G.S. Road, Guwahati-781005
Dividend payment	The Board has recommended Dividend of @ ₹0.17 per share (i.e., 1.7% 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 1st April to 31st 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 31-03-2016:

Sl. No.	Name of shareholder	Capital contribution in ₹	Nos 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

Head 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

**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 **31st March, 2016** 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, 2012-2013.

The compliance of Conditions of Corporate Governance are 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 and other PSU's shall be restricted to two.
- c. Clause 3.1.4 relating to the number of Independent Directors on the Board of the Company which states that at least 1/3rd of the Board members should be independent Directors.
- d. 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.
- e. Clause 4.1.2 relating to the chairman of the Audit Committee shall be an Independent Director.
- f. 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.
- g. Clause 8.3 relating to the submission of quarterly progress reports, within 15 days from the close of each quarter in format to respective administrative departments.

It has been apprised and informed by the Company that, it 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 till date.

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

Sd/-

Biman Debnath

Proprietor

FCS No.: 6717

C P No.: 5857

Date: 05.08.2016

Place: Guwahati

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST March, 2016

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

To,
The Members,
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 and visit to the workstation, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (i) 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;

e. Petroleum and Natural Gas Regularity Board Act 2006;

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) The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
- (ii) Other Order, Laws and 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 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.*
2. *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 Ltd. the holding company of DNP Limited is doing the secretarial work of Company.*
3. *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.*
4. *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.*
5. *The Company is using the premise of its Holding Company "Assam Gas Company Limited" as its office premise but there exists no agreement for using the same.*
6. *The Company has violated the provision of Article 140 of its Articles of Association which states that the Company will hold at least one meeting in every three months.*
7. *There have been withdrawal of few Agenda items by the Company Secretary of Assam Gas Company Ltd without any proper clarification.*
8. *Process of the renewal of the Fixed Deposits of the Company has not been detailed with respect to comparative rate of interest of different banks.*
9. *No safety audit has been conducted by the Company as per the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.*
10. *No director has been notified as the "Occupier "as required under the Factories Act, 1948.*
11. *Trade License from the concerned authority i.e. the local authority has not been obtained for the trading activities undertaken by the Company.*

12. *The penal consequences of Sexual Harassment has not been displayed at conspicuous places of the workplace as required under Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013.*

As informed and apprised by the Company, it 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 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.

For **BIMAN DEBNATH & ASSOCIATES**
Company Secretaries

Sd/-

Biman Debnath

Proprietor

FCS No.: 6717

C P No.: 5857

Date: 05.08.2016

Place: Guwahati

Management Reply to Secretarial Auditors Observations of DNPL for the year 2015-16

Addendum to the Directors Report

Sl. No.	Secretarial Observations	Auditors	Management Reply
1.	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.		Being a Government Company, Department of Industries & Commerce, Govt. of Assam has been requested for expeditious appointment of independent Directors on the Board of the Company for which approval is awaited.
2.	Pursuant 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 Ltd. the holding company of DNP Limited is doing the secretarial work of Company.		On receipt of Govt. approval for the Organogram, post of Company Secretary has been advertised and the selection process is expected to be over soon.
3.	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.		Many a times, meetings are to be called at a shorter notice depending upon the availability and convenience of majority directors.
4.	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.		On appointment of independent directors by the Government, Board-committees shall be reconstituted in compliance with section 177 and 178 of the Act.
5.	The Company is using the premises of its Holding Company "Assam Gas Company Limited" as its office premise but there exists no agreement for using the same.		The observation shall be reviewed in consultation with Assam Gas Company Limited.
6.	The Company has violated the provision of Article 140 of its Articles of Association which states that the Company will hold at least one meeting in every three months.		The Companies Act, 2013 provides that the gap between two meetings should not exceed a period of One Twenty Days and hence the Company was under an impression that complying with the particular provision of the Act would amount to compliance regarding conducting of meetings in entirety. Further, in case of any conflict between the provisions in the Articles and the Act, the Act shall prevail.
7.	There have been withdrawal of few Agenda items by the Company Secretary of Assam Gas Company Ltd without any proper clarification.		Agenda items referred to in the observations were withdrawn by the Company Secretary with due approval of the Board.

8.	Process of the renewal of the Fixed Deposits of the Company has not been detailed with respect to comparative rate of interest of different banks.	The Fixed Deposits have been renewed after comparing the rates of the major banks at Duliajan and with the approval of the Board.
9.	No safety audit has been conducted by the Company as per the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.	Applicability of the Act shall be reviewed and corrective action, if required, would be taken.
10.	No director has been notified as the "Occupier" as required under the Factories Act, 1948.	Noted for compliance.
11.	Trade License from the concerned authority i.e. the local authority has not been obtained for the trading activities undertaken by the Company.	Noted for compliance.
12.	The penal consequences of Sexual Harassment has not been displayed at conspicuous places of the workplace as required under Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013.	Actions have been initiated to comply with the provisions of Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Form No. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of contracts or arrangements or transactions at Arm's length basis :

Names of the related party and nature of relationship	Nature of Contracts/ arrangement/ transactions	Duration of Contracts/ arrangement/ transactions	Salient terms of contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advance, if any
Assam Gas Company Limited (AGCL)	Reimbursement of salary and other expenses incurred by AGCL for the persons deputed in DNPL and other expenses related to DNPL.	Ongoing transactions	DNPL will reimburse AGCL the manpower cost on Cost to the Company basis which comes to approximately 100% of the actual salary paid. (₹221.34 Lakhs)	2009	Nil
Numaligarh Refinery Limited (NRL)	Reimbursement of expenses incurred by NRL in respect of DNPL.	Ongoing transactions	₹0.47 lakhs	Not applicable	Nil
Numaligarh Refinery Limited (NRL)	Transportation charges payable by NRL.	Ongoing transactions	₹6262.11 Lakhs	Not applicable	Nil
Oil India Limited (OIL)	Cost of gas purchased from OIL.	Ongoing transactions	₹691.78 lakhs	Not applicable	Nil
Oil India Limited (OIL)	Reimbursement of expenses if any incurred by OIL for DNPL.	Ongoing transactions	Nil	Not applicable	Nil

Oil India Limited (OIL)	Payment of ROW rental and supervision charges to OIL.	Ongoing transactions	₹43.49 Lakhs	Not applicable	Nil
Oil India Limited (OIL)	Payment of maintenance expenses for Cathodic Protection system for pipeline payable to OIL.	Ongoing transactions	Nil	Not applicable	Nil
Assam Gas Company Limited (AGCL)	Payment of rental for office accommodation to AGCL	Ongoing transactions	Nil	Not applicable	Nil
Oil India Limited (OIL)	Payment of Interest on Loan to OIL	Upto March 2016	₹836.22 Lakhs	Not applicable	Nil
Assam Gas Company Limited (AGCL)	Payment of Interest on Loan to AGCL	Ongoing transaction	₹56.58 Lakhs	February, 2016	Nil

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, 2016

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	Address of the Registered office & contact details	
	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 :	adgoswami@rediffmail.com
	Website, if any:	www.dnpl.co.in
vi	Whether listed company	No
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	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

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 Refinry 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	
A. Promoter s									
(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	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	16,72,50,000	16,72,50,000	100.00%	-	16,72,50,000	16,72,50,000	100%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

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	
2. Non-Institutions									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	-	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 Ltd.	8,52,99,960	51%	-	8,52,99,960	51%	-	NO CHANGE
	Prafulla Chandra Sharma	10	Negligible	-	10	Negligible	-	
	Aditya Kumar Sharma	10	Negligible	-	10	Negligible	-	
	Ajay Kumar Bhattacharyya	10	Negligible	-	10	Negligible	-	
	Kunal Mazumdar	10	Negligible	-	10	Negligible	-	
2	Numaligarh Refinery Ltd.	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
	TOTAL	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 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		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			
Increase					
Date	Reason for Increase	No Change			
Decrease					
Date	Reason for Decrease	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			
Increase				
Date	Reason for Increase	No Change		
Decrease				
Date	Reason for Decrease	No Change		
At the End of the year	3,84,60,000	23%	3,84,60,000	23%

Sl. No. IV - Nominees of Promoters i.e. NRL & AGCL	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	70	Negligible	70	Negligible
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	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				
Increase				
Date	Reason for Increase			
Decrease				
Date	Reason for Decrease			
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. _____	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				
Increase				
Date	Reason for Increase			
Decrease				
Date	Reason for Decrease			
At the End of the year				

S. No.: 2 Mr. _____	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				
Increase				
Date	Reason for Increase			
Decrease				
Date	Reason for Decrease			
At the End of the year				

V INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2015-16	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	NIL	88,80,00,000		88,80,00,000
ii) Interest due but not paid	NIL			-
iii) Interest accrued but not due	NIL	-		
Total (i+ii+iii)	NIL	88,80,00,000		88,80,00,000
Change in Indebtedness during the financial year 2015-16				
* Addition	NIL	66,80,00,000		66,80,00,000
* Reduction	NIL	90,80,00,000		90,80,00,000
Net Change	NIL	(24,00,00,000)		(24,00,00,000)
Indebtedness at the end of the financial year 2015-16				
i) Principal Amount	NIL	64,80,00,000		64,80,00,000
ii) Interest due but not paid	NIL	-		-
iii) Interest accrued but not due	NIL	-		-
Total (i+ii+iii)	NIL	64,80,00,000		64,80,00,000

VI 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	Independent Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors						Total
	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:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Corporate Social Responsibility (CSR) Policy of DNP Limited

1.0 INTRODUCTION

DNP Ltd. is a Govt. of Assam Undertaking and a joint venture company of Assam Gas Company Limited (AGCL), Numaligarh Refinery Limited (NRL) & Oil India Limited (OIL). The company is at present engaged in the transportation of natural gas to Numaligarh Refinery Limited from OIL's source at Duliajan through an underground pipeline. The company started its commercial operation from 1st April'2011. Since commissioning the company has been performing well and started making profit from the 2nd year of its operation.

Being a responsible corporate citizen, DNPL equally concentrates on its business policy as well as its socio-economic welfare policy so that it can create a positive impact on society. With the enactment of New Companies Act, 2013 and the formulation of CSR Rules 2014, DNPL has now adopted its CSR (Corporate Social Responsibility) Policy.

2.0 The "POLICY"

DNPL's "CSR Policy" will incorporate the following salient points -

3.0 VISION

To enhance the socio-economic development of the society in the vicinity of the DNPL's operational area with a special attention to protect the ecology and environment.

4.0 MISSION

To identify areas where there are genuine needs and quantify the actual requirements based on baseline survey and in house assessment, in consultation with district authorities, stake holders and to gauge the effectiveness of the implemented schemes through periodic evaluation.

5.0 OBJECTIVE

- (i) To bring tangible socio-economic development in and around DNPL's operational area in particular and in the state of Assam as a whole.
- (ii) To ensure effective utilization of allocated resources.

6.0 STRATEGY

- (i) DNPL will work independently or with other organizations for mobilizing resources
- (ii) To utilize NGOs, self help groups, registered trust or society in promoting CSR activities of the Company.

7.0 FOCUS AREAS

Schedule VII of the Companies Act, 2013 has given a wide list of CSR activities. While recognizing these, for CSR to maximize the benefit our Company will focus on the following areas -

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

These projects will be concentrated only in the Local Area specific to the area of operation.

8.0 BUDGET

Annual budget allocation for CSR and Sustainability activities for a given year shall be based on minimum 2% of the average profit-before-tax of three preceding financial years, as per stipulations in the Companies Act 2013.

Unspent amount from the CSR and Sustainability budget shall not lapse and shall be carried forward to next year for utilization against the purpose for which it was allocated. Adequate justification for unspent amount shall be recorded.

9.0 EXECUTION

- (i) DNPL will conceive the project including the execution methodology and each such project along with estimated cost shall be approved by MD, AGCL & Director, DNPL.
- (ii) All broad projects proposals will be put up to the CSR Committee in every quarterly meeting for information.

10.0 EVALUATION, MONITORING and REPORTING

The CSR Committee will evaluate and monitor the CSR projects for which MD, AGCL and Director, DNPL will prepare and submit quarterly report on the effectiveness of the CSR project to the CSR Committee.

11.0 LOCAL AREA

Focus on DNPL's CSR activities shall be in the area (i) within 10.00 KM radius of the Despatch Station of DNPL at Madhuban and 5.00 km of other stations of DNPL. (ii) 1.00 km in either side of the RoW. These areas shall be deemed as "Local Areas" in the parlance of pursuing CSR initiatives.

12.0 CONFORMITY TO STATUTORY REQUIREMENTS

The Policy shall conform to stipulations under Section 135 of the Companies Act, 2013, the CSR Rules issued by the Ministry of Corporate Affairs and applicable Guidelines on CSR issued by the Government from time to time. In case of conflict between Guideline and the Rules on CSR, the Rules shall prevail.

13.0 REVIEW

CSR policy will be reviewed in every 3(Three) years. A suitable mechanism shall be set up for monitoring the progress and effectiveness of the projects and activities undertaken by the company as per the provisions of the Act and the rules framed there under.

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

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.	Refer Sections: (a) Corporate Social Responsibility and (b) Disclosures: CSR Committee in this Report
2. Average net profit of the Company for last three financial years	₹1265.50 Lakhs
3. Prescribed CSR expenditure (Two percent of the amount mentioned in item 2 above)	₹25.31 lakhs
4. Details of CSR spent during the financial year:	₹20.81 Lakhs
5. Total amount to be spent for the financial year	₹47.59 Lakhs
6. Amount unspent, if any	₹26.78 Lakhs
7. Manner in which the amount spent during the financial year	

Details of Amount Spent on CSR Activities During the Financial Year 2015-16

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 Lakhs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹in Lakhs)	Cumulative Expenditure upto the reporting period i.e. FY 2015-2016 (₹in Lakhs)	Amount Spent Direct or through Implementing Agency
1.	Health care & Sanitation	(i) Of Schedule-VII	Within 10.00 k.m. radius of the Despathch station of DNPL at Madhuban and 5.00 km of other stations of DNPL	47.59	18.21	20.81	Implementing Agency (NORTH EAST INDUSTRIAL & TECHNICAL CONSULTANCY ORGANISATION LTD. (NEITCO, GUWAHATI)
2.	Environmental Sustainability & Ecological Balance	(iv) of Schedule-VII	1.00 Km in either side of ROW		1.58		Implementing Agency J. G. ENTERPRISE, DULIAJAN
3.	Promotion of Education	(ii) of Schedule-VII			1.00		Through PRERANA, an NGO
4.	Other expenses on CSR				0.02		

RESPONSIBILITY STATEMENT

The Projects under CSR activities were identified and Work Order issued during financial year 2014-2015, but physical implementation was started only during the financial year 2015-2016. All related expenditures on CSR activities had to be carried forward and added with the Budget on CSR activities for the financial year 2015-2016. Financial outgo on CSR activities during the year 2015-2016 was ₹20.81 Lakhs.

Sd/-

A. K. Sharma
Director

Sd/-

S. K. Barua
Chairman, CSR Committee

Sd/-

A.K. Nath
Director

Independent Auditors' Report

TO THE MEMBERS OF DNP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **DNP Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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.

Auditors' 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.

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 31st March, 2016;
- 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, 2016 ("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 under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 regarding report on the Internal Financial Controls, the same is enclosed by way of annexure to this report.
3. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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.

For **KANOI ASSOCIATES**
Chartered Accountants
ICAI Regn. No: 309101E

Sd/-

(Aakash Agarwalla)

Partner

M. No: 058427

Camp : Guwahati
Date : 05th May, 2016

Annexure to the Independent Auditors' Report of Even Date on the Standalone Financial Statements of DNP Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DNP Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 31st March, 2016. 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.
 - (c) Title deeds of all immovable properties are held in the name of the company except free hold land measuring 16B 4K 16.43Ls. owned by the company whose mutation is still pending.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies was noticed..
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a), (b) & (c) of clause (iii) of the Order are not applicable to the company.
- (iv) Provisions of section 185 and 186 of the Companies Act, 2013 have been duly complied with in respect of loans, investments, guarantees and security made/granted during the year.
- (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 undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues wherever applicable and no undisputed amounts payable in respect of above referred statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
- (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 or sales-tax or service tax or duty of customs or duty of excise or 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. 32 of Financial Statement as Contingent Liability.
- (viii) 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.
- (ix) According to the information and explanations given to us and the records examined by us, no moneys has been raised by the company by way of public offer (including debt instrument). Further, the term loans were applied for the purpose for which the loans were obtained.
- (x) 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.
- (xi) According to the information and explanations given to us and the records examined by us, no managerial remuneration has been paid or provided by the company during the year.
- (xii) Since the company is not a Nidhi Company, provisions of clause (xii) of the Order are not applicable.
- (xiii) All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013. However, no disclosure is required in the Financial Statements as per Accounting Standard 18 as the company is a State Controlled Enterprise.
- (xiv) According to the information and explanations given to us and the records examined by us, the company has not made any preferential allotment or private placement of shares during the year under review.
- (xv) According to the information and explanations given to us and the records examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **KANOI ASSOCIATES**
Chartered Accountants
ICAI Regn. No: 309101E

Sd/-

(Aakash Agarwalla)

Partner

M. No: 058427

Camp : Guwahati
Date : 05th May, 2016

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, 2016

The preparation of financial statements of **DNP Limited** for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory 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 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 **05 May, 2016**.

I, on 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, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on the 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 related audit report:

A. COMMENT ON PROFITABILITY**1. Statement of Profit and Loss Account****I. Revenue from Operations (Note-20) : ₹62.62 crore**

The above does not include ₹7.08 crore being the transportation charges receivable from Numaligarh Refinery Limited (NRL) on account of increase in gas price used as fuel in terms of clause 8.03 of the Gas Transportation Agreement. This resulted in understatement of profit by ₹7.08 crore with corresponding understatement of "Reserve and Surplus" and "Trade Receivables" by the same amount.

B. COMMENTS ON FINANCIAL POSITION**1. Balance Sheet****II. Assets****1. Non-current Assets****a. Fixed Assets****i. Tangible Assets (Note 11) ₹265.03 crore**

The Company did not account/capitalize entry tax (₹4.42 crore) payable on materials (₹110.60 crore) procured for Duliajan Numaligarh Pipeline projects (commissioned in April 2011) during the period 2008-10. This resulted in understatement of fixed Assets by ₹3.49 crore, understatement of current liabilities by ₹4.42 crore and overstatement of Reserve and Surplus by ₹0.93 crore (Due to non provisioning of Depreciation on the amount of entry tax (₹4.42 crore) not capitalized under Tangible Assets).

2. Balance Sheet**II. Assets****1. Non-current Assets****a. Fixed Assets****i. Tangible Assets (Note 11) ₹265.03 crore**

The above includes ₹89.44 lakh being the cost of Turbocharger and Engine Spares of the Compressor of Unit No 2 which was destroyed by fire (January 2016). Since the claim for indemnification of the loss was rejected by the Insurance Company, the same should have been charged to Statement of Profit and Loss. This resulted in overstatement of Fixed Assets and Profit for the year by ₹89.44 lakh each.

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

Sd/-

C H KHARSHIING
Accountant General (Audit), Assam

Place : Guwahati
Dated: 29.06.2016

Addendum to Directors' Report:

Management Replies to the Comments of the Comptroller & Auditor General Of India on the Annual Accounts of the Company for the year ended 31st March, 2016:

Sl. No.	Comments of the Comptroller & Auditor General of India on the Annual Accounts of the Company for the year ended 31 st March 2016	Management Reply
A.	<p><u>COMMENT ON PROFITABILITY</u></p> <p>1. Statement of Profit and Loss Account</p> <p>I. Revenue from operation (Note-20) : ₹62.62 crore</p> <p>The above does not include ₹7.08 crore being the transportation charges receivable from Numaligarh Refinery Limited (NRL) on account of increase in gas price used as fuel in terms of clause 8.03 of the Gas Transportation Agreement. This resulted in understatement of profit by ₹7.08 crore with corresponding understatement of 'Reserve and Surplus' and 'Trade Receivable' by the same amount.</p>	<p><u>Reply to A.1</u></p> <p><i>Audit is pointing out a clause in the existing Natural Gas Transportation Agreement regarding fuel gas cost for compressor which has not been implemented till date.</i></p> <p><i>This clause is not implemented till date because NRL in the past has requested review of other clauses viz., opex/ MDC provision etc. Hence this clause will also be taken up for review and will be placed before the Management of both DNPL and NRL for mutual settlement.</i></p> <p><i>Only thereafter the same can be considered in the financial statements.</i></p>
B.	<p><u>COMMENTS ON FINANCIAL POSITION</u></p> <p>1. Balance Sheet</p> <p>II. Assets</p> <p>1. Non-current Assets</p> <p>a. Fixed Assets</p> <p>i. Tangible Assets (Note11) ₹265.03 crore</p> <p>The Company did not account/capitalize entry tax (₹4.42 crore) payable on materials (Rs.110.60 crore) procured for Duliajan Numaligarh Pipeline projects (commissioned in April 2011) during the period 2008-10. This resulted in understatement of Fixed Assets by ₹3.49 crore, understatement of current liabilities by Rs.4.42 crore and overstatement of Reserve and Surplus by ₹0.93 crore (Due to non provisioning of Depreciation on the amount of entry tax (₹4.42 crore) not capitalized under Tangible Assets).</p>	<p><u>Reply to B.1.</u></p> <p><i>The payment of Entry Tax on casting pipes and LR bends brought from M/s PSL Ltd. has still not been established as these are delivered supply by the vendor. We have neither received any show cause notice/demand nor has there been any assessment under the Assam Entry Tax Act'2008 covering this procurement. Hence in the absence of any documentary evidence we feel it is not prudent to provide any liability as per accounting standard. We are now in the process of obtaining a Legal opinion and in case there is a requirement for payment/liability provision, same will be done in FY 2016-17 and same shall also be capitalized from the date of installation/put to use of the said pipes.</i></p>
	<p>2. Balance Sheet</p> <p>II. Assets</p> <p>2. Non-current Assets</p> <p>b. Fixed Assets</p> <p>ii. Tangible Assets (Note11) Rs.265.03 crore</p> <p>The above includes ₹89.44 lakh being the cost of Turbocharger and Engine Spares of the Compressor of Unit No.2 which was destroyed by fire (January 2016). Since the claim for indemnification of the loss was rejected by the Insurance Company, the same should have been charged to Statement of Profit and Loss. This resulted in overstatement of Fixed Assets and Profit for the year by ₹89.44 lakh each.</p>	<p><u>Reply to B.2.</u></p> <p><i>Turbocharger and Engine Spares are parts of the Fixed Assets "COMPRESSORS". Machinery break down and resultant fire didn't destroy the fixed asset as such. It resulted in loss of some of the parts of Fixed Assets. Hence there was no loss of the Asset as stated in the Audit Query. As per para 8.2 of AS 10 "Machinery spares are usually charged to the profit and loss statement as and when consumed".</i></p>

BALANCE SHEET AS AT MARCH 31, 2016

₹ In thousands

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a. Share Capital	3	1,672,500	1,672,500
b. Reserves and Surplus	4	217,240	155,678
		1,889,740	1,828,178
2 Non-current Liabilities			
a. Long-term Borrowings	5	378,000	648,000
b. Deferred Tax Liabilities (Net)	6	267,749	186,557
c. Other Long-term Liabilities	7	30,000	30,000
		675,749	864,557
3 Current Liabilities			
a. Trade Payables	8	38,824	52,748
b. Other Current Liabilities	9	284,845	261,600
c. Short-term Provisions	10	82,236	69,625
		405,905	383,973
TOTAL		2,971,394	3,076,708
II. ASSETS			
1 Non-current Assets			
a. Fixed Assets			
i. Tangible Assets	11	2,650,308	2,799,247
ii. Intangible Assets	12	-	-
iii. Capital Work-In-Progress	13	90	90
b. Long-term Loans and Advances	14	872	872
		2,651,270	2,800,209
2 Current Assets			
a. Inventories	15	44,853	40,354
b. Trade Receivables	16	134,760	117,301
c. Cash and Cash Equivalents	17	69,800	43,480
d. Short-term Loans and Advances	18	57,624	57,356
e. Other Current Assets	19	13,087	18,008
		320,124	276,499
TOTAL		2,971,394	3,076,708

Corporate Information & Significant Accounting Policies 1 & 2

Notes to Financial Statement 3 - 33

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

Sd/-

(CA. Aakash Agarwalla)
 Membership No. 058427

For and on behalf of the Board

Sd/-

A. K. Sharma
 Director
 DIN-07285877

Sd/-

S. K. Barua
 Director
 DIN-06503943

 Camp: Guwahati
 Date: 05-05-2016

 Place: Guwahati
 Date: 05-05-2016

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

₹ In thousands

Particulars	Note No	Year Ended March 31, 2016	Year Ended March 31, 2015
I Revenues from Operations	20	626,211	660,333
Less : Excise Duty		-	-
Revenues from Operations (Net)		626,211	660,333
II Other Income	21	6,615	5,274
III Total Revenue (I+II)		632,826	665,607
IV Expenses :			
Employee Benefits	22	31,442	29,187
Finance Costs	23	89,280	119,693
Depreciation and Amortisation	11 & 12	153,149	152,841
Other Expenses	24	133,965	167,388
Total Expenses		407,836	469,109
V Profit before exceptional and extraordinary items and tax (III-IV)		224,990	196,498
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		224,990	196,498
VIII Extraordinary Items		-	-
IX Profit before tax (VII- VIII)		224,990	196,498
X Tax Expense:			
1 Current tax (MAT Payable)		48,015	47,479
2 Deferred tax	6	81,192	81,995
XI Profit (Loss) for the period (IX - X)		95,783	67,024
XII Earnings per equity share (EPS) - Rs.	26		
[Equity Shares of Rs. 10/- each]			
1 Basic		0.57	0.40
2 Diluted		0.57	0.40

Corporate Information & Significant Accounting Policies

1 & 2

Notes to Financial Statement

3 - 33

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

Sd/-

(CA. Aakash Agarwalla)

Membership No. 058427

For and on behalf of the Board

Sd/-

A. K. Sharma

Director

DIN-07285877

Sd/-

S. K. Barua

Director

DIN-06503943

Camp: Guwahati
Date: 05-05-2016

Place: Guwahati
Date: 05-05-2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	₹ In thousands	
	31-Mar-16	31-Mar-15
A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
NET PROFIT BEFORE TAX BEFORE EXTRA-ORDINARY ITEMS AND PRIOR PERIOD ITEMS	224,990	196,498
ADD ADJUSTMENTS FOR		
Depreciation	153,149	
Provision for Project Surplus Material/ Inventory	(7)	
Interest expense	89,280	
	242,422	302,553
	467,412	499,051
LESS ADJUSTMENTS FOR		
Interest / Dividend / Brokerage Income	4,796	5,043
Other Non Cash Items	-	-
Operating profit before working capital changes	462,616	494,008
ADJUSTMENTS FOR		
Trade and other receivables	(13,712)	
Inventories	(4,491)	
Trade and other payables	(39,515)	
Cash generated from operations (Before Extra Ordinary Items)	(57,718)	(12,305)
Direct taxes paid	(46,472)	(39,819)
NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)	358,426	441,884
B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
a) PURCHASE OF FIXED ASSETS	(7,520)	(6,737)
b) INTEREST ON FIXED DEPOSITS	4,694	5,241
NET CASH FROM INVESTING ACTIVITIES	(2,826)	(1,496)
C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
a) INTEREST PAID	(89,280)	(120,599)
b) ISSUE OF SHARE CAPITAL	-	-
c) SECURED LOAN	-	(90,000)
d) UNSECURED LOAN	(240,000)	(217,000)
NET CASH FROM FINANCING ACTIVITIES	(329,280)	(427,599)

	₹ In thousands	
	31-Mar-16	31-Mar-15
D. <u>NET INCREASE IN CASH AND CASH EQUIVALENT</u>	26,320	12,789
E. <u>CASH AND CASH EQUIVALENT CONSISTS OF :</u>		
a) CLOSING CASH AND CASH EQUIVALENT		
i) Cash and Bank Balance	9,273	13,375
ii) Short Term Deposit with Banks	60,527	30,105
b) LESS : OPENING CASH AND CASH EQUIVALENT		
i) Cash and Bank Balance	13,375	1,150
ii) Short Term Deposit with Banks	30,105	29,541
F. <u>INCREASE IN CASH AND CASH EQUIVALENT</u>	26,320	12,789

In terms of our Report of even date attached

For and on behalf of Kanoi Associates

Chartered Accountants
Firm Reg. No. 309101E

Sd/-

(CA. Aakash Agarwalla)

Membership No. 058427

Camp: Guwahati
Date: 05-05-2016

For and on behalf of the Board

Sd/-

A. K. Sharma

Director
DIN-07285877

Sd/-

S. K. Barua

Director
DIN-06503943

Place: Guwahati
Date: 05-05-2016

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, 1st 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. 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.

C. 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.

D. 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.

E. Inventories

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

F. 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.

G. 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.

H. 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.

I. 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.

J. Capital Grants

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

K. 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.

L. 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.

M. 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.

N. 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.

Notes to Accounts

3 Share Capital	₹ In thousands	
	31-Mar-16	31-Mar-15
Equity Shares		
Authorised		
17,00,00,000 (31 March 2015 : 17,00,00,000) Equity Share of ₹ 10/- each	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>
Issued, Subscribed and Paid up		
16,72,50,000 (31 March 2015 : 16,72,50,000) Equity Shares of ₹ 10/- each	1,672,500	1,672,500
	<u>1,672,500</u>	<u>1,672,500</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-Mar-16		31-Mar-15	
	Number	Amount	Number	Amount
Equity Shares				
Shares outstanding at the beginning of the year	167,250,000	1,672,500	167,250,000	1,672,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	167,250,000	1,672,500	167,250,000	1,672,500

b. Terms/right attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2016, the amount of dividend per share recognised as distributions to equity shareholders is ₹ 0.17 paise (31st March 2015: ₹ 0.11 paise).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Out of equity shares issued by the Company, shares held by Holding Company is as below :

	₹ In thousands	
	31-Mar-16	31-Mar-15
Assam Gas Company Limited (with nominees)		
8,53,00,000 (31st March 2015 : 8,53,00,000) equity shares of ₹ 10/- each fully paid	85,300	853,000

d. Details of shareholders holding more than 5% shares in the company

Name of Shareholders	31-Mar-16		31-Mar-15	
	Number	% of Holding	Number	% of Holding
Assam Gas Company Limited (with nominees)	85,300,000	51%	85,300,000	51%
Numaligarh Refinery Limited	43,490,000	26%	43,490,000	26%
Oil India Limited.	38,460,000	23%	38,460,000	23%

Notes to Accounts

4 Reserves and Surplus	₹ In thousands		
	General Reserve	Profit & Loss Account	Total
As at 01-April- 2015	155,178	500	155,678
Profit/(Loss) for the year	-	95,783	95,783
Dividend to Equity shareholders	-	(28,433)	(28,433)
Tax on Distribution Profits	-	(5,788)	(5,788)
Corporate Income Tax payment adjusted	-	-	-
Transfer (to)/from	61,562	(61,562)	-
As at 31-Mar-16	216,740	500	217,240
As at 31-Mar-15	155,178	500	155,678

5 Long-term Borrowings	₹ In thousands			
	Non-current portion		Current Maturities	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Term Loans				
From Oil India Limited				
Secured	-	-	-	-
Unsecured	-	648,000	-	240,000
From Assam Gas Company Limited				
Secured	-	-	-	-
Unsecured	378,000	-	270,000	-
Amount disclosed under the head "Other Current Liabilities".	-	-	(270,000)	(240,000)
	<u>378,000</u>	<u>648,000</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

Assam Gas Company Limited :

The loan of ₹ 6,48,000 thousand bearing interest at the rate of 10.00% is repayable in 29 (twenty-nine) monthly installments, consisting of 28 (twenty-eight) equal monthly installments of ₹ 22,500 thousand each and Last 1 (one) installment of ₹ 18,000 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 ₹ 81,192 thousand (previous year ₹ 81,995 thousand). The year end position of Deferred Tax Liability and Asset is given below :

	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Deferred Tax Liability		
Difference of Book Depreciation & Tax Depreciation	378,988	334,212
Deferred Tax Assets		
Disallowed U/S 35D of Income Tax Act, 1961	-	807
Unabsorbed Depreciation under Income Tax Act, 1961	111,239	146,848
Total	<u>111,239</u>	<u>147,655</u>
Net Deferred Tax Liability	<u>267,749</u>	<u>186,557</u>

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	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Trade Payables	-	-
Deposits from Customer	30,000	30,000
Others	-	-
	<u>30,000</u>	<u>30,000</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, 2016. 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-16	31-Mar-15
Trade Payables	38,824	52,748
	<u>38,824</u>	<u>52,748</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, 2016. 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-16	31-Mar-15
Current maturities of long term debt	270,000	240,000
EMD from Contractors & Suppliers	903	452
Statutory Liabilities	10,221	8,239
Security Deposits from Contractors	1,468	1,174
Retentions from Contractors	250	1,162
Creditors for Capital Expenditure	1,502	4,812
Other Payables	501	5,761
	<u>284,845</u>	<u>261,600</u>

10 Short-Term Provisions	₹ In thousands	
	31-Mar-16	31-Mar-15
Other Provisions		
Provision for Income Tax (MAT)	48,015	47,479
Provision for Professional Tax	-	3
Proposed Dividend	28,433	18,398
Corporate Dividend Tax on Proposed Dividend	5,788	3,745
	<u>82,236</u>	<u>69,625</u>

Notes to Accounts

11 Tangible Assets

	Gross Block/Cost				Depreciation				Net Block	
	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	As at
	01-Apr-15	(2)	(3)	31-Mar-16	01-Apr-15	(6)	(7)	31-Mar-16	(9) = (4 - 8)	31-Mar-15
Land	20,865	-	-	20,865	-	-	-	-	20,865	20,865
Buildings										
1) Building (Other than Factory Building)										
RCC Frame Structure	41,306	-	-	41,306	2,643	653	-	3,296	38,010	38,663
2) Factory Building	94,780	-	-	94,780	12,143	2,984	-	15,127	79,653	82,637
Roads & Drains										
1) Carpeted Roads - Other than RCC	43,348	-	-	43,348	20,670	18,661	-	39,331	4,017	22,678
Plant & Machinery										
1) Continuous Process Plant(Compressors)	440,297	-	-	440,297	85,070	15,850	-	100,920	339,377	355,227
2) Pipeline	2,356,659	3,563	-	2,360,222	397,334	70,668	-	468,002	1,892,220	1,959,325
3) Other Plant & Machinery	210,802	-	-	210,802	42,537	14,135	-	56,672	154,130	168,265
Furniture & Fixtures										
1) Furniture General	843	-	-	843	323	102	-	425	418	520
Computers & Data Processing Units										
1) Servers & Networks	75,333	-	-	75,333	45,335	11,577	-	56,912	18,421	29,998
2) End use devices - Desktops, Laptops etc	1,395	-	-	1,395	1,200	74	-	1,274	121	195
Electrical Installation and Equipment	161,275	646	-	161,921	40,401	18,444	-	58,845	103,076	120,874
Small Value Assets	316	1	-	317	316	1	-	317	-	-
Total	3,447,219	4,210	-	3,451,429	647,972	153,149	-	801,121	2,650,308	2,799,247
Previous Year	3,427,445	19,842	68	3,447,219	495,140	152,839	7	647,972	2,799,247	2,932,305

1. Free hold land owned by the company as on 31.03.2016 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. Addition to pipeline ₹ 3,563 thousand represents Entry Tax paid for goods purchased in earlier years.

12 Intangible Assets

	Gross Block/Cost				Depreciation				Net Block	
	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	As at
	01-Apr-15	(2)	(3)	31-Mar-16	01-Apr-15	(6)	(7)	31-Mar-16	(9) = (4 - 8)	31-Mar-15
Software	41	-	-	41	41	-	-	41	-	-
Total	41	-	-	41	41	-	-	41	-	-
Previous Year	41	-	-	41	32	8	-	41	-	8

Notes to Accounts

13 Capital Work in Progress	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
<u>FIXED ASSETS (UNDER CONSTRUCTION)</u>		
SOFTWARE		
a) Inventory Management Software	90	90
	<u>90</u>	<u>90</u>
14 Long-Term Loans and Advances		
	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Security Deposits (Unsecured, considered good)	872	872
	<u>872</u>	<u>872</u>
15 Inventories		
	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Stores and spares valued at Weighted Average Cost (includes Project Surplus Material valued at ₹ 58,569 thousand)	100,493	96,002
Less : Provision for Losses on Project surplus materials	(55,640)	(55,648)
	<u>44,853</u>	<u>40,354</u>
16 Trade Receivables		
	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Unsecured		
<u>Outstanding for a period exceeding six months from the date they are due for payment :</u>		
Considered good	-	-
Considered doubtful	-	-
Provision for doubtful receivable	-	-
	<u>-</u>	<u>-</u>
<u>Not Exceeding Six Months :</u>		
Other receivables	-	-
Considered good	134,760	117,301
Considered doubtful	-	-
	<u>134,760</u>	<u>117,301</u>
	<u>134,760</u>	<u>117,301</u>

Notes to Accounts

17 Cash & Cash Equivalents	₹ In thousands	
	31-Mar-16	31-Mar-15
Cash in Hand	45	-
Balances with bank		
In current account	9,228	13,375
Deposits with original maturity of less than three months	60,527	30,105
Other Bank Balances		
Deposits with original maturity for more than three months	-	-
	<u>69,800</u>	<u>43,480</u>

18 Short-Term Loans and Advances	₹ In thousands	
	31-Mar-16	31-Mar-15
Security Deposits (Unsecured, considered good)	-	-
Loans and advances to related parties (Secured, considered good)	-	-
Other Loans and advances		
To Employees (Secured, considered good)	-	-
To Others		
(Unsecured, considered good)	2,874	876
(Unsecured, considered doubtful)	-	-
Less : Provision for doubtful advances	-	-
Prepaid Expenses	824	824
Deposit with Statutory Authorities	4,148	3,726
Claimable CENVAT on Service Tax	675	1,819
Advance Income Tax	49,103	50,111
	<u>57,624</u>	<u>57,356</u>

Deposits with Statutory Authorities includes CENVAT credit on capital goods of ₹ 33 thousand (previous year ₹ 51 thousand) and CENVAT on Service Tax ₹ 4,031 thousand (previous year ₹ 3,668 thousand).

19 Other Current Assets	₹ In thousands	
	31-Mar-16	31-Mar-15
Interest accrued but not due on Fixed Deposits	203	101
Other Receivables	12,884	17,907
	<u>13,087</u>	<u>18,008</u>

Notes to Accounts

20 Revenue from operations	₹ In thousands	
	31-Mar-16	31-Mar-15
Sale of Services		
Transportation of Gas	626,211	660,333
	626,211	660,333

21 Other Income	₹ In thousands	
	31-Mar-16	31-Mar-15
Interest Income		
On Bank Deposits	4,796	5,043
Others	888	-
Other non-operating income	931	231
	6,615	5,274

Other non-operating income includes ₹ 912 thousand being liability no longer required written off.

22 Employee benefits expenses	₹ In thousands	
	31-Mar-16	31-Mar-15
Salaries and wages		
Employees	8,470	-
Deputed Employees (AGCL)	21,616	29,187
Contribution to Provident Fund	965	-
Contribution to Gratuity Fund	204	-
Welfare & Training Expenses	187	-
	31,442	29,187

23 Finance costs	₹ In thousands	
	31-Mar-16	31-Mar-15
Interest expenses on loans		
Oil India Limited	83,622	117,150
Assam Gas Company Limited	5,658	-
State Bank of India	-	2,543
	89,280	119,693

Notes to Accounts

24 Other expenses	₹ In thousands	
	31-Mar-16	31-Mar-15
Power & Fuel	75,365	78,162
Operation & Maintenance		
- Compressor	17,519	15,453
- Others	1,535	9,949
ROW Expenses		
- ROW Rental Charges	3,999	3,921
- ROW Supervision Charges	400	392
Rent	275	275
Repair & Maintenance		
Plant & Machinery	12,345	10,894
Building	267	48
Others	475	614
Insurance	5,175	5,153
Rates and Taxes-excluding taxes on income	652	522
Auditors' Remuneration		
Statutory Audit Fees	40	40
Cost Audit Fee	30	15
Tax Audit Fee	15	15
For Other Matters (Statutory Auditor)	13	8
For Other Matters (Cost Auditor)	15	-
Reimbursement of Out of Pocket Expenses (Statutory Auditor)	5	21
Reimbursement of Out of Pocket Expenses (Cost Auditor)	-	28
Travelling and Conveyance	2,883	2,875
Stationery, Postage, Telephone & Advertisement	1,344	581
Security Expenses	6,681	5,776
Accounting Service Charges	1,701	1,268
Professional Charges	437	361
Bank Charges & Other Misc. Expenses	738	734
Provision for Project Surplus Material/ Inventory	-	30,019
Discount on Sale of Inventory	-	264
Expenses on CSR Activities	2,056	-
	<u>133,965</u>	<u>167,388</u>

Notes to Accounts

- 25 Provision for taxation (MAT) for the financial year 2015-16 amounting to ₹ 48,015 thousand (Previous Year ₹ 47,479 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-16	31-Mar-15
Face value ₹ 10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	95,783	67,024
Weighted average number of Equity Shares outstanding during the year	167,250,000	167,250,000
Basic earnings per share (₹)	0.57	0.40
Diluted earnings per share (₹)	0.57	0.40

- 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 During the year under review the company has recruited permanent employees on its pay roll. However, certain personnels outsourced from its holding company Assam Gas Company Limited are still 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 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 2016.

32 Contingent Liabilities	₹ In thousands	
	31-Mar-16	31-Mar-15
Contingent Liabilities :		
<u>Claims against the Company not acknowledged as debts :</u>	-	-
<u>In respect of Taxation matters</u>		
Service Tax	2,229	2,229
<u>Guarantees :</u>	-	-
<u>Other Money for which the company is contingently liable :</u>		
Rental and Supervision Charges for ROW to Oil India Limited	8,308	5,817
Money appeal pending before the Court of District Judge, Jorhat	-	500
	<u>10,537</u>	<u>8,546</u>
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	15,062	2,787
	<u>15,062</u>	<u>2,787</u>

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



"METERING AND FILTRATION SKID"
at Despatch Station, Madhuban, Duliajan

