

ANNUAL REPORT 2016-17

DNP



DNP LIMITED

(A Government of Assam Undertaking)

CIN: U51410AS2007SGC008410

Board of Directors



Rupam Goswami
Chairman



A K Sharma
Director



Ashwini Pait
Director & Vice-Chairman
[w.e.f. 03.04.2017]



S K Barua
Director



Ms. Roshan Ara Begum
Director



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
Flat No.-4, House No.2,
“Dinesh Mansion”, 2nd Floor, Dr. R.P. Road,
Dispur, Guwahati-781006

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 10th Annual General Meeting of the Shareholders of DNP Limited will be held in the Registered Office of the Company at Flat No.-4, House No.2 “Dinesh Mansion”, 2nd Floor, Dr. R.P. Road, Dispur, Guwahati-781006 on 18th September, 2017 at 5 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, the Audited Balance Sheet as at 31st March, 2017 and Statement of Profit & Loss for the year ended 31st March, 2017 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 A. K. Nath who retires by rotation in pursuance of Section 152 of the Companies Act, 2013. Shri A. K. Nath being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A.K. Sharma who retires by rotation in pursuance of Section 152 of the Companies Act, 2013. Shri A.K. Sharma being eligible, offers himself for re-appointment.

Special Business

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 Shri Rupam Goswami be and is hereby appointed as Director of the Company.”

6. 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 Ashwini Pait be and is hereby appointed as Director of the Company.”

7. Remuneration of Cost Auditor :

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



“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 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 2017-18 for carrying out the audit of cost records maintained by the Company at a remuneration of Rs.30,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc. be and is hereby ratified and approved.”

By Order of the Board of Directors

Sd/-

(Nagen Ch. Adhikary)

Company Secretary, DNPL

Registered Office:
Flat No.-4, House No.2,
“Dinesh Mansion”, 2nd Floor, Dr. R.P. Road,
Dispur, Guwahati-781006
Date: 07/09/2017

- 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. 5, 6 & 7 of the Special Business indicated in the Notice dated 7th September, 2017.

Item No. 5. Appointment of Director

Shri Rupam Goswami was appointed as Additional Director on the Board of the Company w.e.f. 3rd of April, 2017 pursuant to Article 120 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

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

Except Shri Rupam Goswami, no other Director or their relatives are interested or concerned in the Resolution.

Item No. 6. Appointment of Director

Shri Ashwini Pait was appointed as Additional Director on the Board of the Company w.e.f. 3rd of April, 2017 pursuant to Article 119(i) of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

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

Except Shri Ashwini Pait, no other Director or their relatives are interested or concerned in the Resolution.

Item No. 7: 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 2017-2018 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of Rs. 30,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses, and payment of service tax at applicable rates.

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

Accordingly, approval is sought from the shareholders for ratification of remuneration payable to M/s Subhadra Dutta & Associates, Cost Auditor of the Company for the year 2017-2018.

By Order of the Board of Directors

Sd/-

(Nagen Ch. Adhikary)
Company Secretary, DNPL

Registered Office:
Flat No.-4, House No.2,
"Dinesh Mansion", 2nd Floor, Dr. R.P. Road,
Dispur, Guwahati-781006
Date: 07/09/2017

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Tenth Annual Report on the performance of your Company together with audited financial statement for the year ended 31st March, 2017.

FINANCIAL RESULTS

The Company financial performance for the year ended 31st March, 2017 as compared to those of the previous year are summarized below:-

Particulars	2016-2017 (₹ In thousands)	2015-2016 (₹ In thousands)
Gross Revenue from Operations	6,65,080	6,28,329
Other Income	19,823	6,615
Total Revenue	6,84,904	634,944
Profit before Depreciation & Amortization, Interest and Tax	5,05,365	4,70,583
Profit before prior period adjustments, extraordinary items and Tax	3,13,938	2,25,692
Extraordinary Items	6,902	-
Profit before Tax	3,07,035	2,25,692
Provision for Taxation- (Minimum Alternate Tax)	65,228	48,015
Provision for Taxation- Deferred	1,06,932	81,435
Profit (Loss) after tax	1,34,875	96,242
Earnings per Share in Rupees (Face value ₹ 10/- each)		
1. Basic	0.81	0.58
2. Diluted	0.81	0.58

Directors propose to appropriate this amount as under:

Appropriations:	2016-2017 (₹ in thousands)	2015-2016 (₹ in thousands)
Towards Dividend	41,813	28,433
Corporate Dividend Tax	8,512	5,788
Transfer to General Reserve	84,050	61,521
Balance at Profit & Loss Account	500	500

Summarized Cash Flow Statement:

Cash Flows :	2016-2017 (₹ in thousands)	2015-2016 (₹ in thousands)
Inflow/(Outflow) from operations	4,58,113	4,09,681
Inflow/(Outflow) from investing activities	(52,716)	(1,937)
Inflow/(Outflow) from financing activities	(3,56,680)	(3,81,423)
Net Increase/(decrease) in cash & cash equivalent	48,717	26,321

Performance Highlights

Physical Performance

During the year 2016-17, your Company transported 229.12 MMSCM of natural gas to NRL as against 222.91 MMSCM transported in the previous year. Utilisation of the pipeline was higher by 2.79% compared to the 2015-16 primarily due to improved 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 ₹ 2893.55 per thousand standard cubic meters (TSCM) with effect from 01.04.2016 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 2016-17 was ₹ 68.49 crores, 7.88% higher than the previous year's revenue of ₹ 63.49 crores. The profit before tax for the year was ₹ 30.70 crores, which is 36.02% higher compared to ₹ 22.57 crores in 2015-16. The profit after tax for the year stood at ₹ 13.49 crores as against ₹ 9.62 crores recorded in 2015-16. The earnings per share achieved in 2016-17 was ₹ 0.81 compared to ₹ 0.58 in the previous year.

The total amount of Capital Expenditure incurred during the year was ₹ 4.73 crores as compared to ₹ 0.42 Crores in 2015-16. Value of total fixed assets as on 31st March, 2017 stood at ₹ 257.09 Crores.

Net Worth:

The net worth of the Company stood at the end of financial year 31st March, 2017 is ₹ 202.41 Crores as against ₹ 192.34 crore as on 31st March, 2016.

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 ₹ 0.25 (i.e. 2.5%) per equity share of ₹ 10.00 each (₹ 0.17 per equity share in the year 2015-16) for the financial year

ended March 31, 2017 on the paid up share capital of ₹ 167.25 Crores, which would absorb a sum of ₹ 5.03 Crores (inclusive of Corporate Dividend Tax) out of Company 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 ₹ 8.40 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 previous year balance outstanding term loan of ₹ 66.80 crores was repaid to Oil India Limited (OIL) by taking a fresh loan amounting to ₹ 64.80 crores from Assam Gas Company Limited at a lower rate of interest. In order to reduce cost on borrowed fund, term loan amounting to ₹ 27.00 Crores was repaid to AGCL during the year. Total borrowings as on 31st March, 2017 stood at ₹ 37.80 Crores as compared to ₹ 64.80 Crores in the previous year.

During the year, interest cost has been reduced from ₹ 9.11 Crores in the previous year to ₹ 5.45 Crores. Debt equity ratio at the close of the financial year stood at 0.23: 1.

During the intervening period from the Balance Sheet date to the date of reporting, the company has repaid an amount of ₹ 11.25 Crores to AGCL. As on the date of report, total outstanding loan balance is ₹ 26.55 Crores and the Debt Equity Ratio stood at 0.16:1.

Contribution to Exchequer

Your Company has contributed a total of ₹ 16.70 crores to the Central Exchequer and ₹ 0.19 crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹ 13.58 Crores and ₹ 0.47 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, 2017 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 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 doesn't 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 2016-17. Foreign exchange outgo during the year was equivalent to ₹ 4.42 lakhs on account of quarterly payment of Annual Maintenance Charges (AMC) for SCADA system for the year 2015-2016.

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 2016-17 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 2015-2016. Cost Audit Report for the year 2015-16 was 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 2016-17 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 2016-17 is 30/09/2017 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 2016. The Secretarial Audit Report for the financial year 2016-17 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, 2017, 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, 2017 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, 2017 in the prescribed form MGT-9, forms part of this report and is annexed as 'Annexure - C'.

Directors And Key Managerial Personnel

Since the date of last Annual General Meeting held on 29.08.2016, following changes have been made:

Shri R.T. Jindal, IAS, the then Additional Chief Secretary, Department of Industries & Commerce, Govt. of Assam, the Chairman and Director of DNP Limited ceased to be Director of the Company w.e.f. 1st September, 2016 on demitting his office from Additional Chief Secretary, Department of Industries & Commerce, Govt. of Assam. The Directors have placed on record their appreciation of the valuable contribution made and guidance given by Shri R.T. Jindal, IAS, for the development and progress of the Company during his tenure as Director & Chairman of the Company.

Shri Ravi Capoor, IAS, Additional Chief Secretary, Department of Industries & Commerce, Govt. of Assam, was appointed as additional Director on the Board of the Company w.e.f. 24th October, 2016, and the Board of DNP Limited also elected him as Chairman of the Company. As he has been appointed as additional Director, his office was to be held upto the ensuing Annual General Meeting of the Company. However, by virtue of Govt. of Assam notification, Shri Ravi Capoor, IAS, Additional Chief Secretary, Department of Industries & Commerce, Govt. of Assam was relieved from Directorship of the Company w.e.f. 16th March, 2017 and accordingly he ceased to be Director and Chairman of the Company w.e.f. 16th March, 2017. The Directors have placed on record their appreciation of the valuable contribution made and guidance given by Shri Ravi Capoor, IAS, for the development and progress of the Company during his tenure as Director & Chairman of the Company.

Govt. of Assam vide its notification dated 16th March, 2017, nominated Shri Rupam Goswami, as one of the Directors as well as Chairman of the Board of DNP Limited. Accordingly he was appointed as additional Director in the Board of the Company

as well as Chairman of the Company w.e.f. 3rd of April, 2017. As he has been appointed as Additional Director, he will hold office of the Director till the date of 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.

Shri Ashwini Pait was appointed as Additional Director on the Board of the Company as AGCL's Nominee w.e.f. 03.04.2017 vide nomination letter from Assam Gas Company Limited (AGCL) dated 31/03/2017. Being an 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.

In accordance with provisions of Section 152 of the Companies Act, 2013, Shri A.K. Nath will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment as Director at the said meeting.

Shri A.K. Sharma will also 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.

Shri Nagen Chandra Adhikary, an associate member of the Institute of Company Secretaries of India (ICSI) has been appointed as Company Secretary and Key Managerial Personnel of the Company w.e.f. 1st November, 2016 to perform the duties as required under the Companies Act, 2013, and any other duties assigned by the Board of Directors from time to time.

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, Shri Ashwini Pait 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 was formed during the financial year 2016-2017. However the Board of DNP Limited on 17/05/2017 constituted a Nomination & Remuneration Committee with the following members:

- (i) Shri A.K. Nath, Director, DNPL as members.
- (ii) Shri Ashwini Pait, Director, DNPL as member
- (iii) Shri Roshanara Begum, Director, DNPL as member

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 2016-17.

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 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, Commissioner of Taxes, Assam, Superintendent of Taxes, Naharkatia as well as other Central and State Government agencies.

Your Directors are also grateful to Oil India Limited, State Bank of India, Allahabad Bank 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

Rupam Goswami
Chairman

Date: 07/09/2017
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 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 2017-18 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, 2017, there were total 26 employees on the roll of the Company of which 11 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 2016-2017, 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 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 2016-17. The CSR Policy has been uploaded in the Company 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 2016-17 was ₹34.30 lakhs. However, after considering the unspent amount of ₹26.23 lakhs earmarked for the year previous years, total fund available for the year 2016-17 was ₹ 60.54 lakhs.

As against above, total amount spent on CSR activities during the financial year 2016-2017 was ₹ 11.23 Lakhs and the balance committed and unspent amount of ₹ 49.31 Lakhs has been carried forward to the financial year i.e. 2017-2018.

A detailed report on DNPL's CSR and Sustainability activities is enclosed at **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

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 2016-2017 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, 2017, the Board of DNPL comprised 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.

Shri R.T.Jindal, IAS, Additional Chief Secretary, Industries & Commerce, Government of Assam was the Chairman of the Company upto 31st August, 2016 and Shri Ravi Capoor, IAS, Additional Chief Secretary, Industries and Commerce, Govt. of Assam assumed the office of the Chairman of the Company w.e.f. 24th October, 2016 by virtue of Govt. of Assam notification dated 7th September, 2016. Shri Ravi Capoor, IAS, ceased to be Director and Chairman of the Company w.e.f. 16th March, 2017. During the year, all the meetings of the Board and the 9th Annual General Meeting was chaired by the then 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:-

Seven Board Meetings were held during the financial year 2016-2017 on the following dates:

05/04/2016	05/05/2016	06/08/2016	29/08/2016
09/11/2016	28/11/2016	03/02/2017	

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 Ram Tirath Jindal, IAS Addl. Chief Secretary to the Govt of Assam, Mines & Minerals Deptt. Handloom, Textiles etc (Upto 31.08.2016)	M.Sc. (Chemistry) from Punjab Agriculture University	20/07/2012	4	100	Attended	Chairman: 1. DNPL 2. ATPO 3. GTAC Dy. Chairman: AGCL Managing Director, AHECL Director: NRL
2.	Shri Ravi Capoor, IAS Addl. Chief Secretary, Industries & Commerce, Govt. of Assam. (Upto 16.03.2017)	B.Com, MBA	24/10/2016	3	100	-	Director: 1. AGCL & Dy. Chairman 2. Chairman & Director, APL 3. Chairman & Director, AIDC 4. Chairman & Director, ASIDC 5. Chairman, APDCL, APGCL, AEGCL 6. Director, NRL, BCPL & ATPO
3.	Shri S. K. Barua, Director(Finance),NRL	ACMA and LLB from Dibrugarh University	28/06/2013	6	85	Attended	Director, (Finance): NRL
4.	Shri Achintya Kumar Nath, GM(Central Assets), Oil India Limited	B.E.(Mech.)	12/02/2015	7	100	Attended	Director: AGCL
5.	Shri Aditya Kumar Sharma, Managing Director, AGCL	B.Com (Hons.), ACMA, MBA(Finance) from IISWBM, Calcutta University	11/09/2015	7	100	Attended	Managing Director: AGCL Director: TNGCL
6.	Ms. Roshan Ara Begum, IAS Secretary, Public Enterprise Deptt. Govt. of Assam	Phd.in (Economics) from Dibrugarh University	28/09/2015	5	70	-	Director: AIDC APDCL AEGCL AFCSCL ASTCL APHCL

- **AGCL:** Assam Gas Company Limited; **DNPL:** DNP 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; **AFCSCL:** 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.

As on 31st March, 2017, the Audit Committee was represented by :

- Shri S. K. Barua, Director (Finance), NRL & Director, DNPL as the Chairman;
- Shri Aditya Kumar Sharma, Managing Director, AGCL & Director, DNPL and
- Shri Achintya Kumar Nath, 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, DNPL 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 2016-2017, five meetings of the Audit Committee were held on the following dates:-

5 th May, 2016	6 th August, 2016	29 th August, 2016	9 th November, 2016	2 nd February, 2017
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Attendance at the Audit Committee meetings during the financial year 2016-2017:

Name of the members	No. of meetings attended	%age thereof (out of 5 meetings held)	Attendance at the last Annual General Meeting held on
Shri S. K. Barua, Chairman	5	100	Attended
Shri Achintya Kumar Nath	5	100	Attended
Shri Aditya Kumar Sharma	5	100	Attended

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

3. Corporate Social Responsibility & Sustainability 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.

As on 31st March, 2017, the CSR and Sustainability Committee of the Board were comprised of following members: -

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

During the financial year 2016-2017, only one meeting of the CSR Committee was held on 18th September, 2016.

Attendance at the CSR Committee meeting during the financial year 2016-2017:

Name of the members	No. of meetings attended	%age thereof (out of 1 meetings held)	Attendance at the last Annual General Meeting held on
Shri S. K. Barua , Chairman	1	100	Attended
Shri Achintya Kumar Nath	0	0	Attended
Shri Aditya Kumar Sharma	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 was formed during the financial year 2016-17.

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
7th Annual General Meeting	23rd September, 2014; 11 A.M.	1st Floor, "Adams Plaza" Christian Basti, G. S. Road, Guwahati-781005
8th Annual General Meeting	11th September, 2015; 11 A.M.	1st Floor, "Adams Plaza" Christian Basti, G. S. Road, Guwahati-781005
9th Annual General Meeting	29th August, 2016; 2.00 P.M	1st 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 A.K. Nath, Assets Manger, OIL was first appointed by the Board as Additional Director w.e.f. 12th February, 2015 under Article 125 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013 in pursuance of his nomination from Oil India Limited and thereafter by the shareholders in the 8th Annual General meeting held on 11.9.2015.

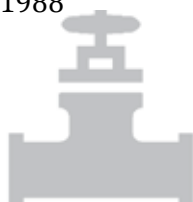
Shri A.K. Nath is a Mechanical Engineer who worked in ASEB for a very brief period prior to joining Oil India Limited in 1982 as an Executive Trainee in production Department. He has wide and rich experience in oil and gas production; completion and commissioning of oil and gas wells; operation and maintenance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

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

- (ii) Shri Aditya Kumar Sharma , Managing Director, Assam Gas Company Limited was appointed as Additional Director on the Board of the Company w.e.f. 11th September, 2015 and thereafter, he was appointed as Director by the shareholders in the 9th Annual General Meeting of the Company held on 29th August, 2016.

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.

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

- (ii) Shri Rupam Goswami was appointed as Additional Director on the Board of the Company w.e.f. 03/04/2017 pursuant to Article 123 of the Articles of Association of the Company read with Article 120 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013. He was also elected as Chairman of the Board of Directors of the Company.

Shri Rupam Goswami is a BSC Graduate in Economics. He is a successful businessman and a social activist turned politician. He has been associated with different social associations and organizations from his student life. In his student life he was elected as the Vice President-J.B. Law College Students Union, Guwahati; General Secretary-Arya Vidyapith College Students Union, Guwahati; Organizing Secretary, All Assam Students Union, Guwahati etc. He also held the position of President of Wholesale General Merchants Association; Greater Guwahati Cable TV Operators Association; Secretary-Kamrup Chambers of Commerce; the General Secretary of Old Boys Association, Sainik School, Goalpara; General Secretary and President of North East Distributors Association. He was also Convener of Trade Cell, Bharatiya Janata Party, Assam Pradesh, and Convener of Ajibon Sahayog Nidhi, Bharatiya Janata Party, Assam Pradesh.

At present he is member of prestigious organizations and association as he is one of the Board Members of Assam State Labour Commissioner Office, Vice President of Assam Basket Ball Association; Advisor to Wholesale General Merchants Association and North East Distributors Association; Working President of KVK Alumni Association; National Vice President of Federation of All India Distributors Association; State Chairman of Assam Chambers of Commerce; National Vice-President of Confederation of All India Traders. He also has the honour of being State Spokesperson, Media Convener and Panelist of Bharatiya Janata Party, Assam Pradesh.

Shri Rupam Goswami, 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 Rupam Goswami as a Director of the Company.

- (iii) Shri Ashwini Pait, is a Social Worker turned politician from Silapathar, Dist. Dhemaji, Assam. He completed his basic education from Dhemaji and started being associated with active politics since 1990. He was elected as Ward Commissioner in 1997 from Silapathar Town Committee and also included "Silapathar Jila Parisad" in 2004. Shri Ashwini Pait contested the Member of Legislative Assembly election in 2011 from Jonai constituency. He was elected as Bharatiya Janata Party (BJP), District President in Dhemaji District in 2013. He was further nominated as official Candidate for MLA election at Silapathar in 2016. At present he is state executive member of BJP.

Shri Ashwini Pait was appointed as Additional Director on the Board of the Company w.e.f. 03/04/2017 pursuant to Article 123 of the Articles of Association of the Company read with Article 119(i) of the Articles of Association of the Company and Section 161 of the Companies Act, 2013.

Shri Ashwini Pait, 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 Ashwini Pait 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 ₹ 11.23 lakhs towards CSR and Sustainability activities during the financial year 2016-2017 against the total allocation of ₹ 60.54 lakhs and balance committed and unspent amount of ₹ 49.31 lakhs has been carried forward to the next financial year i.e. 2017-18.
- 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	10 th Annual General Meeting
Date and Time	18 th September, 2017 at 5 P.M.
Venue	Registered Office:- Flat No.-4, House No.2, "Dinesh Mansion", 2 nd Floor, Dr. R.P. Road, Dispur, Guwahati-781006
Dividend payment	The Board has recommended Dividend of @ ₹ 0.25 per share (i.e., 2.5 % 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 31-03-2017 is given below:

Sl. No.	Name of shareholder	Capital contribution in ₹	Nos. of shares held	Percentage of holding (%)
1.	Assam Gas Company Limited along with nominees	85,30,00,000/-	8,53,00,000	51%
2.	Numaligarh Refinery Limited along with nominees	43,49,00,000/-	4,34,90,000	26%
3.	Oil India Limited	38,46,00,000/-	3,84,60,000	23%
	Total	167,25,00,000/-	16,72,50,000	100%

Registered Office:

DNP Limited
Flat No.-4, House No.2
"Dinesh Mansion", 2nd Floor, Dr. R.P. Road,
Dispur, Guwahati-781006

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,
Flat No. 04, House No. 2, "Dinesh Mansion"
2nd Floor, Dr. R.P. Road,
Dispur, Guwahati-781006, 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, 2017 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 is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

1. 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.
2. 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.
3. 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.
4. 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.
5. Clause 4.1.2 relating to the chairman of the Audit Committee shall be an Independent Director.

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

Date: 25-07-2017
Place: Guwahati

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



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2017

[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

Flat No. 04, House No. 2, "Dinesh Mansion"

2nd Floor, Dr. R.P. Road, Dispur,

Guwahati-781006, 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 placed before me 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, 2017** 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, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Memorandum and Articles of Association of the Company;
- (iii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

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) 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, 2013 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 Chief Financial Officer for the 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 135, 177 and 178 of the Companies Act, 2013.
5. Trade License from the concerned authority i.e. the local authority has not been obtained for the trading activities undertaken by the Company.
6. None of the Directors, secretary or other officers of the Company has been notified as the "Owner" as required under the Public Liability Insurance Act, 1991.
7. The Company has not properly installed safety sign Board in the Factory Unit of the Company as required under the Factories Act 1948.

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/-

**(CS Biman Debnath)
Proprietor**

C.P. No.5857/ FCS No. 6717

**Place: Guwahati
Date: 25th July, 2017**

This Report is to be read with our letter of even date which is **ANNEXURE-A**, and forms and integral part of this Report.



To,
The Members
DNP Limited
CIN: U51410AS2007SGC008410
Flat No. 04, House No. 2, "Dinesh Mansion"
2nd Floor, Dr. R.P. Road, Dispur,
Guwahati-781006, Assam

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Biman Debnath & Associates
Company Secretaries**

Sd/-

**(CS Biman Debnath)
Proprietor**

C.P. No.5857/ FCS No. 6717

**Place: Guwahati
Date: 25th July, 2017**

Management Reply to Secretarial Auditors Observations of DNPL for the year 2016-2017: Addendum to the Directors Report:

Sl. No.	Secretarial Auditors Observations	Management Reply
1.	The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 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 Chief Financial officer for the Company. However as intimated by the management of the Company, the Chief Financial Officer of Assam Gas Company Ltd. the holding company of DNP Limited is doing the work of Chief Financial Officer of the Company.	A decision of formally appointing the Chief Financial Officer of the Company will be taken up by the management.
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.	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.
6.	None of the Directors, Secretary or other officers of the Company has been notified as the "Owner" as required under the Public Liability Insurance Act, 1991.	Noted for compliance.
7.	The Company has not properly installed safety sign Board in the Factory Unit of the Company as required under the Factories Act, 1948.	Noted for compliance.

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. (₹ 177.40 Lakhs)	2009	Nil
Numaligarh Refinery Limited (NRL)	Reimbursement of expenses incurred by NRL in respect of DNPL.	Ongoing transactions	NIL	Not applicable	Nil
Numaligarh Refinery Limited (NRL)	Transportation charges from NRL.	Ongoing transactions	₹ 6650.80 Lakhs	Not applicable	Nil
Oil India Limited (OIL)	Cost of gas purchased from OIL.	Ongoing transactions	₹ 539.19 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	₹ 44.87 Lakhs	Not applicable	Nil
Oil India Limited (OIL)	Payment of maintenance expenses for Cathodic Protection system for pipeline payable to OIL.	Ongoing transactions	₹ 27.05 Lakhs	Not applicable	Nil
Assam Gas Company Limited (AGCL)	Payment of rental and electricity charges for office accommodation to AGCL	Ongoing transactions	₹ 24.32 Lakhs	Not applicable	Nil
Assam Gas Company Limited (AGCL)	Payment of Interest on Loan to AGCL	Ongoing transaction	₹ 524.59 Lakhs	February, 2016	Nil
Assam Gas Company Limited (AGCL)	Sale of Project Surplus Pipes	One-time Transaction	₹ 24.56 Lakhs	6 th August, 2016	Nil
Oil India Limited (OIL)	Sale of Project Surplus Pipes	One-time Transaction	₹ 35.54 Lakhs	6 th August, 2016	Nil
Oil India Limited (OIL)	Laboratory testing of Water Sample	One-time Transaction	₹ 0.10 Lakhs	Not applicable	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, 2017

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 :	Flat No.-4, House No.2 , "Dinesh Mansion", 2nd Floor, Dr. R.P. Road, Dispur
	Town / City :	GUWAHATI
	Pin Code:	781006
	State :	ASSAM
	Country Name :	INDIA
	Telephone (with STD Code) :	0374-2800558
	Fax Number :	0374-2800557
	Email Address :	narucs@gmail.com / adgoswami@rediffmail.com
	Website, if any:	www.dnpl.co.in
vi	Whether listed company	No
	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	Nil
	Address :	Nil
	Town / City :	Nil
vii	State :	Nil
	Pin Code:	Nil
	Telephone :	Nil
	Fax Number :	Nil
	Email Address :	Nil

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled 1

Sl. 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)

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	99.99%	-
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) FIIs	-	-	-	-	-	-	-	-	-
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

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Assam Gas Company Limited	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 Limited	4,34,89,970	26%	-	4,34,89,970	26%	-	NO CHANGE
	Sona Ram Medhi	10	Negligible	-	10	Negligible	-	
	Saumendra Kumar Barua	10	Negligible	-	10	Negligible	-	
	Hamonta Kumar Sarma jointly with Numaligarh Refinery Limited	10	Negligible	-	10	Negligible	-	
3	Oil India Limited	3,84,60,000	23%	-	3,84,60,000	23%	-	NO CHANGE
	TOTAL	16,72,50,000	100%	-	16,72,50,000	100%	-	-

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

SI. 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		No Change			
Increase					
Date		No Change			
At the End of the year		8,52,99,960	51%	8,52,99,960	51%

SI. 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		No Change			
Increase					
Date		No Change			
At the End of the year		4,34,89,970	26%	4,34,89,970	26%

SI. 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		No Change			
Increase					
Date		No Change			
At the End of the year		3,84,60,000	23%	3,84,60,000	23%

SI. 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		No Change			
Increase					
Date		No Change			
At the End of the year		70	Negligible	70	Negligible



SI. 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				
Increase				
Date				
At the End of the year (or on the date of separation, if separated during the year)				

Shareholding of Directors and Key Managerial Personnel: NIL

S.I 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				
Increase				
Date				
At the End of the year				

S.I 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				
Increase				
Date				
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 2016-17	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	NIL	648000000.00		648000000.00
ii) Interest due but not paid	NIL			-
iii) Interest accrued but not due	NIL	-		
Total (i+ii+iii)	NIL	648000000.00		648000000.00
Change in Indebtedness during the financial year 2016-17				
* Addition	NIL			
* Reduction	NIL	270000000.00		270000000.00
Net Change	NIL	-270000000.00		-270000000.00
Indebtedness at the end of the financial year 2016-17				
i) Principal Amount	NIL	378000000.00		378000000.00
ii) Interest due but not paid	NIL	-		-
iii) Interest accrued but not due	NIL	-		-
Total (i+ii+iii)	NIL	378000000.00		378000000.00



REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Gross salary				
1	(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	11% of the Net Profit as per Section 197 & 198 of Companies Act,2013			

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					

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

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		262480	262480
	(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		262480	262480

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
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 Limited is a Government 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 engaged in the transportation of natural gas from Duliajan to Numaligarh Refinery Limited 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, DNP Limited 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, stakeholders 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 mobilization of resources.
- (ii) To utilize NGOs, self help groups, registered trust or society in promoting CSR activities of the Company.

7.0 FOCUS AREA:

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.

Our Company shall give preference on these projects in the local area and areas around it specific to the area of operation.

8.0 BUDGET:

Annual budget allocation for CSR for a given year shall be minimum 2% of the average profit before tax of the three preceding financial years, as per methodology prescribed in the Companies Act, 2013.

The unspent amount of the CSR budget shall not lapse and shall be carried forward to the 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 and Director, DNPL.
- (ii) All broad projects proposal will be put up to the CSR Committee in every quarterly meeting for information.

10.0 EVALUATION, MONITORING & 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 10.00KM radius of the Despatch Station of DNPL at Madhuban and 5 KM of other stations of DNPL. (ii) 1.00 KM in either side of the RoW. These area 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 thereunder.

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17

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	₹1714.89 Lakhs
3	Prescribed CSR expenditure (Two percent of the amount mentioned in item 2 above)	₹34.30 lakhs
4	Details of CSR spent during the financial year:	₹11.23 Lakh
5	Total amount to be spent for the financial year	₹60.54 Lakhs
6	Amount unspent, if any	₹49.31 Lakhs
7	Manner in which the amount spent during the financial year	

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 2016-2017 (₹ 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		11.23	Implementing Agency (NORTH EAST INDUSTRIAL & TECHNICAL CONSULTANCY ORGANISATION LTD. (NEITCO , GUWAHATI)

RESPONSIBILITY STATEMENT

The Projects under CSR activities were identified and Work Order issued during financial year 2014-2015, and physical implementation started during the financial year 2015-2016.

The company has not been able to spend the entire amount due to delay in starting of proposals due to early monsoon and incongenial weather condition.

Our major CSR project relates to construction of village roads and bridges and construction of toilets. The project for improvement of Walksung, Na-Ali Road, Mantonia in the district of Sivsagar, Assam has been ordered for an amount of approx ₹ 45 Lakhs and the job is now in progress . As on date the total commitment under CSR is ₹ 97.89 Lakhs.

A. K. Sharma
Member

S. K. Barua
Chairman, CSR Committee

A.K. Nath
Member



INDEPENDENT AUDITOR'S REPORT

Tree Plantation by "Forest Man" Shri Jadab Payeng at Despatch Station at Madhuban, Duliajan.



INDEPENDENT AUDITOR'S REPORT

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of DNP Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

Incoming auditor to audit comparative information for adjustments to transition to Ind AS

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 5th May, 2016 and 19th May, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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 Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) Provisions of Section 164(2) of the Act regarding director's disqualification is not applicable vide notification F. No. 1/2/2014-CL. V dated 5th June, 2015 of Ministry of Corporate Affairs.



- (f) With respect of the adequacy of the internal financial controls over financial reporting of the company and the operative effectiveness of such controls, refer to our separate Report in “Annexure-B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS 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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holding of Specified Bank Notes (SBN) and other denomination notes during the period from 8th November, 2016 to 30th December, 2016 as provided in note no. 35 of audited statement of accounts.

For **KANOI ASSOCIATES**
Chartered Accountants
ICAI Regn. No: 309 101E

Sd/-
(AAKASH AGA RWALLA)
Partner
M. No: 058427

Place : Dibrugarh
Date : 18th May, 2017

The Annexure-A 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, 2017. 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) Free hold land owned by the company as on 31.03.2017 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.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were 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) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 in respect of Loans, Investment, Guarantees and Securities.
- (v) The Company has not accepted any deposits from the public, therefore the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products/providing of services, to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other statutory dues wherever applicable and no undisputed amounts payable in respect of above referred statutory dues were outstanding, at the 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, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax on account of any dispute other than a Service Tax demand of Rs.11.14 lac (excluding penalty and interest) received from the office of the Commissioner of Central Excise & Service Tax, Dibrugarh vide their Order dated 31/03/2015 which has been disclosed under Note No. 33 of Financial Statement as Contingent Liability.

- (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, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and 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 by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and the records examined by us, the Company's managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014 as such this clause is not applicable to the company.
- (xiii) According to the information and explanations given to us and the records examined by us, the Company's transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and the records examined by us, the Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as such this clause is not applicable to the company.
- (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-IA of the Reserve Bank of India Act, 1934 as such this clause is not applicable to the company.

For **KANOI ASSOCIATES**
Chartered Accountants
ICAI Regn. No: 309 101E

Sd/-
(AAKASH AGA RWALLA)
Partner
M. No: 058427

Place : Dibrugarh
Date : 18th May, 2017

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DNP LIMITED, DULIAJAN

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, 2017 in conjunction with our audit of the 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, 2017, 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.

For **KANOI ASSOCIATES**
Chartered Accountants
ICAI Regn. No: 309 101E

Sd/-
(AAKASH AGA RWALLA)
Partner
M. No: 058427

Place : Dibrugarh
Date : 18th May, 2017

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 Ltd. (DNPL) For The Year Ended 31 March 2017

The preparation of financial statements of **DNP Ltd. (DNPL)**, for the year ended **31st March, 2017**, 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, appointed by the Comptroller and Auditor General of India, under section 139(5) of the Act, is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit, in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them, vide their Audit Report dated 18 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit, under section 143(6)(a) of the Act of the financial statements of **DNP Ltd. (DNPL)**, for the year ended **31st March, 2017**. This supplementary audit has been carried out independently, without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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

**Place: Guwahati
Date: 17/08/2017**

Sd/-
(RASHMI AGGARWAL)
Accountant General (Audit), Assam



ANNUAL ACCOUNTS



Guard of honour by Security Guard at the time of 71st Independence Day Celebration at Despatch Station Madhuban, Duliajan



Cleanliness Drive (Swachh Bharat Abhiyan) around the Despatch Station, Madhuban, Duliajan.

BALANCE SHEET AS AT MARCH 31, 2017

₹ in thousands

Particulars	Note No	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
I. ASSETS				
1 Non-current Assets				
a. Property, Plant and Equipment	4	2,570,941	2,660,526	2,810,106
b. Intangible assets under development	5	90	90	90
c. Other non-current assets	6	872	872	872
		2,571,903	2,661,488	2,811,068
2 Current Assets				
a. Inventories	7	50,173	32,796	27,253
b. Financial Assets				
(i) Trade Receivables	8	120,297	134,760	117,301
(ii) Cash and Cash Equivalents	9	133,592	69,801	43,480
c. Current Tax Assets (Net)	10	3,271	1,088	2,632
d. Other current assets	11	7,276	21,608	25,253
		3,14,609	2,60,053	2,15,919
TOTAL ASSETS		28,86,512	29,21,541	30,26,987
II. EQUITY AND LIABILITIES				
1 Equity				
a. Equity Share Capital	12	1,672,500	1,672,500	1,672,500
b. Other Equity	13	351,551	250,897	176,798
		2,024,051	1,923,397	1,849,298
LIABILITIES				
2 Non-current Liabilities				
a. Financial Liabilities				
(i) Borrowings	14	108,000	378,000	648,000
(ii) Other financial liabilities	15	19,988	22,176	23,721
b. Deferred Tax Liabilities (Net)	16	374,397	267,465	186,030
		5,02,385	6,67,641	8,57,751
3 Current Liabilities				
a. Financial Liabilities				
(i) Trade payables	17	28,133	40,326	57,559
(ii) Other financial liabilities	15	328,552	279,455	248,376
b. Other Current Liabilities	18	3,388	10,722	14,000
c. Provisions	19	3	-	3
		360,076	330,503	319,938
TOTAL EQUITY AND LIABILITIES		2,886,512	2,921,541	3,026,987

Corporate Information & Significant Accounting Policies 1 & 2

Notes to Financial Statement 3 - 34

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

In terms of our Report of even date attached

For and on behalf of Kanoi Associates

Chartered Accountants

Firm Reg. No. 309101E

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: 18-05-2017

Place: Guwahati

Date: 18-05-2017

Sd/-

N. C. Adhikary

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in thousands

Particulars		Note No	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
I	Revenues from Operations	20	665,080	628,329
II	Other Income	21	19,823	6,615
III	Total Revenue (I+II)		684,904	634,944
IV	Expenses :			
	Employee Benefits Expense	22	30,048	31,442
	Finance Costs	23	54,460	91,099
	Depreciation and Amortisation	4	136,967	153,792
	Other Expenses	24	149,491	132,919
	Total Expenses		370,966	409,252
V	Profit before exceptional and extraordinary items and tax (III-IV)		313,938	225,692
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		313,938	225,692
VIII	Extraordinary Items	25	6,902	-
IX	Profit before tax (VII- VIII)		307,035	225,692
X	Tax Expense:			
	1. Current tax (MAT Payable)		65,228	48,015
	2. Deferred tax	16	106,932	81,435
XI	Profit (Loss) for the period from continuing operations (IX - X)		134,875	96,242
XII	Profit/(loss) from discontinued operations		-	-
XIII	Tax expense of discontinued operations		-	-
XIV	Profit/(loss) from Discontinued operations (after tax) (XII-XIII)		-	-
XV	Profit/(loss) for the period (XI+XIV)		134,875	96,242
XVI	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVII	Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		134,875	96,242
XVIII	Earnings per equity share (for continuing operations) [Equity Shares of Rs. 10/- each]	28		
	1. Basic		0.81	0.58
	2. Diluted		0.81	0.58

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

 Notes to Financial Statement **3-34**

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

In terms of our Report of even date attached

For and on behalf of Kanoi Associates

 Chartered Accountants
 Firm Reg. No. 309101E

 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: 18-05-2017

 Place: Guwahati
 Date: 18-05-2017

 Sd/-
N. C. Adhikary
 Company Secretary

STATEMENT OF CHANGES IN EQUITY

		₹ in thousands		Other Equity	
				Reserves and Surplus	Other Equity
	Total	176,798	-	176,798	96,242
	Money received against share warrants			-	
	Other items of Other Comprehensive Income (specify nature)			-	
	Exchange differences on translating the financial statements of a foreign operation			-	
	Revaluation Surplus			-	
	Effective portion of Cash Flow Hedges			-	
	Equity Instruments through Other Comprehensive Income			-	
	Debt instruments through Other Comprehensive Income			-	
	Retained Earnings	500		500	96,242
	General Reserve	176,298		176,298	(18,398)
	Securities Premium Reserve			-	74,099
	Capital Reserve			-	(74,099)
	Equity component of compound financial instruments			-	(3,745)
	Share application money pending allotment			-	500
	Equity Share Capital	1,672,500		1,672,500	250,397
Particulars	Balance at 01-Apr-15			-	
	Changes in accounting policy or prior period errors			-	
	Restated balance at the beginning of the reporting period			1,672,500	
	Total Comprehensive Income for the year				
	Dividends				
	Transfer to retained earnings				
	Tax on Distribution Profits				
	Balance at 31-Mar-16			1,672,500	

₹ in thousands		Other Equity													
Particulars	Equity Share Capital	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
				Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings								
Balance at 01-Apr-16	1,672,500	-	-	-	-	250,397	500	-	-	-	-	-	-	250,897	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the reporting period	1,672,500	-	-	-	-	250,397	500	-	-	-	-	-	-	250,897	
Total Comprehensive Income for the year	-	-	-	-	-	-	134,875	-	-	-	-	-	-	134,875	
Dividends	-	-	-	-	-	-	(28,433)	-	-	-	-	-	-	(28,433)	
Transfer to retained earnings	-	-	-	-	-	100,654	(100,654)	-	-	-	-	-	-	-	
Tax on Distribution Profits	-	-	-	-	-	-	(5,788)	-	-	-	-	-	-	(5,788)	
Balance at 31-Mar-17	1,672,500	-	-	-	-	351,051	500	-	-	-	-	-	-	351,551	

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

Notes to Financial Statement **3 - 34**

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

In terms of our Report of even date attached

For and on behalf of Kanoi Associates

Chartered Accountants
Firm Reg. No. 309101E

Sd/-
(CA. Aakash Agarwalla)
Membership No. 058427

Camp: Guwahati
Date: 18-05-2017

For and on behalf of the Board

Sd/-
A. K. Sharma
Director
DIN-07285877

Sd/-
S. K. Barua
Director
DIN-06503943

Place: Guwahati
Date: 18-05-2017

Sd/-
N. C. Adhikary
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED

		₹ in thousands		₹ in thousands	
		31-Mar-17		31-Mar-16	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	NET PROFIT BEFORE TAX BEFORE EXTRA-ORDINARY ITEMS AND PRIOR PERIOD ITEMS		313,938		225,692
	ADD ADJUSTMENTS FOR				
	Impact on Fair Valuation of Financial Instruments	(117)		(299)	
	Provision for Project Surplus Material/ Inventory	(9,256)		-	
	Depreciation	136,967		153,792	
	Interest paid	52,459	180,053	89,280	242,773
			493,991		468,465
	LESS ADJUSTMENTS FOR				
	Interest / Dividend / Brokerage Income		10,219		5,685
	Other Non Cash Items		-		-
	Operating profit before working capital changes		483,771		462,780
	ADJUSTMENTS FOR				
	Trade and other receivables	29,078		(13,712)	
	Inventories	(8,121)		(5,543)	
	Trade and other payables	27,697		12,627	
	Cash generated from operations (Before Extra Ordinary Items)		48,654		(6,628)
	Extra Ordinary Item (Loss on account of Fire)		(6,902)		
	Direct taxes paid		(67,410)		(46,471)
	NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)		458,113		409,681
B.	CASH FLOW FROM INVESTING ACTIVITIES				
a)	PURCHASE OF FIXED ASSETS		(47,577)		(7,520)
b)	INVESTMENT IN FIXED DEPOSITS		(15,075)		
c)	INTEREST ON FIXED DEPOSITS		9,936		5,583
	NET CASH FROM INVESTING ACTIVITIES		(52,716)		(1,937)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
a)	INTEREST PAID		(52,459)		(89,280)
b)	ISSUE OF SHARE CAPITAL		-		-
c)	SECURED LOAN		-		-
d)	UNSECURED LOAN		(270,000)		(270,000)
e)	PAYMENT OF DIVIDEND AND DIVIDEND TAX		(34,221)		(22,143)
	NET CASH FROM FINANCING ACTIVITIES		(356,680)		(381,423)
D.	NET INCREASE IN CASH AND CASH EQUIVALENT		48,717		26,321
E.	CASH AND CASH EQUIVALENT CONSISTS OF :				
a)	CLOSING CASH AND CASH EQUIVALENT				
i)	Cash and Bank Balance		870		9,274
ii)	Short Term Deposit with Banks		117,647		60,527
b)	LESS : OPENING CASH AND CASH EQUIVALENT				
i)	Cash and Bank Balance		9,274		13,375
ii)	Short Term Deposit with Banks		60,527		30,105
F.	INCREASE IN CASH AND CASH EQUIVALENT		48,717		26,321

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: 18-05-2017

Place: Guwahati
Date: 18-05-2017

Sd/-
N. C. Adhikary
Company Secretary

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

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note no. 3.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Property, Plant and Equipment

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 in accordance with Ind AS-16- Property, Plant and Equipment at cost on consistent basis inclusive of incidental expenses related thereto. Spare parts, stand-by equipment and servicing equipment being tangible items which are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one year are capitalized to the item of fixed assets to which it is related. The Company considers spare parts, stand-by equipment and servicing equipment costing ₹ 1,000 thousand or more as such tangible items to be capitalized.

c) Intangible Assets:

Intangible assets are recognized on the basis of recognition criteria as set out in Indian Accounting Standard Ind AS 38- 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 if such useful life is finite. Intangible asset with an indefinite useful life is not amortised, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Intangible Assets with indefinite useful life is tested for impairment as per Ind AS 36-Impairment of Assets. Amortization methods and useful lives are reviewed periodically at each financial year end. On reviewing, if the useful life changes, the same is accounted for as changes in accounting estimates and if such a change has the effect of change of indefinite useful life to a finite useful life the same is treated in accordance with Ind AS 36.

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 which can be reliably measured and it is probable that the economic benefits associated with the dividend will flow to the entity.
- v) Interest income is recognised using the effective interest method.
- 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 intended use or sale, 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 Ind AS 21.
- 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 legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
- 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.

O. Financial Instruments

(a) Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables. All financial liabilities except for Deposits from Customer which are maturing within one year from the Balance Sheet date are initially measured at transaction price as the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Subsequent Recognition

Financial assets and liabilities are subsequently carried at amortized cost except for Deposits from Customer which is measured at fair value through profit or loss.

(c) Fair Value of Financial instruments

Fair value measurements of financial assets and liabilities are made using variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The income approach has been adopted wherever valuation techniques are required to be applied on financial assets and liabilities.

P. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Notes Forming Part of Financial Statements

3. Transition to Ind AS

As per Note 2A, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31st March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2015.

In preparing its Ind AS balance sheet as at 1st April 2015 and in presenting the comparative information for the year ended 31st March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment; investment property and intangibles exemption:

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, investment properties and intangibles as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

Derecognition of financial assets and financial liabilities

The Corporation has opted the exemption for Derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Derecognition of financial assets and financial liabilities

The Corporation has opted the exemption for Derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.



Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

I. Reconciliation of Balance sheet as at April 1, 2015:			₹ in thousands
Particulars	As at 1-Apr-2015 IGAAP	Measurement Ind AS	As at 1-Apr-2015 Ind AS
I. ASSETS			
1 Non-current Assets			
a. Property, Plant and Equipment	2,799,247	10,860	2,810,106
b. Intangible assets under development	90	-	90
c. Other non-current assets	872	-	872
	2,800,209	10,860	2,811,068
2 Current Assets			
a. Inventories	40,355	(13,102)	27,253
b. Financial Assets			
(i) Trade Receivables	117,301	-	117,301
(ii) Cash and Cash Equivalents	43,480	-	43,480
c. Current Tax Assets (Net)	2,632	-	2,632
d. Other current assets	25,253	-	25,253
	229,020	(13,102)	215,919
TOTAL ASSETS	3,029,229	(2,242)	3,026,987
II. EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share Capital	1,672,500	-	1,672,500
b. Other Equity	155,679	21,119	176,798
	1,828,179	21,119	1,849,298
LIABILITIES			
2 Non-current Liabilities			
a. Financial Liabilities			
(i) Borrowings	648,000	-	648,000
(ii) Other financial liabilities	30,000	(6,279)	23,721
b. Deferred Tax Liabilities (Net)	186,557	(527)	186,030
	864,557	(6,806)	857,751
3 Current Liabilities			
a. Financial Liabilities			
(i) Trade payables	57,560	-	57,559
(ii) Other financial liabilities	242,788	5,588	248,376
b. Other Current Liabilities	14,000	-	14,000
c. Provisions	22,145	(22,143)	3
	336,493	(16,555)	319,938
TOTAL EQUITY AND LIABILITIES	3,029,229	(2,242)	3,026,987

II. Reconciliation of Balance sheet as at March 31, 2016:			₹ in thousands
Particulars	As at 31-Mar-2016 IGAAP	Measurement Ind AS	As at 31-Mar-2016 Ind AS
I. ASSETS			
1 Non-current Assets			
a. Property, Plant and Equipment	2,650,308	10,218	2,660,526
b. Intangible assets under development	90	-	90
c. Other non-current assets	872	-	872
	2,651,270	10,218	2,661,488
2 Current Assets			
a. Inventories	44,853	(12,056)	32,796
b. Financial Assets			
(i) Trade Receivables	134,760	-	134,760
(iii) Cash and Cash Equivalents	69,800	-	69,801
c. Current Tax Assets (Net)	1,088	-	1,088
d. Other current assets	21,608	-	21,608
	272,109	(12,056)	260,053
TOTAL ASSETS	2,923,379	(1,838)	2,921,541
II. EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share Capital	1,672,500	-	1,672,500
b. Other Equity	217,241	33,656	250,897
	1,889,741	33,656	1,923,397
LIABILITIES			
2 Non-current Liabilities			
a. Financial Liabilities			
(i) Borrowings	378,000	-	378,000
(ii) Other financial liabilities	30,000	(7,824)	22,176
b. Deferred Tax Liabilities (Net)	267,749	(284)	267,465
	675,749	(8,108)	667,641
3 Current Liabilities			
a. Financial Liabilities			
(i) Trade payables	40,326	-	40,326
(ii) Other financial liabilities	272,620	6,835	279,455
b. Other Current Liabilities	10,722	-	10,722
c. Provisions	34,221	(34,221)	-
	357,889	(27,386)	330,503
TOTAL EQUITY AND LIABILITIES	2,923,379	(1,838)	2,921,541



III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016:				₹ in thousands
Particulars	Year Ended 31-Mar-2016 IGAAP	Measurement Ind AS	Year Ended 31-Mar-2016 Ind AS	
I Revenues from Operations	626,211	2,118	628,329	
II Other Income	6,615	-	6,615	
III Total Revenue (I+II)	632,826	2,118	634,944	
IV Expenses :				
Employee Benefits Expense	31,442	-	31,442	
Finance Costs	89,280	1,819	91,099	
Depreciation and Amortisation	153,149	643	153,792	
Other Expenses	133,965	(1,046)	132,919	
Total Expenses	407,836	1,416	409,252	
V Profit before exceptional and extraordinary items and tax (III-IV)	224,990	702	225,692	
VI Exceptional items				
VII Profit before extraordinary items and tax (V - VI)	224,990	702	225,692	
VIII Extraordinary Items				
IX Profit before tax (VII- VIII)	224,990	702	225,692	
X Tax Expense:				
1 Current tax (MAT Payable)	48,015	-	48,015	
2 Deferred tax	81,192	243	81,435	
XI Profit (Loss) for the period from continuing operations (IX - X)	95,783	459	96,242	
XII Profit/(loss) from discontinued operations	-	-	-	
XIII Tax expense of discontinued operations	-	-	-	
XIV Profit/(loss) from Discontinued operations (after tax) (XII-XIII)	-	-	-	
XV Profit/(loss) for the period (XI+XIV)	95,783	459	96,242	
XVI Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	-	-	-	
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	
B (i) Items that will be reclassified to profit or loss	-	-	-	
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	
XVII Total Comprehensive Income for the period (XV+XVI)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	95,783	459	96,242	
XVIII Earnings per equity share (for discontinued & continuing operations)				
[Equity Shares of Rs. 10/- each]				
Basic	0.57	0.00	0.58	
Diluted	0.57	0.00	0.58	

IV. The Company does not have a significant impact on the Cash flow statement as on 31 March 2016.			
V. Reconciliation of Equity as on 31 March 2016 and 1 April 2015			₹ in thousands
Particulars	Note Ref	March 31, 2016	April 1, 2015
Net worth as per Previous GAAP		1,889,741	1,828,179
Reversal of Proposed Dividend	A	34,221	22,143
Fair Valuation of deposits	B	990	691
Impact of Stores and Spares	C	(1,839)	(2,242)
Deferred tax	D	284	527
Net worth as per Ind AS		1,923,397	1,849,298

Notes to reconciliations:-
A. Proposed Dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as a liability in the period in which they relate, as these are considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. usually when approved by shareholders in an annual general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax as at 1st April 2015 and 31st March 2016 of ₹ 22,143 thousand and ₹ 34,221 thousand respectively included under the provisions has been reversed with corresponding adjustments to retained earnings.

B. Fair valuation of Deposits

The Company has obtained an interest free security deposit of ₹ 30,000 thousand under Gas Transportaion Agreement which is to be returned after 11 years. Under Ind AS, this deposit has been measured at fair value on initial recognition with the corresponding impact on additional transportation charges

C. Stores and Spares

Under Indian GAAP, machinery spares that are specific to the a particular property, plant and equipment (PPE) are capitalised to the cost of the PPE. Spares acquired subsequently are charged to the Statement of Profit & Loss. Under Ind AS, spares with a useful life of more than one year shall be treated as PPE and depreciated from the date they are ready to use over the useful life of the spare part. Hence, spares which were erstwhile treated as inventory under IGAAP shall now be classified as part of PPE if recognition criteria are met and corresponding depreciation is charged from the date they are ready to use to retained earnings.

D. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.



Notes Forming Part of Financial Statements

4 Property, Plant and Equipment

	₹ in thousands											
	Gross Block/Cost					Depreciation					Net Block	
	As at 01-Apr-15 (1)	Addition (2)	Deductions on account of Retirement/ Adjustments (3)	As at 31-Mar-16 (4) = (1 + 2 - 3) (5)	As at 01-Apr-15 (5)	Addition (6)	Deductions on account of Retirement/ Adjustments (7)	As at 31-Mar-16 (8) = (5 + 6 - 7) (9)	As at 31-Mar-16 (9) = (4 - 8) (10)	As at 01-Apr-15 (10) = (1 - 5)		
Land	20,865	-	-	20,865	-	-	-	20,865	-	20,865		
Buildings												
1) Building (Other than Factory Building) RCC Frame Structure	38,663	-	-	38,663	-	653	653	38,010	38,663			
2) Factory Building	82,637	-	-	82,637	-	2,984	2,984	79,653	82,637			
Roads & Drains												
1) Carpeted Roads - Other than RCC	22,678	-	-	22,678	-	18,661	18,661	4,017	22,678			
Plant & Machinery												
1) Continuous Process Plant(Compressors)	362,317	-	-	362,317	-	16,131	16,131	346,186	362,317			
2) Pipeline	1,959,325	3,564	-	1,962,889	-	70,668	70,668	1,892,221	1,959,325			
3) Other Plant & Machinery	172,034	-	-	172,034	-	14,497	14,497	157,537	172,034			
Furniture & Fixtures												
1) Furniture General	520	-	-	520	-	102	102	418	520			
Computers & Data Processing Units												
1) Servers & Networks	29,998	-	-	29,998	-	11,577	11,577	18,421	29,998			
2) End use devices - Desktops, Laptops etc.	195	-	-	195	-	74	74	121	195			
Electrical Installation and Equipment	120,874	647	-	121,521	-	18,444	18,444	103,077	120,874			
Small Value Assets	-	1	-	1	-	1	1	-	-			
Total	2,810,106	4,212	-	2,814,318	-	153,792	153,792	2,660,526	2,810,106			

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.

Contd..

4 Property, Plant and Equipment

	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-16	31-Mar-17	01-Apr-16	31-Mar-17	01-Apr-16	31-Mar-17	01-Apr-16	31-Mar-17	31-Mar-17	31-Mar-16		
(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)			
Land	20,865	-	-	20,865	-	-	-	-	20,865	20,865		
Buildings												
1) Building (Other than Factory Building) RCC Frame Structure	38,663	-	-	38,663	653	653	-	1,306	37,357	38,010		
2) Factory Building	82,637	-	-	82,637	2,984	2,984	-	5,968	76,669	79,653		
Roads & Drains												
1) Carpeted Roads - Other than RCC	22,678	-	-	22,678	18,661	1,407	-	20,068	2,610	4,017		
Plant & Machinery												
1) Continuous Process Plant (Compressors)	362,317	1,452	-	363,769	16,131	16,157	-	32,288	331,481	346,186		
2) Pipeline	1,962,889	42,659	-	2,005,548	70,668	70,786	-	141,454	1,864,094	1,892,221		
3) Other Plant & Machinery	172,034	-	-	172,034	14,497	14,497	-	28,994	143,040	157,537		
Furniture & Fixtures												
1) Furniture General	520	74	-	594	102	103	-	205	389	418		
Computers & Data Processing Units												
1) Servers & Networks	29,998	2,103	-	32,101	11,577	11,726	-	23,303	8,798	18,421		
2) End use devices - Desktops, Laptops etc.	195	395	-	590	74	51	-	125	465	121		
Electrical Installation and Equipment	121,521	627	-	122,148	18,444	18,531	-	36,975	85,173	103,077		
Small Value Assets	1	72	-	73	1	72	-	73	-	-		
Total	2,814,318	47,382	-	2,861,700	153,792	136,967	-	290,759	2,570,941	2,660,526		

1. Free hold land owned by the company as on 31.03.2017 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.

Notes Forming Part of Financial Statements

5 Intangible assets under development	₹ in thousands		
	31-Mar-17	31-Mar-16	1-Apr-15
SOFTWARE			
a) Inventory Management Software	90	90	90
	90	90	90
6 Other non-current assets	₹ in thousands		
	31-Mar-17	31-Mar-16	1-Apr-15
Security Deposits (Unsecured, considered good)	872	872	872
	872	872	872
7 Inventories	₹ in thousands		
	31-Mar-17	31-Mar-16	1-Apr-15
Stores and spares valued at Weighted Average Cost	96,557	88,437	82,901
Less : Provision for Losses for Project surplus material	(46,384)	(55,641)	(55,648)
	50,173	32,796	27,253
8 Trade Receivables	₹ in thousands		
	31-Mar-17	31-Mar-16	1-Apr-15
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>Not Exceeding Six Months :</u>			
Other receivables	-	-	-
Considered good	120,297	134,760	117,301
Considered doubtful	-	-	-
	120,297	134,760	117,301
	120,297	134,760	117,301

Notes Forming Part of Financial Statements
9 Cash and Cash Equivalents
₹ in thousands

	<i>31-Mar-17</i>	<i>31-Mar-16</i>	<i>1-Apr-15</i>
Cash in Hand	40	46	-
Balances with bank	-	-	-
In current account	830	9,228	13,375
Deposits with original maturity of less than three months	117,647	60,527	30,105
Other Bank Balances	-	-	-
Deposits with original maturity for more than three months	15,075	-	-
	133,592	69,801	43,480

10 Current Tax Assets (Net)

	<i>31-Mar-17</i>	<i>31-Mar-16</i>	<i>1-Apr-15</i>
Advance Income Tax	68,484	49,103	50,111
Provision for Income Tax (MAT)	(65,213)	(48,015)	(47,479)
	3,271	1,088	2,632

Reconciliation of effective tax rate
₹ in thousands

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	307,035	225,692
Tax using the Company's domestic tax rate at MAT (Current year 21.34% and 21.34 % Previous Year)	65,526	48,170
Increase in tax rate		
Tax effect of:		
Amount withdrawn from reserves or provisions	(322)	(2)
Tax-exempt income		
Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences		
Interest expense not deductible for tax purposes	9	
Incremental deduction allowed for research and development costs		
Investment allowance deduction		
Others	15	(153)
Tax expense as per Statement of Profit & Loss	65,228	48,015

The applicable normal Indian statutory tax rate for fiscal 2017 and fiscal 2016 is 34.61%. However the company is provision taxes (MAT) 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.

11 Other current assets

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-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)	2,801	2,957	876
(Unsecured, considered doubtful)	-	-	-
Less : Provision for doubtful advances	-	-	-
	-	-	-
Prepaid Expenses	822	824	824
	-	-	-
	-	-	-
Deposit with Statutory Authorities	2,060	4,065	3,724
Claimable CENVAT on Service Tax	1,076	675	1,821
Interest accrued but not due on Fixed Deposits	485	203	101
Other Receivables	32	12,884	17,907
	7,276	21,608	25,253

Deposits with Statutory Authorities includes CENVAT credit on capital goods of ₹197 thousand (previous year ₹33 thousand) and CENVAT on Service Tax ₹1,863 thousand (previous year ₹4,031 thousand).

Notes Forming Part of Financial Statements
12 Equity Share Capital
₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
Equity Shares			
Authorised			
17,00,00,000 (31 March 2016 : 17,00,00,000) Equity Share of ₹10/- each	1,700,000	1,700,000	1,700,000
	1,700,000	1,700,000	1,700,000
Issued, Subscribed and Paid up			
16,72,50,000 (31 March 2016 : 16,72,50,000) Equity Shares of ₹10/- each	1,672,500	1,672,500	1,672,500
	1,672,500	1,672,500	1,672,500

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

	31-Mar-17		31-Mar-16		1-Apr-15	
	₹ in thousands		₹ in thousands		₹ in thousands	
	Number	Amount	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	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	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.

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-17	31-Mar-16	1-Apr-15
Assam Gas Company Limited (with nominees) 8,53,00,000 (31st March 2016 : 8,53,00,000) equity shares of ₹10/- each fully paid	853,000	853,000	853,000

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

Name of Shareholders	31 Mar-17		31-Mar-16		1-Apr-15	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
Assam Gas Company Limited (with nominees)	85,300,000	51%	85,300,000	51%	85,300,000	51%
Numaligarh Refinery Limited	43,490,000	26%	43,490,000	26%	43,490,000	26%
Oil India Limited.	38,460,000	23%	38,460,000	23%	38,460,000	23%



Notes Forming Part of Financial Statements

13	Other Equity	₹ in thousands		
		General Reserve	Profit & Loss Account	Total
	As at 01-April- 2015	176,298	500	176,798
	Profit/(Loss) for the year	-	96,242	96,242
	Dividend to Equity shareholders	-	(18,398)	(18,398)
	Tax on Distribution Profits	-	(3,745)	(3,745)
	Corporate Income Tax payment adjusted	-	-	-
	Transfer (to)/from	74,099	(74,099)	-
	As at 31-Mar-16	250,397	500	250,897
	As at 01-April- 2016	250,397	500	250,897
	Profit/(Loss) for the year	-	134,875	134,875
	Dividend to Equity shareholders	-	(28,433)	(28,433)
	Tax on Distribution Profits	-	(5,788)	(5,788)
	Corporate Income Tax payment adjusted	-	-	-
	Transfer (to)/from	100,654	(100,654)	-
	As at 31-Mar-17	351,051	500	351,551

Notes Forming Part of Financial Statements
14 Borrowings
₹ in thousands

	Non-current portion			Current Maturities		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Term Loans						-
						-
From Oil India Limited	-	-				
Secured	-	-				
Unsecured	-	-	648,000			240,000
	-	-				
From Assam Gas Company Limited	-	-				
Secured	-	-	-	-	-	-
Unsecured	108,000	378,000	-	270,000	270,000	-
From State Bank of India						
Secured			-	-	-	-
Unsecured			-	-	-	-
Amount disclosed under the head "Other Financial Liabilities".			-	(270,000)	(270,000)	(240,000)
	108,000	378,000	648,000	-	-	-

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
i) Oil India Limited :

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

ii) 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 Forming Part of Financial Statements

15 Other financial liabilities

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
Non-Current:			
Deposits from Customer (Non Current)	15,229	15,299	14,725
Advance for Transportation Charge (Non Current)	4,759	6,877	8,996
(A)	19,988	22,176	23,721
Current:			
Current maturities of long term debt	270,000	270,000	240,000
EMD from Contractors & Suppliers	2,140	903	452
Security Deposits from Contractors	1,746	1,468	1,174
Retentions from Contractors	250	250	1,162
Advance against Project	45,511	-	-
Advance for transportation Charge (Current)	2,118	2,118	2,118
Deposits from Customer (Current)	6,787	4,716	3,470
(B)	328,552	279,455	248,376
Total	348,540	301,631	272,097

Advance against Project comprises of amount received from NHIDCL against expenses to be incurred by the Company for shifting of pipelines due to the ongoing work of four laning of NH-37. The same will be amortised against expenses incurred for the same in due course of time.

16 Deferred Tax Liabilities (Net)

₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-15
Deferred Tax Liability			
Deposits from Customer	379	339	235
Property, Plant and Equipment	412,112	379,350	334,213
Total	412,491	379,689	334,448
Deferred Tax Assets			
Property, Plant and Equipment	38,094	112,224	147,611
Other Items	-	-	807
Total	38,094	112,224	148,418
Net Deferred Tax Liability	374,397	267,465	186,030

The Company has recognized Deferred Tax Asset in respect of Unabsorbed Depreciation on the basis of Gas Transportation 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.

Notes Forming Part of Financial Statements
17 Trade payables *₹ in thousands*

	<i>31-Mar-17</i>	<i>31-Mar-16</i>	<i>1-Apr-15</i>
Creditors for Capital Expenditure	1,307	1,502	4,811
Other Trade Payables	26,826	38,824	52,748
	28,133	40,326	57,559

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, 2017, 31st March, 2016 and 1st April, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

18 Other Current Liabilities *₹ in thousands*

	<i>31-Mar-17</i>	<i>31-Mar-16</i>	<i>1-Apr-15</i>
Statutory Liabilities	2,353	10,221	8,239
Other Payables	1,035	501	5,761
	3,388	10,722	14,000

19 Provisions *₹ in thousands*

	<i>31-Mar-17</i>	<i>31-Mar-16</i>	<i>1-Apr-15</i>
Other Provisions			
Provision for Professional Tax	3	-	3
Proposed Dividend	-	-	-
Corporate Dividend Tax on Proposed Dividend	-	-	-
	3	-	3

Notes Forming Part of Financial Statements

20 Revenues from Operations	₹ in thousands	
	April - Mar 17	April - Mar 16
Sale of Services		
Transportation of Gas	665,080	628,329
	665,080	628,329
21 Other Income	₹ in thousands	
	April - Mar 17	April - Mar 16
Interest Income		
On Bank Deposits	8,624	4,796
Others	1,595	888
Insurance Claim Received	262	-
Inventory Provision Written Back	9,256	8
Other non-operating income	86	923
	19,823	6,615
22 Employee Benefits Expense	₹ in thousands	
	April - Mar 17	April - Mar 16
Salaries and wages		
Employees	10,569	8,470
Deputed Employees (AGCL)	17,496	21,616
Contribution to Provident Fund	1,157	965
Contribution to Gratuity Fund	243	204
Welfare & Training Expenses	583	187
	30,048	31,442
23 Finance Costs	₹ in thousands	
	April - Mar 17	April - Mar 16
Interest expenses on loans	-	-
Oil India Limited	-	83,622
Assam Gas Company Limited	52,459	5,658
Interest on Fair Valuation	2,001	1,819
	54,460	91,099

Notes Forming Part of Financial Statements
24 Other Expenses
₹ in thousands

	<i>April - Mar 17</i>	<i>April - Mar 16</i>
Power & Fuel	60,563	75,365
Operation & Maintenance		
- Compressor	19,257	17,519
- Others	1,173	1,535
ROW Expenses	-	-
- ROW Rental Charges	4,079	3,999
- ROW Supervision Charges	408	400
Rent	1,839	275
Repair & Maintenance	-	-
Plant & Machinery	14,008	11,299
Building	2,447	267
Others	421	475
Insurance	5,185	5,175
Rates and Taxes-excluding taxes on income	623	652
Auditors' Remuneration	-	-
Statutory Audit Fees	40	40
Cost Audit Fee	30	30
Tax Audit Fee	18	15
Secretarial Audit Fee	20	-
For Other Matters (Statutory Auditor)	8	13
For Other Matters (Cost Auditor)	30	15
Reimbursement of Out of Pocket Expenses (Statutory Auditor)	5	5
Travelling and Conveyance	3,389	2,883
Stationery, Postage, Telephone & Advertisement	2,298	1,344
Security Expenses	7,422	6,681
Accounting Service Charges	1,942	1,701
CSR Expenses	1,123	2,056
Professional Charges	1,054	437
Transportation Charges	938	-
Fire & Safety Expenses	960	4
Interest on Entry Tax	12,839	-
Bank Charges & Other Misc. Expenses	904	734
Discount/ Loss on Sale of Inventory	6,468	-
	149,491	132,919

25 Extraordinary Items
₹ in thousands

	<i>April - Mar 17</i>	<i>April - Mar 16</i>
Loss on Account of Fire	6,902	-
	6,902	-



Notes Forming Part of Financial Statements

26 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in thousands								
March 31, 2017	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			133,592	133,592				
Trade receivables			120,297	120,297				-
	-	-	253,888	253,888	-	-	-	-
Financial liabilities								
Deposit from Customer	28,893			28,893		28,893		28,893
Term loans			378,000	378,000				-
Trade and other payables			28,133	28,133				-
Other current financial liabilities			49,647	49,647				-
	28,893	-	455,780	484,673	-	28,893	-	28,893

₹ in thousands								
March 31, 2016	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			69,801	69,801				-
Trade receivables			134,760	134,760				-
	-	-	204,560	204,560	-	-	-	-
Financial liabilities								
Deposit from Customer	29,010			29,010		29,010		29,010
Term Loans			648,000	648,000				-
Trade and other payables			40,326	40,326				-
Other current financial liabilities			2,620	2,620				-
	29,010	-	690,947	719,957	-	29,010	-	29,010

Contd....

₹ in thousands

April 1, 2015	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			43,480	43,480				-
Trade receivables			117,301	117,301				-
	-	-	160,781	160,781	-	-	-	-
Financial liabilities								
Deposit from Customer	29,309			29,309		29,309		29,309
Term Loans			888,000	888,000				-
Trade and other payables			57,559	57,559				-
Other current financial liabilities			2,788	2,788				-
	29,309	-	948,348	977,656	-	29,309	-	29,309

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note XX.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Deposit from Customer	Present Value techniques using appropriate discounting rates.	Not applicable	Not Applicable

C. Financial risk management
i. Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Barring Market risk the Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk

i. Market risk

Market risk is the risk of changes in market prices – such as foreign exchange rates, interest rates and equity prices – that will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Though the Company expects circumstances relating of transactions in foreign currency, but the Company is currently not carrying any foreign exchange bearing financial instruments in the stated reporting periods.

Contd....

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company assumes low credit risk on Trade Receivables which comprise of only one customer amounting to ₹ 1,17,301 thousand as at 1st April 2015, ₹ 1,34,759 thousand at 31st March 2016 and ₹ 1,20,297 thousand as at 31st March 2017; as it does not expect its customer to fail in meeting its contractual obligations as the Company understands that the customer has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

₹ in thousands

31-Mar-17	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	58,496	-	-
Past due 1-90 days	61,801	-	-
More than 90 days	-	-	-
	120,297	-	-

₹ in thousands

31-Mar-16	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	65,926	-	-
Past due 1-90 days	68,834	-	-
More than 90 days	-	-	-
	134,760	-	-

₹ in thousands

April 1, 2015	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	59,859	-	-
Past due 1-90 days	57,442	-	-
More than 90 days	-	-	-
	117,301	-	-

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 43,480 thousand as at April 1, 2015, ₹ 69,801 thousand as at 31st March 2016 and ₹ 1,33,592 thousand as at March 31, 2017. The cash and cash equivalents are held with bank with good credit ratings. The Company also invests its short term surplus funds in bank fixed deposit, which carry no/low mark to market risks for short duration therefore does not expose the company to credit risk.

Other than trade and other receivables, the Company has no other material financial assets that are past due but not impaired.

Contd...

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due in a cost effective manner, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

₹ in thousands

March 31, 2017	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	28,893	30,000			30,000	
Term loans	378,000	378,000	270,000	108,000	-	-
Trade and other payables	28,133	-				
Other current liabilities	49,647	-				

₹ in thousands

March 31, 2016	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	29,010	30,000	-	-	30,000	-
Term loans	648,000	648,000	270,000	378,000	-	-
Trade and other payables	40,326	40,326	40,326			
Other current liabilities	2,620	2,620	2,620			

₹ in thousands

April 1, 2015	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	29,309	30,000	-	-	-	30,000
Term loans	888,000	888,000	240,000	648,000		
Trade and other payables	57,559	57,559	57,559	-	-	-
Other current liabilities	2,788	2,788	2,788	-	-	-

The Company has not carried any derivative financial liabilities as on 1st April 2015, 31st March 2016 and 31st March 2017



Notes Forming Part of Financial Statements

27 Provision for taxation (MAT) for the financial year 2016-17 amounting to ₹65,228 thousand (Previous Year ₹48,015 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.

28 Earnings per equity share ₹ in thousands

	31-Mar-17	31-Mar-16
Face value ₹10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	134,875	96,242
Weighted average number of Equity Shares outstanding during the year	167,250,000	167,250,000
Basic earnings per share (₹)	0.81	0.58
Diluted earnings per share (₹)	0.81	0.58

29 The company is operating under a single segment. As such there is no other reportable segment as defined by the Ind AS-108 Operating Segments notified by the Ministry of Corporate Affairs.

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

31 During the year Company has paid Entry Tax demand amounting to ₹57181 thousand (including interest ₹12,839 thousand) pertaining to FY 2008-09 and 2009-10. The interest of ₹12,839 thousand has been charged to profit and loss under Other expenses at note no. 24. Out of the remaining ₹44,342 thousand and amount of ₹42,659 thousand has been capitalised under the head pipeline, ₹78 thousand has been capitalised to Compressors, ₹1,496 thousand has been charged to inventory and ₹108 thousand has been charged to profit and loss on account of sale of inventory of earlier years.

32 As per guidelines Ind AS 36 "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 1st April 2015, 31st March 2016 and 31st March 2017.

33 Contingent Liabilities ₹ in thousands

	31-Mar-17	31-Mar-16	1-Apr-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	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	10,070	8,308	6,580
Money appeal pending before the Court of District Judge, Jorhat		-	500
	12,299	10,537	9,309
Commitments :			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	4,173	15,062	2,787
	4,173	15,062	2,787

34 Related Party Transactions

The Company has adopted the exemption under para 25 of Ind AS-24 related to disclosure pertaining to related parties under the control of the same Govt.

List of Related Parties
Particulars

1
2
3

The details of amounts (due to) or due from related parties as at 1st April 2015, 31st March 2016 and 31st March 2017 are as follows:

Particulars	₹ in thousands		
	31-Mar-17	31-Mar-16	1-Apr-15
Numaligarh Refinery Limited (NRL)	91,403	105,750	87,992
Oil India Limited (OIL)	(5,970)	(14,382)	(902,152)

Terms and Conditions and nature of consideration for settlement:

1
2

The details of the related parties transactions entered into by the Company for the year ended 31st March 2016 and 31st March 2017 are as follows:

Particulars	₹ in thousands	
	31-Mar-17	31-Mar-16
Revenue Transactions:		
1	1,768	1,484
2	665,080	628,329
3	53,919	69,178
	4,487	4,399
	2,613	-

Key management personnel compensation	₹ in thousands	
	31-Mar-17	31-Mar-16
1		
(a)	262	-
(b)	-	-
(c)	-	-
(d)	-	-
(e)	-	-

- 35 Disclosure pursuant to MCA notification no. G.S.R. 308(E) dated 30th March, 2017 regarding specified bank notes deposited during 9th November 2016 to 30th December 2016.

	Other denomination notes	Total
	-	-
	-	-
	-	-
	-	-

- 36 Reconciliation of Expenditure on Corporate Social Responsibility (CSR) Activities are as follows:

	₹ in thousands	
	2015-16	2016-17
	2,149	2,624
	2,531	3,430
	2,056	1,123
	2,624	4,931

- 37 **Previous year figures**

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





Tree Plantation by Hon'ble Chief Minister of Assam at Despatch Station , DNPL, Madhuban, Duliagan.



