

Annual Report 2015-16

CIN: U11101AS1962SGC001184



BOARD OF DIRECTORS



Ravi Kapoor, IAS
*Chairman, AGCL and Addl. Chief
Secretary, Industries & Commerce
Deptt., Govt of Assam (w.e.f. 07-09-16)*



R. T. Jindal, IAS (Retd.)
*Dy. Chairman, AGCL
(up to 31-08-2016)*



Bhupen Borpatragohain
*Ex-Managing Director, AGCL
(from 01-04-09 to 31-08-15)*



Aditya Kr. Sharma
Managing Director, AGCL



V. B. Pyarelal, IAS
*Director, AGCL
and Addl. Chief
Secretary, Finance
Department
Govt. of Assam*



Shehla Rahman, ACS
*Director, AGCL
and Secretary,
Industries & Commerce
Deptt., Govt. of Assam*



P. K. Das
*Director, AGCL
and Director, Public
Enterprises Department
Govt. of Assam*



Achintya Kr. Nath
*Director, AGCL
& GM (GMS) OIL*



Rajib Hazarika
Director, AGCL



Anuj Kumar Borkotoky
Director, AGCL



Halel Ahmed Khan
Director, AGCL

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Bankers

- Allahabad Bank
- Canara Bank
- State Bank of India
- United Bank of India
- UCO Bank
- Punjab National Bank
- Assam Co-operative Apex Bank Ltd.
- Indian Bank

Statutory Auditors

M/s. S. K. Mallick & Co. (CA1807)
Chartered Accountants
P.O.: Moran Hat
Dibrugarh-785670
Assam

Registered Office

P.O. Duliajan
Dist: Dibrugarh-786602
Assam

Co-ordination Office

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



Notice to the Shareholders

Notice is hereby given that the 54th Annual General Meeting of the Shareholders of Assam Gas Company Limited will be held in the Registered Office of the Company at Duliajan, Dist: Dibrugarh-786602 on Wednesday, the 28th September, 2016 at 11.00 A.M. to transact the following Ordinary and Special Businesses:

A. Ordinary Business

1. To receive, consider and adopt the Directors' Report and the Report on Corporate Governance, Secretarial Audit Report, along with the addendum thereto, if any, extract of Annual Return, the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended 31st March, 2016 along with the Report of the Statutory Auditors and the Comments of the Comptroller and Auditor General of India thereon.
2. To declare Dividend.
3. To appoint Statutory Auditor of the Company for the financial year 2016-2017.

B. Special Business

4. Remuneration of Cost Auditor:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, appointment of M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati as the Cost Auditor of the Company for the financial year 2016-17 by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company under Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹50,000/- (Rupees Fifty Thousand) only plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc., be and is hereby ratified and approved.”

By Order of the Board of Directors

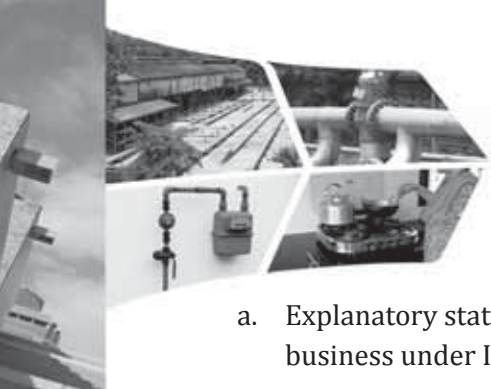
Sd/-
(D. Dev Gupta)
Company Secretary

Registered Office:

P.O.: Duliajan

Dist: Dibrugarh-786602

Date: 21-09-2016

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

By Order of the Board of Directors

Sd/-

(D. Dev Gupta)

Company Secretary

Registered Office:

Duliajan, Dist: Dibrugarh

Date: 21st September, 2016

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. B of the Special Businesses indicated in the Notice dated 21st September, 2016.

Item No. B.

4. Remuneration of Cost Auditor

M/s Subhadra Dutta & Associates was appointed by the Board as the Cost Auditor of the Company for the financial year 2016-2017 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of ₹50,000/- 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 2016-2017.

By Order of the Board of Directors

Sd/-

(D. Dev Gupta)

Company Secretary

Registered Office:

Duliajan, Dist: Dibrugarh

Date: 21st September, 2016

Directors' Report

Dear Members

Your Directors have pleasure in presenting the 54th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

Financial Results

The Company's financial performance, for the year ended March 31st 2016 as compared to that of the previous year is summarised below:-

(₹ in lakhs)

Particulars	2015-2016	2014-2015
A. Revenue		
(a) From operations	27,935.64	24,372.36
(b) Other Income	3,981.53	3,767.26
Total Revenue (A)	31,917.17	28,139.62
B. Expenses		
(a) Depreciation and amortization expenses	579.12	814.78
(b) Other Expenses	21,097.68	18,286.97
Total Expenditure (B)	21,676.80	19,101.75
C. Profit/Loss before exceptional and extraordinary items and tax: (A-B) = C	10,240.38	9,037.87
D. Prior period & Extraordinary items	(1.45)	0
E. Profit before tax (C-D) = E	10,241.83	9,037.87
F. Tax Expenses	3,510.14	3,084.53
G. Profit for the period after Tax (E-F)=G	6,731.68	5,953.34
H. Balance of Profit transferred to Reserve & Surplus A/c	6,731.68	5,953.34
I. Earnings per equity share (in ₹) Basic & Diluted	398	352

Directors propose to appropriate this amount as under:	2015-2016	2014-2015
Accumulated Profit & Loss Reserve	59,326.29	52,033.90
Adjustments for expenses, taxes		
Dividend :	169.14	169.14
Dividend Tax	15.33	22.90
Balance in Profit & Loss Reserve	59,141.82	51,841.86
Summarized Cash Flow Statement:		
Inflow / (outflow) from operations	4,150.74	3,467.20
Inflow/ (Outflow) from investing activities	948.93	(3301.79)
Inflow/ (Outflow) from financing activities	(5,352.03)	83.62
Net increase/(decrease) in cash & cash equivalents	(252.37)	249.03



Performance Highlights

(a) Physical Performance

During the year 2015-16, your Company transported 1561.08 MMSCM of natural gas to its consumers as against 1606.950 MMSCM transported in the previous year.

While the transportation of gas to bulk consumers reduced by 3.68% from 923.07 MMSCM to 889.02 MMSCM, gas distribution to the CGD sector comprising of domestic, commercial and industrial (tea) consumers increased by 7.29% from 171.22 MMSCM to 183.02 MMSCM. Overall utilisation of the gas transportation and distribution infrastructure was lower by 2.85% during 2015-16 as compared to the 2014-15.

The book value of fixed assets as on 31st March, 2016 stood at ₹121.84 Crores.

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.

(b) Financial Performance

During the year, the Company recorded a turnover of ₹319.17 Crores (comprising of income from Operations and Other Income) as against ₹281.39 Crores during the previous year. The profit before tax for the year was ₹102.42 Crores, which is 13.32% higher compared to ₹90.38 Crores in 2014-15. The profit after tax for the year stood at ₹67.32 Crores as against ₹59.53 Crores recorded in 2014-15. The earnings per share in 2015-16 was ₹398 compared to ₹352 in the previous year.

The internal generation of cash during the year stood at ₹252.37 Crores (outflow) as against ₹249.03 Crores in the previous year.


Your Company through effective utilization of available surplus funds, was able to earn an interest income of ₹27.19 Crores during the year. During the year the Company acquired various fixed Assets of ₹ 11.48 Crores (at cost) as against ₹5.76 Crores (at cost) during the previous year.

Operations and the state of company's affairs

The Company continues to endeavour to transport the required quantity of gas at the agreed pressure and to meet the rising consumers' expectations. Gas is being transported to the following consumers:

- Bulk consumers such as NTPS & LTPS of APGCL; AGBPP of NEEPCO; BVFCL and APL.
- Over 397 Industrial and Tea consumers spread across the five districts of upper Assam (Tinsukia, Dibrugarh, Sibsagar, Jorhat and Golaghat) and Charaideo district recently carved out of Sibsagar district.
- Over 29,000 domestic and nearly 1000 commercial consumers spread over 12 towns in upper Assam as of March 2016.

Domestic and commercial consumers are being constantly added to the various town gas grids. Some areas beyond town limits are also being brought under the piped gas network. After successfully completing the piped natural gas network in ONGCL's Cinnemara residential colony



at Jorhat and in Dibrugarh University a gas pipeline network is being developed in Titabar town near Jorhat.

Share capital

During the year, your Company's paid up share capital stood at ₹16.91 Crores.

Dividend

Your Directors, after taking into consideration the financial results of the Company during the year and keeping in view the need to maintain strategic investments for a secured future are pleased to recommend for your approval the same rate of dividend of ₹10.00 only per equity share of ₹100.00 each as in the previous year 2014-2015, (i.e., 10%) on the paid-up Share Capital of ₹16.91 Crores for the year 2015-2016 amounting to ₹1.69 Crores, exclusive of Corporate Dividend Tax. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Treasury operations

As a part of better treasury management, during the year your company extended a loan of ₹66.80 Crores to its subsidiary company DNP Ltd at an interest rate of 10 % which is higher than what the company was receiving by way of interest on fixed deposits in scheduled banks.

During the intervening period from 31st March, 2016 to 31st August, 2016, DNPL has repaid an amount of ₹13.25 Crores to your company.

Contribution to exchequer

Your Company has contributed a total of ₹52.24 Crores to the Central Exchequer and ₹24.51 Crores to the State Exchequers in the form of taxes, duties and dividends compared to ₹49.78 Crores and ₹ 18.89 Crores 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 Annual Accounts of the Company for the year ended 31st March, 2016 together with managements reply as an addendum thereto are placed before the shareholders for consideration.

Particulars of contracts or arrangements with related parties

During the year, the company did not enter into any related party transaction with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company.

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 C** 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.

Information relating to associate and joint venture companies

Information relating to Associate and Joint Venture companies duly certified by the management pursuant to section 129 (3) of the Companies Act, 2013 has been provided in **Annexure- D** to the Directors' Report as per prescribed **form AOC-1 (Part-B)**.

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 and the date of this report.

Business risk management

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

Internal financial controls

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

Particulars of loan, guarantees and investments under Section 186

During the year your company extended a loan of ₹66.80 Crores to its subsidiary company DNP Ltd at an interest rate of 10% p.a.

Conservation of energy & technology absorption

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

Foreign exchange earnings & outgo

There were no foreign exchange earnings or outgo during the year 2015-16.

Material changes affecting the financial position of the company

There are no material changes in the relevant financial year 2015-16 affecting the financial position of the company.



Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Directors and key managerial personnel

Section 152 of the Companies Act, 2013 relating to directors retiring by rotation in the ensuing Annual General Meeting is not applicable for Government Companies where appointment of such director is done by the Central Government or State Government as the case may be and in which the entire share capital is held by the Central Government or by any State Government or Governments or by the Central Government and one or more State Governments. [vide MCA Notification No. GSR 463(E) dated 5th June, 2015]. AGCL is a Government Company wherein the entire share capital is held by the State Government i.e., Government of Assam.

Directors

Since the date of last Annual General Meeting held on 30.09.2015, following changes have taken place:

Sl. No.	Name of the Directors	Government Notification No.	Date of Appointment	Date of cessation	Designation
01.	Smt. Amiya Gogoi	MI.214/2002/Pt-14 dated 2 nd June 2012	2 nd June, 2012	17 th March, 2016	Chairperson
02.	Shri Ram Tirath Jindal	MI.214/2002/72-A dated 18 th June 2012	18 th June, 2012	31 st August, 2016	Dy. Chairman
03.	Shri P. K. Das	MI.214/2002/Pt./24-A dated 26 th February, 2014	26 th February, 2014	----	Director
04.	Shri Sameer Kumar Khare	MI.214/2002/118-A dated 5 th February, 2015	5 th February, 2015	7 th April, 2016	Director
05.	Shri A. K. Nath	MI.214/2002/124 dated 24 th August, 2015	24 th September, 2015	----	Director
06.	Shri A. K. Sharma	MI.42/2015/34 dated 28 th August, 2015	10 th September, 2015	----	Managing Director
07.	Shri Anuj Kumar Borkotoky	MI.214/2002/132-A dated 10 th December, 2015	10 th December, 2015	----	Director
08.	Mr. Hellal Ahmed Khan	MI.214/2002/132 dated 10 th December, 2015	29 th January, 2016	----	Director
09.	Shri Rajib Hazarika	MI.214/2002/132 dated 10 th December, 2015	29 th January, 2016	----	Director

10.	Ms. Shehla Rahman	MI.214/2002/137 dated 27 th January, 2016	27 th January, 2016	----	Director
11.	Shri V. B. Pyarelal	MI.214/2002/143-A dated 7 th April, 2016	7 th April, 2016	----	Director
12.	Shri Ravi Capoor	MI.214/2002/Pt/57-A dated 7 th September, 2016	7 th September, 2016	-----	Director & Dy. Chairman

The Directors have placed on record their appreciation of the valuable contribution made and guidance given by Smt. Amiya Gogoi, Shri Sameer Kumar Khare and Shri Ram Tirath Jindal for the development and progress of Company's business.

Key Managerial Personnel

The following are the Key Managerial Personnel of the company:

- (a) Shri Aditya Kumar Sharma, Managing Director & Chief Executive Officer
- (b) Shri Vijay Kumar L, Sr Manager (F&A) & Chief Financial Officer
- (c) CS Dolonchapa Dev Gupta, Company Secretary

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.

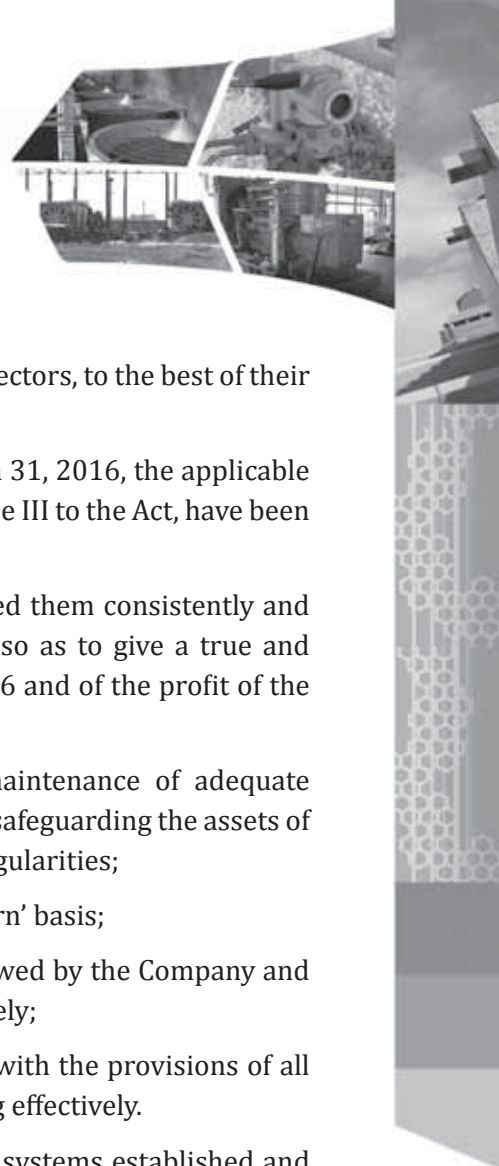
Company's policy relating to directors' appointment, payment of remuneration and discharge of their duties

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

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

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 AGCL is a Government Company, disclosure requirement in respect of Board evaluation process is not applicable to the Company.



Directors responsibility statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) The Directors have considered such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a 'going concern' basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants; and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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.



Statutory Auditors

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

M/s. S. K. Mallick & Co., (CA1807) Chartered Accountants, P.O. Moran Hat, Dibrugarh -785670 were appointed as Statutory Auditors for the financial year 2015-16 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

Auditors' Report

The explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report are enclosed as an addendum thereto is placed before the shareholders for consideration.

Secretarial Auditors

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

Cost Auditors

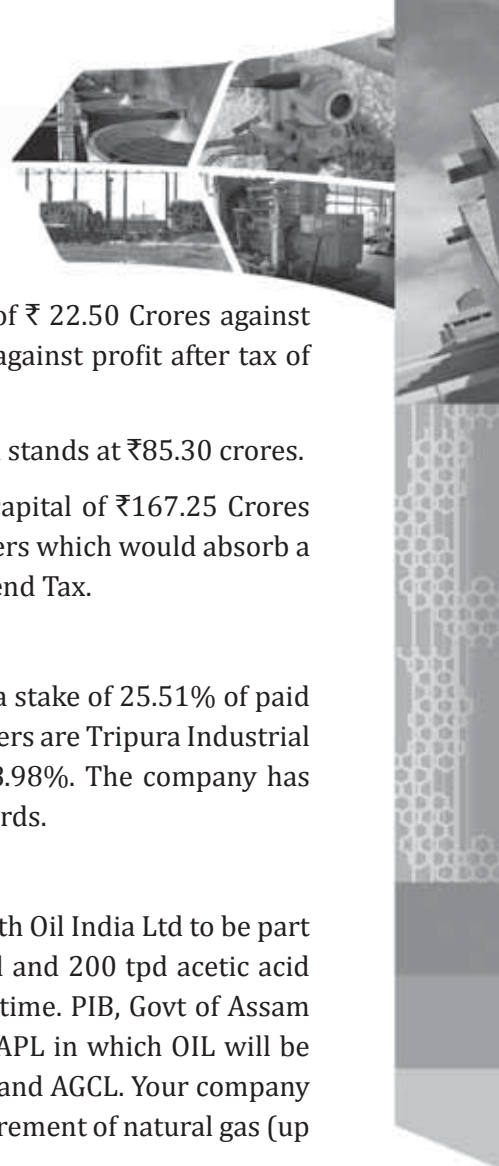
Pursuant to the Companies (Cost Records and Audit) Rules, 2014, M/s Musib & Associates, Cost Accountants, a firm of Practicing Cost Accountants was appointed as Cost Auditors of the Company for the financial year 2014-2015. Cost Audit Report for the year 2014-15 was filed with the Ministry of Corporate Affairs within the due date.

M/s. Musib & Associates, Cost Accountant, Kolkata were appointed as Cost Auditors of the Company for the year 2015-16 in accordance with the provision of Section 148(3) of the Companies Act, 2013. The due date for filing of cost audit report for the year 2015-16 is 30.09.2016 for which necessary action is being taken.

Investments in joint ventures

(a) DNP Limited

DNP Limited (a subsidiary of your Company and in joint venture with NRL and OIL) during the fifth full year of its operation, transported approximately 242.12 MMSCM (Million Standard Cubic Metres) of natural gas to NRL as against the annual contracted quantity of 300 MMSCM.



During the year 2015-2016, DNP Ltd. registered a profit before taxes of ₹ 22.50 Crores against a turnover of ₹ 62.62 Crores and a profit after tax of ₹ 9.58 Crores as against profit after tax of ₹ 6.70 Crores in the previous year.

As on 31st March, 2015 and your company's investment in DNP Limited stands at ₹85.30 crores.

DNP Ltd has recommended a dividend of 1.7% of the paid-up share capital of ₹167.25 Crores (i.e. ₹ 0.17/- per fully paid equity shares of ₹ 10/- each) to its shareholders which would absorb a sum of ₹ 3.42 crores out of Company's PAT inclusive of Corporate Dividend Tax.

(b) Tripura Natural Gas Company Ltd.(TNGCL)

Your company was a founder promoter of TNGCL and at present holds a stake of 25.51% of paid up equity in TNGCL with an investment of ₹ 1.00 Crores. The other partners are Tripura Industrial Development Corporation (TIDC) – 25.51% and GAIL (India) Ltd – 48.98%. The company has been paying dividend at the rate of 10% from the year 2009-2010 onwards.

(c) Assam Petrochemicals Ltd

Assam Petrochemicals Ltd., Namrup had invited your company along with Oil India Ltd to be part of their ambitious Rs 1028.00 Crores 500 tpd (tons per day) methanol and 200 tpd acetic acid expansion project which is expected to be commissioned in 36 month time. PIB, Govt of Assam had cleared your company's proposed investment of ₹ 25.00 Crore in APL in which OIL will be holding 49% stake with 51% being jointly held by Govt of Assam, AIDC and AGCL. Your company is the transporter of natural gas for APL and as such, the enhanced requirement of natural gas (up from 0.15 MMSCMD to 0.50 MMSCMD) will also be taken up by AGCL.

CSR Committee

The Corporate Social Responsibility Committee comprises of Shri P. K. Das, Director as Chairman, Shri A. K. Nath, Director and Shri A. K. Sharma, Managing Director 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 Independent Directors, no such Committee has been formed.

Disclosure on establishment of a vigil mechanism

The Company has a Vigilance Department and the vigil mechanism is supplemented by various other committees such as the Production Committee, etc

Disclosures under sexual harassment of women at workplace (prevention, prohibition & redressal) act, 2013

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



Disclosure of accounting treatment

In line with the provisions contained in the Companies Act, 2013, there was a change in the Accounting Policy regarding the method of calculating depreciation from Written Down Value Method to Straight Line Method from the financial year 2014-2015.

Legal compliances

It is to be noted that the company has complied with all the legal compliances in the financial year 2015-2016.

Extract of annual return

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as at 31st March, 2016 in the prescribed form MGT 9, forms part of this report and is placed at '**Annexure - E**'.

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 of the guidelines on Corporate Governance is attached at **Annexure --A** to the Directors' Report.

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

Awards

Your Company received appreciation and a citation from the Government of Assam on 9th October, 2015 in recognition of timely adoption of Annual Accounts for the financial year 2014-15.

The Company also received a citation for the best performing SLPE of the Govt of Assam for the year 2012-2013.

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 save and except ESOS referred to in this Report.
 4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors take this opportunity to place on record their deep gratitude for the employees' continued display of their total commitment towards the objectives of the company and look forward to their services with zeal and dedication in the years ahead.

Your Directors sincerely thank AGCL's valued customers for their continued cooperation and confidence and look forward to the continuance of this mutually supportive relationship in future.

The Directors sincerely acknowledge the assistance, guidance and support received from various Government Departments, particularly, from Industries and Commerce Deptt. Govt. of Assam, Public Enterprises Deptt., Govt of Assam, Offices of Commissioner of Income Tax, Commissioner of Central Excise & Service Tax, offices of Comptroller & Auditor General, Petroleum & Natural Gas Regulatory Board as well as other Central and State Government agencies.

The Directors of AGCL express their heartfelt gratitude to all the bankers, contractors and suppliers for their contribution to its success.

Yours Directors express their sincere thanks to Oil India Limited and ONGC Ltd. and for their reposing confidence and continuing support to AGCL.

For and on behalf of Board of
ASSAM GAS COMPANY LIMITED

Date: 19-09-2016
Place: Guwahati

(Ravi Capoor)
Dy. Chairman



Management's Discussion and Analysis

Optimum utilization of gas transportation and distribution infrastructure plays an important role in the gas industry for efficient delivery of gas to end consumers. Since natural gas is a product which cannot be stored, the transportation and distribution entity has to continuously play a balancing role between the producer and the consumer of gas. Any deviation or disruption from expected operating conditions such as lower availability from producers or lower / higher than booked drawal by consumers adversely affect the gas distribution network.

Directors perception of the future of the Company

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 positioned to be a key player in the development of the gas transportation and distribution architecture in the North East. It is likely to be part of a consortium engaged in the development of the gas trunk pipelines in the Brahmaputra and the Barak Valleys and to be connected to the National Gas Grid at Barauni in Bihar. The company is working closely with the Committee constituted by the Govt of India for implementation of the Hydrocarbon Vision 2030.

Strengths, Weaknesses, Opportunities and Threats

The strength of the company lies in the fact that it is one of the oldest dedicated gas transmission and distribution company in the country having a vast experience in both the natural gas transmission and the CGD (city gas distribution) business.

With a fast rising demand for natural gas right across the world, there have been tremendous changes in the gas business including production, transportation, distribution,

marketing, technology and utilization in its various forms. To keep pace with the rapidly evolving business environment brought about by newer regulations and guidelines requires urgent induction and absorption of technology in both the front end and backend aspects of the business.

As on date, the company has been operating in a near monopolistic market for natural gas in the North Eastern Region. It is a founder promoter in the two other gas entities operating in the region, namely, TNGCL and DNPL. With the Govt of India's thrust in developing the gas infrastructure and increasing market penetration in the region, the company has the opportunity to play a key role in developing the regional gas grid.

Risks & Concerns

Risks and associated concerns for 2016-17 mainly pertain to availability of natural gas from the suppliers, Oil India Ltd and ONGC Ltd. especially in view of the demand for gas by Brahmaputra Crackers & Polymers Ltd (BCPL) which was commissioned during the year. The operational status of the plants of the bulk consumers, and gas drawal by the weather dependent tea manufacturing industry are beyond the control of the company and not wholly predictable. Revenue generations from these consumers are therefore difficult to predict.

Safety

During the year 2015-2016, there was no loss time accident (LTA). To ascertain the integrity of the assets and to enhance the safety of operations, several initiatives were taken up by the company in line with PNGRB (Petroleum & Natural Gas Regulatory Board) Regulations. The HSE Policy of the Company has been placed in the website www.assamgas.org.



During the year 2015-2016, fire and safety training, awareness programmes and onsite and offsite emergency drills were organized during the year, some of which were in association with the Mutual Aid partners.

Human Resource

As on 31st March, 2016, total employees strength was 413 (including MD) of which 339 belonged to the staff category and 74 to the executive cadre. They are supplemented by engagement of contractual personnel, muster roll workers and home guards.

Employee Relations

Your Company has been able to maintain a cordial and harmonious relation with all its employees through mutual support and cooperation at all levels. The Board recognizes the contribution made by all employees of the company and wishes to record their appreciation for the dedication and hard work put in by them without any loss of mandays.

Corporate Social Responsibility & Sustainability

AGCL's CSR and Sustainability initiatives were pursued with increased emphasis during 2015-2016 in line with the CSR Policy of the company which was approved during the year. The CSR Policy was amended in the year 2016-2017 to enhance the scope of activities and the amended Policy can be accessed in the Company's website at www.assamgas.org

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

- (a) Sustainable Environment Protection through proper waste management under which installation of Organic Waste converters were being set up at AMCH, Dibrugarh and at Duliajan township.
- (b) Improving the quality of life of people in

its operational area by (i) improving the quality of the surrounding environment by development of crematoriums and children parks at Ledo and Dibrugarh (ii) health care activities under which toilets blocks are being constructed at AMCH, Dibrugarh.

Out of ₹ 370.00 Lakhs for 2015-2016 which includes carry over amount from previous year, ₹ 37.01 Lakhs was spent till 31st March 2016. The balance of ₹ 332.99 Lakhs has been added to the CSR fund for financial year 2016-2017.

A detailed report on the company's CSR and Sustainability activities is enclosed at **Annexure – F**.

Members of the CSR & Sustainability Committee confirm that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

Regulations

Assam Gas Company Limited being a natural gas transportation and distribution entity has to operate as per the regulations notified under PNGRB Act, 2006 by the Petroleum & Natural Gas Regulatory Board (PNGRB) The entire city gas distribution (CGD) business of the company covering domestic, commercial and industrial (tea factories, small industrial units, etc) consumers in the five upper Assam districts of Tinsukia, Dibrugarh, Sibsagar, Jorhat and Golaghat has been authorized by PNGRB under the Upper Assam City Gas Distribution Network of AGCL (UACGDNA). PNGRB has also authorized the company under the Assam Natural Gas Pipeline Network (ANGPL) of AGCL to lay, build and operate natural gas pipelines in the same five districts of Assam.

The company has taken up phase wise implementation of various requirements under the T4S regulations of PNGRB for CGD networks and NG pipelines and are in various stages of compliance.

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 that ensures accountability, transparency, fairness, disclosure and value creation in all its transactions and also meet the aspiration of the stake holders and expectation of the society. Corporate Governance is the crucial thread that carefully binds the various managerial functions by balancing the complex relationship between the management, Board of Directors, Audit Committee and various other subcommittees. In AGCL, thrust is to adopt best governance practices, which will ensure optimization of returns and satisfaction levels to all shareholders. The Company has been sharing relevant information with the various stakeholders from time to time through Annual Reports, web publication, etc. Being a non-listed entity it is not mandatory to disclose as per Clause 49 of the Listing Agreement & Companies Act. However, as good corporate governance practice and as per Guidelines on Corporate Governance for State Level Public Enterprises issued by Department of Public Enterprises (DPE), Govt of Assam in May, 2013, the Company has been complying with the stipulations contained therein to the extent applicable.

The report on Corporate Governance forms an integral part of the Directors report. The requisite certificate from the secretarial auditors of the company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance at **Annexure-III**.

Relevant information on areas covered under Corporate Governance disclosures during the financial year 2015-2016 are furnished below:-

1. Board of Directors

AGCL is a Government Company under Section 2(45) of the Companies Act, 2013, wholly owned by the Government of Assam. In terms of the Articles of Association of the company, the number of Directors shall not be less than two and not more than fifteen.

As on 31st March, 2016, the Board of AGCL comprised of four Part time (Ex-Officio) Directors nominated by the Government of Assam. Oil India Ltd. as the major supplier of gas is represented by a Nominee Director in the Board of the company. The Power Department, Government of Assam did not nominate any representative on the Board of this Company in place its earlier Director who ceased to be a Director as per the provisions of the Companies Act, 2013. Managing Director is the only Whole Time Director on the Board of the Company. In addition there were four part time non-official Directors in the Board. The Government of Assam notifies all appointment of Directors of the Company.

The fourth (Part time Non-Official) Director was the Chairperson of the Company who resigned on 17th March, 2016 due to personal reasons. Additional Chief Secretary, Mines & Minerals, Water Resources Department, etc, Government of Assam who was earlier Addl Chief Secretary, Industries & Commerce Department, was holding the post of Deputy Chairman in terms of Article 93(b) of the Articles of Association of the company, till 31st August, 2016 since retired. During the year, all the meetings of the Board and the 53rd Annual General Meeting was chaired by the Chairperson.



None of the Directors (ex Officio/ part time) of AGCL had any pecuniary relationship / transaction with the company during the year.

As per Section 165 of the Companies Act, 2013, 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 directorships by any Director. The Board's actions and decisions are aligned with the Company's best interests. The Board has a laid down mechanism to facilitate Post Meeting follow ups, Review and Reporting process for the decision taken by the Board or Sub-Committee of the Board.

The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the strategic direction of the Company, management policy, annual plan, budget, financial reports, etc.

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

Seven Board Meetings were held during the financial year 2015-2016, details of which are as follows:-

Sl. No.	Board Meetings	Date	Place
1	260 th	23 rd April 2015	Guwahati
2	261 st	8 th July 2015	Guwahati
3	262 nd	24 th August 2015	Guwahati
4	263 rd	24 th September 2015	Guwahati
5	264 th	9 th October 2015	Guwahati
6	265 th	29 th January 2016	Guwahati
7	266 th	8 th February 2016	Guwahati

The relevant details of the Directors of the company as on date are provided below:

Sl No	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
1.	Smt. Amiya Gogoi Chairperson Ex- MLA, Duliajan Constitutency (ceased w.e.f. 17/03/2016)	H.S Pass	02/06/2012	7	100	Attended	Nil

Sl No	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
2.	Shri Ram Tirath Jindal, IAS Addl. Chief Secretary to the Govt of Assam, Mines & Minerals Deptt. Handloom, Textiles etc <i>(ceased w.e.f. 31/08/2016)</i>	M.Sc. (Chemistry) from Punjab Agriculture University	18/06/2012	7	100	-----	Chairman: 1.DNPL 2.ATPO 3.GTAC Dy. Chairman 1.AGCL Managing Director 1.AHECL Director NRL
3.	Shri Bhupen Borpatragohain Managing Director, AGCL <i>(ceased w.e.f. 31/08/2015)</i>	B.E. (Mech)	01/04/2009	3	100	-----	Director, 1.DNPL 2.TNGCL
4.	Shri Bipin Gogoi, GM, Production (Gas), OIL <i>(ceased w.e.f. 30/06/2015)</i>	B.E. (Mech)	06/08/2013	1	100	-----	Nil
5.	Shri P. K. Das Director, Public Enterprises Department, Government of Assam.	M. Com.	26/02/2014	7	100	-----	Director 1.AGCL 2.AHSIDCL 3.ASCL 4.AMDCL 5.AL&PCL 6.ASF (F&D) CL 7.APL 8.AEDCL 9.APTDCL 10.AHECL 11.APGCL Shareholding One (1) No. of Equity share valued Rs.100/- in ATCL



Sl No	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
6.	Shri Pradyut Bujarbaruah <i>* Ceased to be a director as per the provisions of the Companies Act, 2013. Government of Assam Notification awaited.</i>	B.E. (Mech)	01/09/2014	0	0	-----	Managing Director and Shareholder 1(one) share in APGCL Director: APDCL Shareholder: APPDCL
7.	Shri Sameer Kumar Khare, IAS Principal Secy, Finance Deptt., Govt of Assam <i>(ceased w.e.f. 07/04/2016)</i>	B.E. (Mech), IIT Bombay, Post Graduate in Ecology and Environmental Science, Business Finance	05/02/2015	6	86	-----	Director: 1. NRL 2. APL 3. AHECL
8.	Shri Aditya Kumar Sharma, <i>[Assumed the charge as Managing Director vide Govt. of Assam Notification dated 28/08/2015]</i>	B. Com (Hons.), ACMA, MBA (Finance) from IISWBM, Calcutta University	10/09/2015	4	100	Attended	Director: 1. DNPL (w.e.f. 11.09.2015) 2. TNGCL (w.e.f. 19.09.2015)
9.	Shri A.K. Nath, GGM (GMS), OIL	Mechanical Engineer	24/09/2015	3	75	Attended	Director: DNPL
10	Mr. Helal Ahmed Khan	B.A	29/01/2016	1	50	-----	Nil
11.	Shri Rajib Hazarika	MBA (Marketing & Personnel) from Pune University	29/01/2016	2	100	-----	Nil

Sl No	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
12.	Shri Anuj Kumar Borkotoky	H.S Pass	10/12/2015	1	50	-----	Director AR Medical Pvt. Ltd. Gautam Tea Plantations Pvt. Ltd.
13.	Ms. Shehla Rahman, ACS, Secretary, Industries & Commerce Department, Government of Assam.	B.A(History)	27/01/2016	2	100	-----	Managing Director: ASIDC Director: 1.AHECL 2.AMDCL 3. APL

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

AGCL: Assam Gas Company Limited, **AHECL:** Assam Hydrocarbon & Energy Company Limited, **APL:** Assam Petrochemicals Limited, **ATPO:** Assam Trade Promotion Organisation, **AHSIDCL:** Assam Hills Small Industries Development Corporation Ltd. **ASCL:** Assam Seeds Corporation Ltd. **AMDCL:** Assam Mineral Development Corporation Ltd. **ALPCL:** Assam Livestock & Poultry Corporation Ltd. **ASF(F&D)CL:** Assam State Film (Finance & Development) Corporation Ltd. **APTDCL:** Assam Plain Tribes Development Corporation Ltd. **DNPL:** DNP Ltd. **NRL:** Numaligarh Refinery Limited, **GTAC:** Guwahati Tea Auction Centre, **ASIDC:** Assam Small Industries Development Corporation, **TNGCL:** Tripura Natural Gas Company Limited, **APGCL:** Assam Power Generation Corporation Limited, **APDCL:** Assam Power Distribution Company Limited, **ASIDC:** Assam Small Industries Development Corporation Limited, **APPDCL:** Assam Power Project Distribution Company Limited.

2. Audit Committee

AGCL introduced Corporate Governance in the organization during the year 2008 itself by constituting an Audit Committee. The Audit Committee assists the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices, 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 revised role, powers and functions of the Audit Committee were specified and approved by the Board in its 251st Meeting. The quorum for the meetings of the Committee is two members or 1/3rd of the members of the Audit Committee, whichever is higher.



2.1 Constitution of Audit Committee

In accordance with Section 177 of the Companies Act, 2013, the Board of Directors in its 266th Meeting held on 8th February, 2016 reconstituted the Audit Committee of the Board with the following members:

- (i) Shri P.K. Das, Director as Chairman of Audit Committee
- (ii) Shri A.K. Nath, Director as member and
- (iii) Shri Rajib Hazarika, Director as member

The members possess the requisite knowledge of Finance and Accounts for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Committee.

2.2. Role and responsibilities of the Audit Committee:

- ◆ 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 of 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 with the interest of 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.

2.3. Meeting of the Audit Committee:

During the financial year 2015-16, two meetings of the Audit Committee were held on 23rd June, 2015 & 22nd March, 2016.

2.4 Attendance of the Audit Committee meeting during the financial year 2015-16:

Attendance at the Audit Committee meetings during the financial year 2015-2016:-

Name of the members	No. of meetings attended	%age thereof (out of 2 meetings held)	Attendance at the last Annual General Meeting
Shri P. K. Das, Chairman (w.e.f. 29/03/2014)	2	100	-
Shri Bipin Gogoi Member (w.e.f. 27/08/2013 to 30/06/2015)	1	50	-

Shri P. Bujarbaruah, Member <i>*ceased to be a Director as per the Companies Act, 2013.</i>	0	-	-
Shri A.K. Nath, Member <i>(w.e.f. 24/09/2015)</i>	1	100	Attended
Shri Rajib Hazarika, Member <i>(w.e.f. 29/01/2016)</i>	1	100	-

3. Nomination and Remuneration Committee:

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

4. Investors Grievance Committee:

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

5. Corporate Social Responsibility (CSR) Committee:

AGCL took the initiative to contribute towards society in a transparent, responsible, accountable and fair manner. AGCL's CSR policy was approved on 23/04/2015. Consequently, a CSR committee was formed with the following members:

- (i) Smt.Amiya Gogoi, Chairperson of the CSR Committee,
- (ii) Shri B. Borpatragohain, Member &
- (iii) Shri A.K. Nath, Member.

As Shri B. Borpatragohain ceased to be the Managing Director of AGCL w.e.f. 31/08/2015, the Board reconstituted the CSR Committee on 09/10/2015 in partial modification of the resolution dated 06/09/2014 with the following members:

- (i) Smt.Amiya Gogoi, Chairperson of the CSR Committee,
- (ii) Shri Aditya Kumar Sharma, Managing Director, Member and
- (iii) Shri P.K. Das, Member.

With the resignation of Smt.Amiya Gogoi on 17/03/2016 from the Board of Directors of the company, the Board reconstituted the CSR Committee on 29/06/2016 in partial modification of the resolution dated 09/10/2015 with the following members:

- (i) Shri P.K. Das, Chairman of the CSR Committee,
- (ii) Shri A.K.Nath, Member and
- (iii) Shri Aditya Kumar Sharma, Member.

During the financial year 2015-2016, one meeting of the CSR Committee was held on 3rd February, 2016.



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

Name of the members	No. of meetings attended	%age thereof (out of 1 meeting held)	Attendance at the last Annual General Meeting held on
Smt. Amiya Gogoi, Chairperson (<i>ceased w.e.f. 17.03.2016</i>)	1	100	Attended
Shri Aditya Kumar Sharma, Member (<i>w.e.f. 10/09/2015</i>)	1	100	Attended
Shri P. K. Das, Member (<i>w.e.f. 29/03/2014</i>)	1	100	Attended

6. Annual/Extra Ordinary General Meetings:

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

Sl. No.	Date and Time of the Meetings	Venue
51 st Annual General Meeting	30 th September, 2013 at 11.00 A.M.	Registered office of AGCL, Duliajan, Duliajan-786602
51 st Adjourned Annual General Meeting	20 th January, 2014 at 11.00 A.M.	Registered office of AGCL, Duliajan, Duliajan-786602
52 nd Annual General Meeting	29 th September, 2014 at 11.00 A.M.	Registered office of AGCL, Duliajan, Duliajan-786602
52 nd Adjourned Annual General Meeting	8 th December, 2014 at 11.00 A.M.	Registered office of AGCL, Duliajan, Duliajan-786602
53 rd Annual General Meeting	30 th September, 2015 at 11.00 A.M.	Registered office of AGCL, Duliajan, Duliajan-786602

It is to be noted that no extra ordinary general meeting was held during the year.

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

Special Business	Type of Resolution	Date of Meeting
Nil	Nil	Nil

c) Brief Resumes of Directors as on date

In accordance with Article 92 of the Articles of Association of the Company, all the Directors are appointed by the Government of Assam.

i) Shri Ravi Capoor, IAS

Shri Ravi Capoor was appointed as Nominee Director as well as the Deputy Chairman of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 94(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/Pt/57-A dated 7th September, 2016.

Shri Ravi Capoor, is an Indian Administrative Service (IAS) officer of 1986 batch of Assam Meghalaya joint Cadre. He served as Director of Petroleum Conservation Research Association of Ministry of Petroleum and Natural Gas, Government of India. He has been working in different capacities in Government of Assam and Central Government for more than three decades.



Shri Ravi Capoor is presently serving as Principal Secretary to the Govt. of Assam, Industries & Commerce and Mines & Minerals Department.

He is a senior bureaucrat of the Government of Assam who brings to the Board his deep and wide experience in administration.

ii) Shri V B Pyarelal, IAS

Shri V B Pyarelal was appointed as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. 214/2002/143-A dated 7th April, 2016.

Shri V B Pyarelal is an Indian Administrative Service (IAS) officer of 1983 batch of Assam Meghalaya joint Cadre. He did his Graduation and Post Graduation in Economics from University of Kerala and also completed M. Phil. degree in Social Sciences from Panjab University. He has been working in different capacities in Government of Assam and Central Government for more than three decades.

Shri Pyarelal is presently serving as the Additional Chief Secretary to the Govt. of Assam, Finance Department, Assam Secretariat, Dispur. Shri Pyarelal is also member of Board of Directors of two State Govt. enterprises viz. Assam Hydrocarbon and Energy Company Ltd and Assam Petrochemicals Limited. Shri Pyarelal is also a member of National Law University & Judicial Academy Assam and National Institute of Public Finance & Policy.

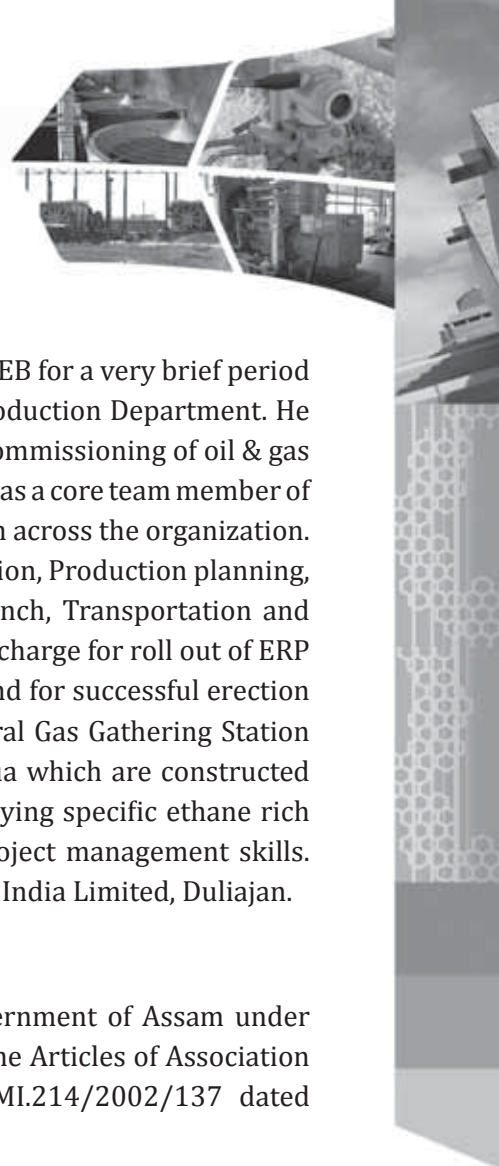
He is a senior bureaucrat of the Government of Assam who brings to the Board his deep and wide experience in Finance and Administration.

iii) Shri Pradeep Kumar Das

Shri Pradeep Kumar Das did his M Com from the prestigious Gauhati University in 1978 and started career joining as Commercial Assistant in Fertilchem Ltd. (a State PSU) in February, 1979 and after serving a few months joined Golaghat Commerce College as Lecturer of Commerce in November, 1979. From 1980 onwards, he served in different capacities in few of the State Public Sector Undertakings such as - Assam Tea Corporation Ltd, Assam Fisheries Development Corporation Ltd, Assam Spun Silk Mills Ltd., Assam Polytext Ltd till 1987. From 1987 he joined services with the State Govt of Assam, in Public Enterprises Department as Deputy Adviser (Finance) and was promoted to Adviser (Finance) on 23rd December, 2008. Shri P. K. Das is presently holding the key position of Director, Public Enterprises Department Government of Assam from 13th November, 2013.

Shri P. K. Das has a long association with the company. As Advisor (Finance), he was earlier Director of the Company. He is a senior bureaucrat of the Government of Assam who brings to the Board his deep and wide experience in public administration

Shri P. K. Das, apart from being Director of this Company is also holding Directorship in Ten other State Level Public Enterprises of Assam.



iv) Shri Achintya Kumar Nath:

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

v) Ms. Shehla Rahman, ACS

Ms. Shehla Rahman was appointed as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI. MI.214/2002/137 dated 27th January, 2016.

Ms. Shehla Rahman, ACS did her graduation in History from Nehu University. She joined Assam Civil Service, and is having experiences of 32 years. She worked in different capacities in various Departments of the Government of Assam as well as the Districts. Presently she is working as Secretary, Industries & Commerce Department to the Government of Assam.

Ms. Shehla Rahman, apart from being Director of this Company, is also a Managing Director in ASIDC and is holding Directorship in three other State Level Public Enterprises of Assam

vi) Shri Aditya Kumar Sharma:

Shri A. K. Sharma was appointed as Additional Director of the Company w.e.f. 10th September, 2015 as per the provisions of Section 161 of the Companies Act, 2013 in pursuance of his appointment by Government of Assam Notification dated 28/08/2015 and thereafter in the 53rd Annual General Meeting of the Company held on 30/9/2015.

Shri A.K. Sharma is a Member of the Institute of Cost & Works Accountants of India and MBA (Finance) from Indian Institute of Social Welfare & Business Management (IISWBM), Calcutta University. Shri Sharma joined AGCL in the year 1988 as Accounts Officer. He has more than 29 years of rich and varied experience in Project Financing, Budgeting, Financial Management, etc. Prior to his appointment as **Managing Director**, he was holding the position of Deputy General Manager (F&A) in AGCL.



vii) Shri Anuj Kumar Borkotoky

Shri Anuj Kumar Borkotoky was appointed Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/132 dated 10th December, 2015.

viii) Mr. Hellal Ahmed Khan

Mr. Hellal Ahmed Khan was appointed w.e.f. 29/01/2016 as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/132-A dated 10th December, 2015.

Mr. Hellal Ahmed Khan is a graduate from Assam University, Silchar.

ix) Shri Rajib Hazarika

Shri Rajib Hazarika was appointed w.e.f. 29/01/2016 as Nominee Director of the Government of Assam under Section 161(3) of the Companies Act, 2013 read with Article 93(a) of the Articles of Association of the Company and Government of Assam Notification No. MI.214/2002/132-B dated 10th December, 2015.

Shri Rajib Hazarika is a social worker and a sports organizer and a graduate of Dibrugarh University who subsequently completed MBA from Institute of Management Education under Pune University. He is an entrepreneur businessman by profession.

7. 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 were incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- d. Out of ₹370.00 Lakhs for 2015-2016 which includes carry over from previous year, ₹37.01 Lakhs was spent till 31st March 2016. The balance of ₹332.99 Lakhs has been added to the CSR fund for financial year 2016-2017.
- e. During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. Means of communication of financial performance

AGCL, 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.assamgas.org), Annual Report, etc.

9. Management Discussion & Analysis Report

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

General information to shareholders:-

Number of AGM	54 th Annual General Meeting
Date and Time	28 th September, 2016, Time: 11.00 A.M.
Venue	Registered Office:- Assam Gas Company Limited P.O. Duliajan, Dist: Dibrugarh
Dividend payment	The Board recommends Dividend @10% on its paid-up share capital of ₹16.91 Crores to the shareholders. If approved by the shareholders, the same will be paid within 30 days from the date of declaration.

Financial year- AGCL follows the financial year from 1st April to 31st March.

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

Share Transfer system:

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

Shareholding Pattern as on 31-03-2016:

Sl. No.	Name of shareholder	Capital contribution in ₹	Nos of shares held	Percentage of holding (%)
1.	Governor of Assam, Industries & Commerce Deptt. Govt of Assam	16,91,44,800/-	1,691,448	99.99%
2.	Finance Deptt., Govt of Assam	100/-	1	0.01%
	Total	16,91,44,900/-	16,91,449	100%

Registered Office:

CIN: U11101AS1962SGC001184

Assam Gas Company Limited Campus

P.O. Duliajan, Dist: Dibrugarh

PIN-786602


Assam

Co-ordination Office:

1st Floor "Adams Plaza", Christian Basti,

G.S. Road, Guwahati-781005

Assam



BIMAN DEBNATH & ASSOCIATES
Company Secretaries

BIMAN DEBNATH
B. Com., LLB, DTL., FCS.
Flat No- 402, Block-C, Prashanti Pride
Prakash Choudhary Housing Complex
Tarun Nagar, ABC, Guwahati-781005
Assam, India
Tele : 0361-2463370(O),9864028145(M)
e-mail: csbimandebnath@gmail.com

To,
The Members,
M/s ASSAM GAS COMPANY LTD,
P. O: Duliajan, Dibrugarh – 786602, Assam

Compliance of Corporate Governance conditions

We have examined the compliance of conditions of Corporate Governance by **M/s. ASSAM GAS COMPANY LTD** (a Non-Listed PSU) for the year ended **31st March, 2016** as stipulated in the Guidelines on Corporate Governance for State Level Public Sector Units issued by Department of Public Enterprises (DPE), Government of Assam in the month of May, 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:

- a. Clause 3.1.1 relating to the Board of Directors /board of management / managing Committee shall have an optimum combination of Functional, Nominee and Independent directors.
- b. Clause 3.1.3 relating to the number of Nominee Directors to be appointed by the Government which shall not exceed two.
- c. Clause 3.1.4 relating to the number of Independent Directors on the Board of the Company.
- d. Clause 3.4.3 relating to Guidelines and policies evolved by the State Government with respect to the structure, composition, selection, appointment and service conditions of the Board of Directors shall be strictly followed.
- e. Clause 4.1.1 relating to the composition of Audit Committee which states that two-thirds of the members of the Audit Committee shall be Independent Directors.

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-
- f. Clause 4.1.2 relating to the chairman of the Audit Committee shall be an Independent Director.
 - g. Clause 4.4 relating to the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings and the quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two Independent members must be present.
 - h. Clause 5.1 relating to the constitution of a remuneration committee comprising of at least three Directors (i.e., Nominee Directors or Independent Directors), and the Committee should be headed by an Independent Director.
 - i. Clause 6.1 relating to Composition of the Board of Directors of the Subsidiary Company which states that atleast one Independent Director on the Board of Directors of the Holding Company shall be a Director of its Subsidiary Company.

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: 05/08/2016
Place: Guwahati

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

Annexure - B

BIMAN DEBNATH & ASSOCIATES
Company Secretaries

BIMAN DEBNATH
B. Com., LLB, DTL., FCS.
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Prakash Choudhary Housing Complex
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e-mail: csbimandebnath@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2016

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

To,
The Members,
M/s ASSAM GAS COMPANY LTD.
CIN: U11101AS1962SGC001184
P.O.: Duliajan, Dibrugarh
Assam - 786602

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit and visit to the workstation, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

BIMAN DEBNATH & ASSOCIATES
Company Secretaries

BIMAN DEBNATH
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Tarun Nagar, ABC, Guwahati-781005
Assam, India
Tele : 0361-2463370(O),9864028145(M)
e-mail: csbimandebnath@gmail.com

-
- 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 Minerals Pipelines (Acquisition of Rights of User Inland) Act, 1962;
 - f. Petroleum and Natural Gas Regularity Board Act 2006;


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

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

- i) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
- ii) Clinical Establishment (Registration and Regulations) Act, 2010.
- iii) Other Order, Laws and Instructions of the Government of Assam.

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

1. *The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Independent Director during the financial year under review.*
2. *Website disclosure as per Section 136(1)(a) of the separate audited accounts of DNP Limited being its Subsidiary Company has not been displayed in the Company's respective website.*
3. *The Articles of Association of the Company needs to be amended as per the changed provisions of the Companies Act, 2013.*
4. *The premise of the Company is being used its Subsidiary Company as its registered office without any rent agreement or any other agreement with the Company.*
5. *Group Super Annuation which was scheduled to be paid before 15th day of every month was not complied with.*
6. *No safety audit has been conducted by the Company as per the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.*



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7. *No Director has been notified as the "Occupier" as required under the Factories Act, 1998.*
8. *Trade License from the concerned authority i.e. the Local authority has not been obtained for the trading activities undertaken by the Company.*

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

Signature: *Sd/-*

Name of the Company Secretary: Biman Debnath

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

Date: 05-08-2016

Place: Guwahati

II. Management Replies to:

Observations of the Secretarial Auditor on Assam Gas Company Limited for the year 2015-2016:

Sl. No.	Observations of the Secretarial Auditor on Assam Gas Company Limited for the financial year 2015-2016	Management Replies
1.	<i>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.</i>	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.	<i>Website disclosure as per Section 136(1)(a) of the separate audited accounts of DNP Limited being its Subsidiary Company has not been displayed in the Company's respective website.</i>	Already complied.
3.	<i>The Articles of Association of the Company needs to be amended as per the changed provisions of the Companies Act, 2013.</i>	Noted for compliance.
4.	<i>The premise of the Company is being used by its Subsidiary Company as its registered office without any rent agreement or any other agreement with the Company.</i>	The observation shall be reviewed in consultation with DNP Limited.
5.	<i>Group Super Annuation which was scheduled to be paid before 15th day of every month was not complied with.</i>	Noted for compliance
6.	<i>No safety audit has been conducted by the Company as per the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.</i>	Noted for compliance.
7.	<i>No Director has been notified as the "Occupier" as required under the Factories Act, 1998.</i>	Noted for compliance.
8.	<i>Trade License from the concerned authority i.e. the local authority has not been obtained for the trading activities undertaken by the Company.</i>	Noted for compliance.
	<i>As informed and apprised by the Company, being a State Government Company, the appointment of Directors are done by the State Government and the Government has not yet appointed or nominated any Independent Director on the Board of the Company.</i>	Noted

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 :
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
DNP Limited (Subsidiary of 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. ₹216.00 lakhs	2009	Nil
DNP Limited (Subsidiary of AGCL)	Payment of rental for office accommodation and other misc. expenses (including expns. of GHY office) to AGCL	Ongoing transactions	₹12.00 lakhs	Not applicable	Nil
DNP Limited (Subsidiary of AGCL)	Inter Corporate Loan to DNPL	One time transaction	₹6,480.00 lakhs	8 th July, 2015	Nil
DNP Limited (Subsidiary of AGCL)	Dividend received from DNPL	Ongoing transaction	₹93.83 lakhs	Not applicable	Nil

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

(in thousands)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	DNP Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	₹ 1,672,500
5.	Reserves & surplus	₹ 217,240
6.	Total assets	₹ 2,971,349
7.	Total Liabilities(excluding shareholders fund)	₹ 1,081,654
8.	Investments	NIL
9.	Turnover	₹ 626,211
10.	Profit before taxation	₹ 224,990
11.	Provision for taxation(MAT + Deferred Tax Provision)	₹ 129,207
12.	Profit after taxation	₹ 95,783
13.	Proposed Dividend	₹ 28,433
14.	% of shareholding	51%

As per our report of even date

For and on behalf of the Board of Directors

For S. K. Mallick & Co.
Chartered Accountants
Firm Regd. No. 324892E

A. K. Sharma
Managing Director
DIN: 07285877

P. K. Das
Director
DIN: 01667150

(CA PRADIP BAKSI)
Partner
(Membership No. 054264)

Vijay Kr. L.,
Chief Financial Officer

D. Dev Gupta
Company Secretary

Place: Guwahati
Date: 30th June, 2016

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Tripura Natural Gas Company Limited
Latest audited Balance Sheet Date	31 st March 2016
Shares of Associate/Joint Ventures held by the company on the year end	31 st March 2016
No.	100000 equity shares
Amount of Investment in Associates/Joint Venture	100000 @ ₹100 each share ₹1,00,00,000/-
Extend of Holding%	25.51%
Description of how there is significant influence	Associate
Reason why the associate/joint venture is not consolidated	Financial Statements of TNGCL received by the Company only in the third week of August 2016, after completion of audit of our accounts.
Net worth attributable to shareholding as per latest audited Balance Sheet	₹17,38,20,583
Profit/Loss for the year	₹ 2,38,92,054
i. Considered in Consolidation	NIL
ii. Not Considered in Consolidation	₹2,38,92,054

- Names of associates or joint ventures which are yet to commence operations- Nil
- Names of associates or joint ventures which have been liquidated or sold during the year- Nil

As per our report of even date

For and on behalf of the Board of Directors

For S. K. Mallick & Co.
Chartered Accountants
Firm Regd. No. 324892E

A. K. Sharma
Managing Director
DIN: 07285877

P. K. Das
Director
DIN: 01667150

(CA PRADIP BAKSI)
Partner
(Membership No. 054264)

Vijay Kr. L.,
Chief Financial Officer

D. Dev Gupta
Company Secretary

Place: Guwahati
Date: 19th September, 2016

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2016

I. REGISTRATION & OTHER DETAILS:

i	CIN	U11101AS1962SGC001184
ii	Registration Date	31/03/1962
iii	Name of the Company	ASSAM GAS COMPANY LTD
iv	Category of the Company	PRIVATE COMPANY/LIMITED BY SHARES
v	Address of the Registered office & contact details	
	Address :	P. O. DULIAJAN
	Town / City :	DIBRUGARH
	Pin Code:	786602
	State :	ASSAM
	Country Name :	INDIA
	Telephone (with STD Code) :	0364-2800202
	Fax Number :	0364-2800221
	Email Address :	info@assamgas.org
	Website, if any:	www.assamgas.org
vi	Whether listed company	No
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	Nil
	Address :	Nil
	Town / City :	Nil
	State :	Nil
	Pin Code:	Nil
	Telephone :	Nil
	Fax Number :	Nil
	Email Address :	Nil

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total 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 and distribution of Natural Gas	99611912	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable Section
1	DNP Limited	U51410AS2007SGC008410	Subsidiary	51.00%	2(87)
2	Tripura Natural Gas Company Limited	U23201TR1990SGC003451	Associate	25.51%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual/ HUF	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-
c) State Govt	-	16,91,449	16,91,449	100.00%	-	16,91,449	16,91,449	100.00%
d) Bodies Corp.								
e) Banks / FI	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-
Nominee of Promoter (7 Nos i.e. BPCL/GOA)	-	-	-	-	-	-	-	-
(2) Foreign								
a) NRI - Individual/	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	16,91,449	16,91,449	100.00%	-	16,91,449	16,91,449	100.00%
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):-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	16,91,449	16,91,449	16,91,449	100.00%	-	16,91,449	16,91,449	100.00%	16,91,449	16,91,449	100.00%	-



ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year		
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1	Government of Assam	16,91,448	99.99%	16,91,448	99.99%	-
2	Secretary Finance, Govt. of Assam	1	0.01%	1	0.01%	-
	TOTAL	16,91,449	100.00%	16,91,449	100.00%	-

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

Sl. No. 1 - Government of Assam	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	16,91,448	99.99%	16,91,448	99.99%
Changes During the Year	No Change			
Increase				
Date	Reason for Increase			
Decrease				
Date	Reason for Decrease			
At the End of the year	16,91,448	99.99%	16,91,448	99.99%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Not applicable

Sl. No.:	2- Secretary Finance, Govt. of Assam	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	1	0%	1	0%
	Changes During the Year	No Change			
	Increase				
	Date	Reason for Increase			
	Decrease				
	Date	Reason for Decrease			
	At the End of the year (or on the date of separation, if separated during the year)	1	0%	1	0%
Sl. No.:	2 For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	At the beginning of the year				
	Changes During the Year				
	Increase				
	Date	Reason for Increase			
	Decrease				
	Date	Reason for Decrease			

At the End of the year (or on the date of separation, if separated during the year)

Shareholding of Directors and Key Managerial Personnel: NIL

S. No.: 1 Mr. _____	Shareholding at the beginning of the year		Cumulative Shareholding during the year
	No. of shares	% of total shares of the company	
At the beginning of the year			
Changes During the Year			
Increase			
Date	Reason for Increase		
Decrease			
Date	Reason for Decrease		
At the End of the year			

S. No.: 2 Mr. _____	Shareholding at the beginning of the year		Cumulative Shareholding during the year
	No. of shares	% of total shares of the company	
At the beginning of the year			
Changes During the Year			
Increase			
Date	Reason for Increase		

Decrease				
Date	Reason for Decrease			
At the End of the year				

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2014-15	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	-	Nil	-
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	Nil	-
Change in Indebtedness during the financial year 2014-15				
* Addition	-	-	Nil	-
* Reduction	-	-	Nil	-
Net Change	-	-	Nil	-
Indebtedness at the end of the financial year 2014-15				
i) Principal Amount	-	-	Nil	-
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	-	-	Nil	-
Total (i+ii+iii)	-	-	Nil	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Bhupen Borpatragohain	A. K. Sharma	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,26,407	10,24,110	33,50,517
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35,511	51,668	87,179
	(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)	23,61,918	10,75,778	34,37,696
	Ceiling as per the Act	79 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act,2013		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		A	B	C	D	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	Amiya Gogoi	R. Hazarika	A. K. Borkotoky	H. A. Khan	
	Fee for attending board committee meetings	36,500	15,000	5,000	5,000	61,500
	Commission	-	-	-	-	-
	Others, please specify(Honorarium)	12,000	-	-	-	12,000
	Total (2)					
	Total (B)=(1+2)	48,500	15,000	5,000	5,000	73,500
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	NA				



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary	15,40,891	8,04,016	23,44,907
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,02,712	7,83,259	22,85,971
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	38,179	20,757	58,936
	(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	15,40,891	8,04,016	23,44,907

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

NIL

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

Corporate Social Responsibility and Sustainability

With a strong commitment towards socioeconomic development and environmental protection of the region, AGCL has taken up various CSR initiatives for improving the living conditions of less privileged people in the operational area of the company. The vision of sustainable inclusive growth drives both business as well as corporate social responsibility activities. The CSR & Sustainability Policy of the Company was approved by the Board on 23rd April, 2015 which was subsequently revised by the Board in its meeting held on 29th June, 2016 to enhance its scope in line with provision of the Companies Act, 2013.

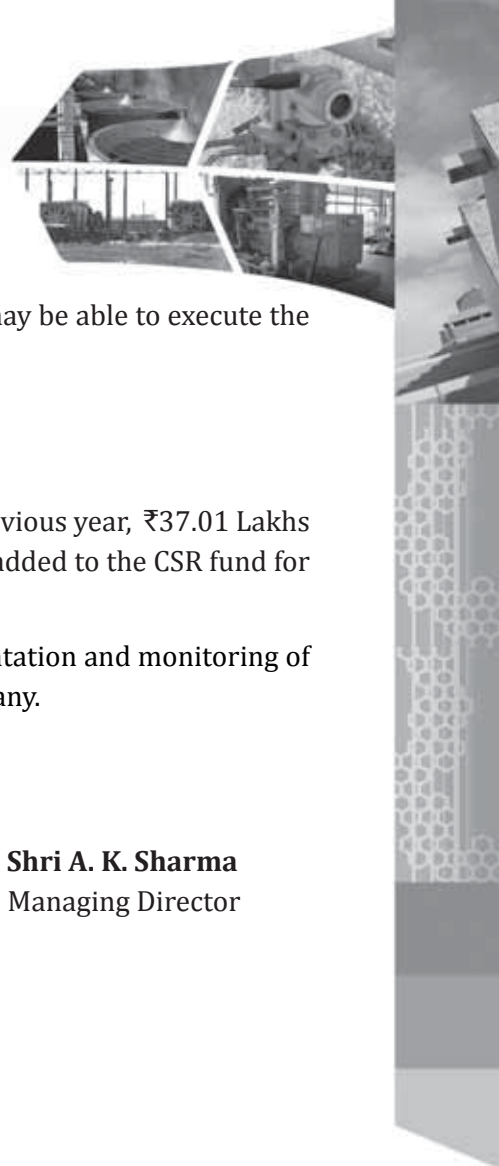
OBJECTIVE: The objective of the Policy is to:

- (a) Formulate, implement, monitor and evaluate CSR and sustainability projects / activities through a structured mechanism.
- (b) Include CSR proposals in the company's annual budget and ensure effective utilization of the allocated resources.
- (c) Provide a monitoring and evaluation methodology / philosophy.

The Policy is to ensure conformity to Section 135 of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, and applicable guidelines on CSR and Sustainability as issued / may be issued by Ministry of Corporate Affairs, Govt of India, Deptt of Public Enterprises, Govt of Assam and in their absence, by Deptt of Public Enterprises, Govt of India.

The CSR structure of Assam Gas Company Ltd consists of two tiers:

- Tier -I: comprising of at least three members of the Board representing functional, nominee and independent directors.
- Tier - II: Nodal Officer assisted by a team of officials which will comprise upto six employees of the company from various functional areas.
 - (a) The Tier-I Committee recommends the proposals for approval of the Board exceeding ₹5.00 Lakhs in each case. It approves the CSR Projects and Budget for the year and also monitor implementation of the approved Policy and projects, evaluate performance of the projects / activities and report on a semi-annual basis to the Board. The Tier-I Committee acts as advisor to Tier-II CSR committee.
 - (b) The Tier-II Committee is to be chaired by the Nodal Officer and is responsible for the following:
 - (i) Identify CSR and Sustainability projects on the basis of need assessment based on surveys conducted in house or through external agencies, discussions with stakeholders, civic bodies, etc.



(ii) Identify and propose suitable and competent agencies which may be able to execute the projects for and on behalf of the company.

(iii) Monitor implementation of the projects.

(iv) Any other CSR related activity such as media management, etc.

Out of ₹370.00 Lakhs for 2015-2016 which includes carry over from previous year, ₹37.01 Lakhs was spent till 31st March 2016. The balance of ₹332.99 Lakhs has been added to the CSR fund for financial year 2016-2017.

Members of the CSR & Sustainability Committee confirm that implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

Shri A. K. Nath
Director

Shri P. K. Das
Chairman, CSR Committee

Shri A. K. Sharma
Managing Director

ANNEXURE - F TO DIRECTORS' REPORT (contd)

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

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	
	<p>Outline of CSR Policy :</p> <ul style="list-style-type: none"> • Documentation and promotion of cultural heritage and dying art forms of Assam • Sustainable Environment Protection through proper waste management • Improving the quality of life of people in its operational area. <p><i>The Policy was amended in June 2016 to enhance the scope of activities.</i></p>	Refer to following Sections of the Directors' Report :
	<p>Proposed Projects during the year 2015-2016 :</p> <ul style="list-style-type: none"> • Documentation and promotion of the dying Dhulia performing art form • Installation of Organic waste converter at Duliajan and AMCH, Dibrugarh • Building Toilet blocks at AMCH, Dibrugarh • Improvement of crematoriums and childrens' park at Ledo and Dibrugarh 	(a) Corporate Social Responsibility and (b) Disclosures: CSR Committee in this Report
	Web link to CSR Policy & Projects : www.assamgas.org/csr.html	
2	Average net profit of the Company for last three financial years	₹ 9505.00 Lakhs
3	Prescribed CSR expenditure (Two percent of the amount mentioned in item 2 above)	₹ 1900.00 Lakhs
4	Details of CSR spent during the financial year	₹ 37.01 Lakhs
5	Total Amount to be spent for the Financial Year	₹ 370.00 Lakhs
6	Amount unspent, if any (including committed but not unspent till 31 st March 2016)	₹ 332.99 Lakhs
7	Manner in which the amount spent during the year	As per Memorandum of Understandings signed with the implementation partners / beneficiaries

Assam Gas Company Limited

Details of amount spent on CSR activities during the Financial Year 2015-16

Sl 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 undertaken	Amount outlay (Budget) Project or Program wise (₹in lakhs)	Amount spent on the Projects or Programs. Sub Heads (1) Direct Expenditure on Projects or Programs (2) Overheads (₹in lakhs)	Cumulative Expenditure upto the Reporting Period, i.e., FY 2015-2016 (₹in lakhs)	Amount Spent Direct or through Implementing Agency
1.	Assistance to Prerana for promotion of education amongst underprivileged children	(ii)	Guwahati, Kamrup Metro Assam	2.00	1 2 2.00 0.00	2.00	Implementing Agency
2.	Sustainable Environment Protection through proper waste management	(iv)	Duliajan, Dist Dibrugarh Assam	15.00	1 2 0.00 0.00	0.00	Direct
3.	Improving the quality of the surrounding environment in crematoriums	(iv)	Ledo, Dist Tinsukia Assam Chowkidingee, Dibrugarh, Assam	15.00	1 2 0.75 0.14	0.89	Implementing Agency
4	Toilet Block at AMCH	(iv)	Dibrugarh Dist Dibrugarh Assam	45.08	1 2 11.27 0.00	11.27	Implementing Agency
5	Bio medical waste management at AMCH	(iv)	Dibrugarh Dist Dibrugarh Assam	22.25	1 2 22.25 0.00	22.25	Implementing Agency
6	Program on self defense for girl children and women	(iv)	Duliajan, Dist Dibrugarh Assam	0.60	1 2 0.60 0.00	0.60	Implementing Agency
	TOTAL					37.01	37.01

RESPONSIBILITY STATEMENT

The Board of Directors approved the CSR Policy of the Company on 23/04/2015. The Policy was revised on 29/06/2016 to enhance the scope of CSR activities of the company. After meeting all expenditures on CSR activities for the previous years, the balance was carried forward and added to the Budget on CSR activities for the financial year 2015-2016. Financial outgo on CSR activities during the year 2015-2016 was ₹ 37.01 Lakhs.

Shri A. K. Nath
Director

Shri P. K. Das
Chairman, CSR Committee

Shri A. K. Sharma
Managing Director



ASSAM GAS COMPANY LIMITED

Independent Auditors' Report

Report on the Standalone Financial Statements

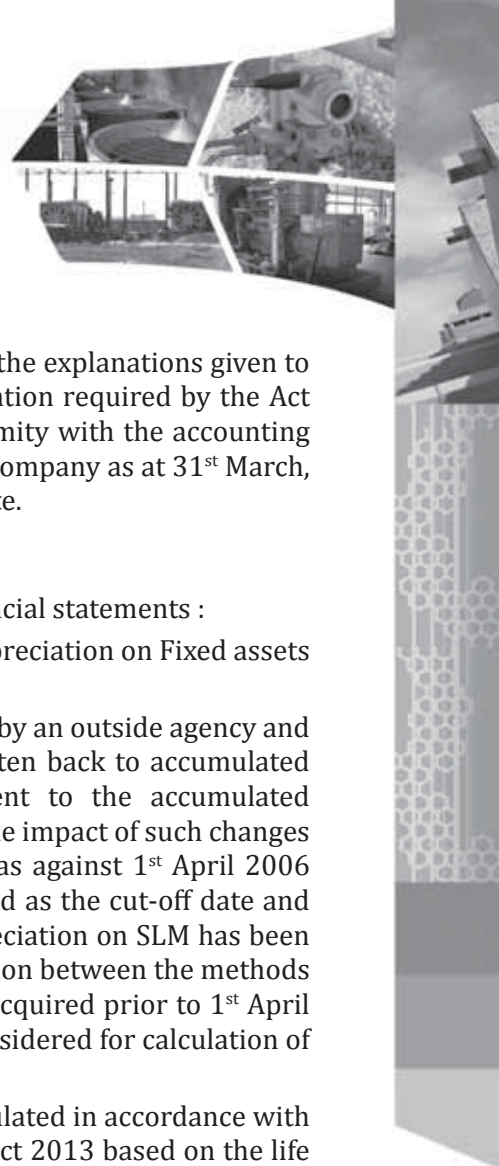
1. We have audited the accompanying standalone financial statements of ASSAM GAS COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies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

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. Subject to our comments in Annexures I attached herewith, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

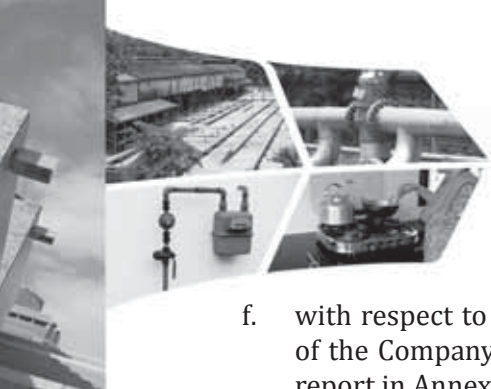
Emphasis of Matters

9. We draw attention to the following matters in the Notes to the financial statements :
- (a) Note 2.27(i) to the financial statements regarding charge of depreciation on Fixed assets as per Straight Line Method.
- During the year life of fixed assets has been re-determined by an outside agency and consequently an amount of ₹7,52,75,374/- has been written back to accumulated Profit and Loss account with corresponding adjustment to the accumulated depreciation account (As on 01.04.2015). For calculating the impact of such changes on the written down value of the assets, 1st April 2004 (as against 1st April 2006 considered in previous year accounts) has been considered as the cut-off date and for additions to the assets made after 1st April 2004, depreciation on SLM has been calculated and the difference in the accumulated depreciation between the methods have been adjusted accordingly and in case of the assets acquired prior to 1st April 2004, the WDV of the assets on 1st April 2004 has been considered for calculation of depreciation under the new method.
 - Depreciation for the Financial Year 2015-16 has been calculated in accordance with the rates prescribed under Schedule II to the Companies Act 2013 based on the life term of the assets.
- (b) Note 2.27(v)(e) to the financial statements regarding Trade Receivable.

The Company's Trade Receivable are carried in the Balance Sheet at ₹100,46,67,681/- which are subject to confirmation by the consumers and reconciliation with the control register.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- 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;
 - 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;
 - the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - on the basis of written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of section 164(2) of the Act;

- 
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-III; and
 - 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 financial statements- Refer Note 2.27(v) 'Trade Receivables' to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by Section 143 (5) of the Act, we report as per Directions and sub-directions received from Comptroller & Auditor General of India as under :

Directions

1. The Company has not been selected for disinvestment.
2. The company has made provision ₹5,58,71,289/- during the year towards bad and doubtful debts.
3. There are no inventories lying with third parties & Assets received as gift from Govt. or other authorities.
4. There are no pending legal / arbitration cases.

Sub-Directions

1. Land

- (i) **Title/Lease Deeds:** We have examined Title/ Lease Deeds of the landed property of the Company property, whether freehold/leasehold. In the course of our examination, it was observed that the land where the Administrative Office and the Compressor Machine of the Company are situated has not been registered in its name. The said land is yet to be formally transferred to the company- which was allotted by the Government of Assam to the company in the year 1968; and since then under their occupation, however the Company has initiated action in this regard. We have not come across any other cases where deeds are not available or the title is disputed or the property is under encroachment.
- (ii) **Physical Survey:** The Company did not conduct physical survey during the year.

2. Trade and Other Receivables

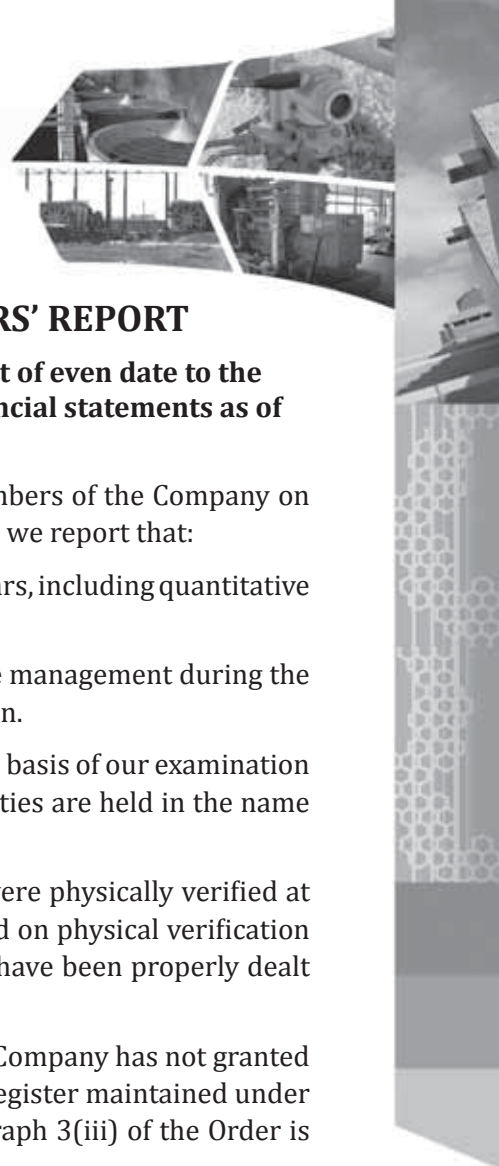
- (i) The amount receivable from various parties as reflected under Trade Receivables amounting to ₹100,46,67,681/- remains mostly unreconciled and unconfirmed. The above amount includes ₹42,93,67,991/- being long outstanding dues from ASEB.
- (ii) Not applicable, in view of answer to Sr. No. (i) above, being not confirmed at all.

For **S. K. Mallick & Co.**
Chartered Accountants
(Firm Registration No. 324892E)

[Pradip Baksi]
Partner

Membership No. 054264

Place : Guwahati (Camp)
Dated : 30th June, 2016




ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraphs 7 of the Independent Auditors Report of even date to the members of Assam Gas Company Limited on the standalone financial statements as of and for the year ended March 31, 2016.

The Annexure I referred to in Independent Auditors Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed assets of the Company has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - (ii) As explained to us, the inventories of store items and spares were physically verified at regular intervals by the Management and discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions Section 185 and 186 of the Act, with respect to the loans and investments made.
 - (v) The company has not accepted any deposits from the public.
 - (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
 - (vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:-



Name of Statute	Nature Of Dues	Amount (₹)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending
Income Tax Act	Tax	3 93 305	A.Y. 2006-07	Assessing Officer
Income Tax Act	Tax	54 479	A.Y. 2007-08	Assessing Officer
Income Tax Act	Tax	4 687	A.Y. 2008-09	CPC Bangalore
Income Tax Act	Tax	43 82 510	A.Y. 2009-10	Assessing Officer
Income Tax Act	Tax	63 83 200	A.Y. 2010-11	Assessing Officer
Income Tax Act	Tax	14 56 630	A.Y. 2011-12	Assessing Officer
Income Tax Act	Tax	4 67 900	A.Y. 2012-13	Assessing Officer
Assam VAT ACT	Tax (including interest)	21 03 41 937	F.Y. 2006-07	Assessing Officer
Assam VAT ACT	Tax (including interest)	2 31 54 048	F.Y. 2007-08	Additional Commissioner, Assam VAT
Assam VAT ACT	Tax (including interest)	21 43 54 758	F.Y. 2008-09	Assam Board of Revenue
Service Tax	Tax	4 02 28 701	2007 to 2012	CESTAT, Kolkata
Service Tax	Tax	52 28 245	2012-2013	CESTAT, Kolkata
Service Tax	Tax	87 72 606	Oct'12 to Sep'13	CESTAT, Kolkata
Service Tax	Tax	1 52 56 361	Apr'09 to Mar'14	CESTAT, Kolkata
Service Tax	Tax	24 18 855	2013-2014	CESTAT, Kolkata
Service Tax	Tax	88 36 530	Oct'13 to Sep'14	CESTAT, Kolkata

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read Schedule V to the Act.



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **S. K. Mallick & Co.**
Chartered Accountants
(Firm Registration No. 324892E)

Place : Guwahati (Camp)
Dated : 30th June,2016

[Pradip Baksi]
Partner
Membership No. 054264



ASSAM GAS COMPANY LIMITED

Annexure to the Independent Auditors' Report

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 ASSAM GAS COMPANY LIMITED ("the Company") as at 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

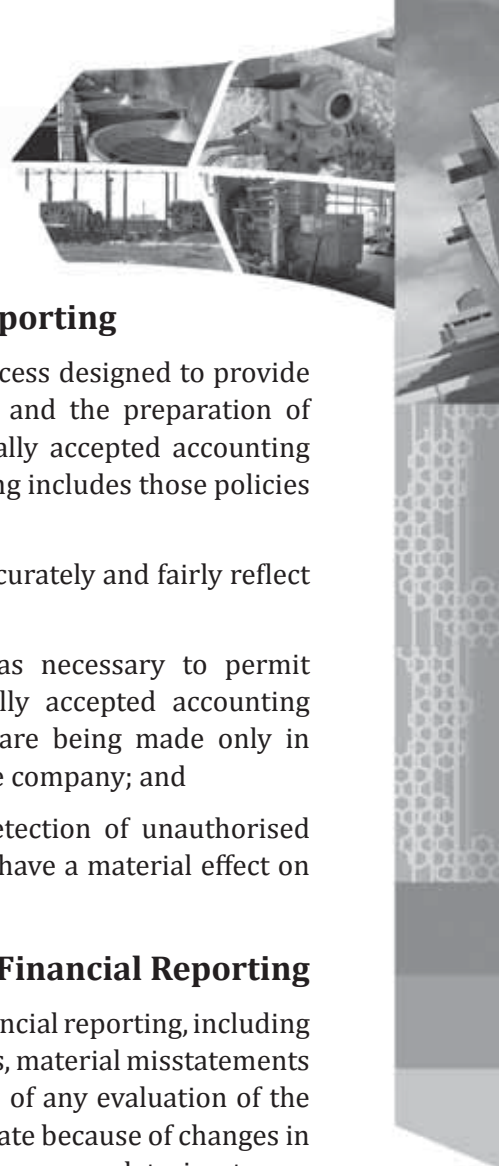
Management's Responsibility for Internal Financial Controls

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on 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 Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate 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 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 judgment, 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 financial controls 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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 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 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. K. Mallick & Co.**
Chartered Accountants
(Firm Registration No. 324892E)

Place : Guwahati (Camp)
Dated : 30th June, 2016

[Pradip Baksi]
Partner
Membership No. 054264

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

The preparation of financial statements of **ASSAM GAS COMPANY LIMITED**, for the year ended **31 March, 2016**, in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the company. The statutory auditors, appointed by the Comptroller and Auditor General of India, under section 139(5) of the Act, 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 **30 June, 2016**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit, under section 143(6)(a) of the financial statements of **ASSAM GAS COMPANY LIMITED** for the year ended 31 March 2016. This supplementary audit has been carried out independently, without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company person nel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(a) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. COMMENTS ON PROFITABILITY

I. Profit & Loss Statement

Expenses

Employee benefit expenses (Note: 2.23) - ₹40.50 crore,

The above is overstated by ₹1.01 crore due to provisioning for arrear pay (revision of pay due on 01.01.2016) for the months of January, February and March 2016, without approval of Government of Assam and the Board of Directors of the Company. This resulted in understatement of profit for the year and overstatement of current liabilities by ₹1.01 crore each.

B. COMMENTS ON FINANCIAL POSITION

1. Balance Sheet

Assets

Current Assets

Trade receivables- (Note: ₹2.16)- ₹100.47 crore.

The above includes Doubtful debts of ₹28.36 crore {i. e. Tea Gardens (under court case) ₹0.45 crore, DLF (under arbitration) - ₹20.32 crore and Others - ₹7.58 crore}, against which the Company made provisions of ₹5.59 crore only. This resulted in overstatement of profit for the year and overstatement of current assets by ₹22.77 crore each.

C. COMMENTS ON AUDITORS' REPORT

I. While reporting on certain issues as per the directions of the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, the Auditors have mentioned that 'there are no pending legal/arbitration cases' (against the Company). The assertion is however, not consistent with the disclosures made by the Company on the ' legal/arbitration cases pending settlement' under 'Notes forming part of the financial statements' {refer note No 2.27(v)}.

D. OTHER COMMENTS

I. During the year, AGCL realized ₹16.59 lakh (i.e. ₹8.30 lakh for salary and ₹8.29 lakh for other expenses), from DNP Limited (a subsidiary Company of the AGCL), towards reimbursement of 50 percent of the salary and other expenses paid to the MD of the Company for working as an Executive Director of DNP Limited. The above fact merits suitable disclosure under Notes forming part of the Financial Statements.

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



(DEEPAK NARAIN)

Accountant General (Audit), Assam

Place: Guwahati
Date:16-08-2016

I. Management Replies to:

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

Sl. No.	Comments of the Comptroller & Auditor General of India on the Annual Accounts of the Company for the year ended 31 st March 2016	Management Reply
A.	<p>A. COMMENTS ON PROFITABILITY</p> <p>I. Profit & Loss Statement</p> <p>Expenses</p> <p>Employee benefit expenses- (Note-2.23) - ₹40.50 crore.</p> <p>The above is overstated by ₹1.01 crore due to provisioning for arrear pay (revision of pay due on 01.01.2016) for the months of January, February and March 2016, without approval of Government of Assam and the Board of Directors of the Company. This resulted in understatement of profit for the year and overstatement of current liabilities by ₹1.01 crore each.</p>	<p><u>Reply to A.1.</u></p> <p>The Company had the practice of devising their own pay scales duly approved by the Board as well as the Government of Assam. Accordingly, when the pay revision was due in 2009 (January), the Government of Assam has advised the Company that they are going to adopt the Central Pay scales for the Government as well as the PSUs and therefore advised the Company not to formulate any pay scales on their own.</p> <p>Subsequently, the State Government has effected the Central pay scales w.e.f. January 2006 onwards for all. This pay scale was subject to revision w.e.f. January 2016.</p> <p>Therefore, the Company has made a provision for the pay revision for 3 months in the accounts on the basis of the recommendations given by the central pay commission, which is subject to adjustment in the year in which the new pay scales are implemented.</p>



Sl. No.	Comments of the Comptroller & Auditor General of India on the Annual Accounts of the Company for the year ended 31 st March 2016	Management Reply
B.	<p>COMMENTS ON FINANCIAL POSITION</p> <p>I. Balance Sheet</p> <p>Assets</p> <p>Current Assets</p> <p>Trade receivables- (Note-2.16)- ₹100.47 crore.</p> <p>The above includes Doubtful debts of ₹28.36 crore (i.e. Tea Gardens (under court case) – ₹0.45 crore, DLF (under arbitration) – ₹20.32 crore and Others – ₹7.58 crore, against which the Company made provisions of ₹5.59 crore only. This resulted in overstatement of profit for the year and overstatement of current assets, by ₹22.77 crore each.</p>	<p><u>Reply to B.1.</u></p> <p>Regarding Trade Receivables (₹20.32 crore) from EIPL, the amount is pending realisation for a relatively longer period of more than three years and therefore as advised by various auditors from time to time, has been classified under “Bad and doubtful debts”.</p> <p>It may further be noted that till the gas was being supplied, there was no dispute raised by EIPL on any issue like quantity / quality of gas supplied or any other matter, but after stoppage of gas supply in January 2013, EIPL raised objections on the legal rights of the Company in demanding payments and interest on delayed payments in the absence of the agreement. Though EIPL has raised objections, at the same time has agreed to pay the dues upon receiving the payments from ASEB / GOA accordingly.</p> <p>Till date we have not received any payment from EIPL and therefore the Company has initiated legal proceedings (through Arbitration) as per the terms of the agreement for realization of the dues.</p> <p>Therefore in our opinion the amounts are good and realisable only.</p> <p>Regarding the receivables from Tea Gardens, some of our consumers have held part of bills raised by us over certain issues and filed cases with different courts. Since the cases are under adjudication, necessary realisation of the dues or accounting treatment will be done in the year in which the verdict is given.</p> <p>Further, the Company has been making provision for bad and doubtful debts to the extent of 2 percent of the revenue from operation every year as per its accounting policy and accordingly that amount will be sufficient to cover any eventualities arising in this case.</p> <p>However, in the light of the observation the management assures to look into this and make necessary provisions if required in the next years’ accounts.</p>

Sl. No.	Comments of the Comptroller & Auditor General of India on the Annual Accounts of the Company for the year ended 31 st March 2016	Management Reply
C.	<p>COMMENTS ON AUDITORS' REPORT</p> <p>While reporting on certain issues as per the directions of the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, the Auditors have mentioned that 'there are no pending legal / arbitration cases' (against the Company). The assertion is, however, not consistent with the disclosures made by the Company on the 'legal / arbitration cases pending settlement' under 'Notes forming part of the financial statements {refer note No 2.27(v)}.</p>	<p><u>Reply to C.1.</u></p> <p>Disclosure in the Notes to the accounts pertains to consumer related issues like billing, realisation of the dues, only. Apart from this there is no other litigation pending before the court or Arbitration.</p> <p>But, the Auditor was of the opinion that the disclosure requirements as per the provisions of the Companies Act 2013, does not require to include litigations of this nature.</p> <p>However, this will be looked into and complied with in consultation with the Auditor from next year onwards.</p>
D.	<p>OTHER COMMENTS</p> <p>During the year, AGCL realized ₹16.59 lakh (i.e. ₹8.30 lakh for salary and ₹8.29 lakh for other expenses) from DNP Limited (a subsidiary Company of the AGCL), towards reimbursement of 50 percent of the salary and other expenses paid to the MD of the Company for working as an Executive Director of DNP Limited. The above fact merits suitable disclosure under Notes forming part of the Financial Statements.</p>	<p><u>Reply to D.1</u></p> <p>The amounts realised from DNPL is in the nature of recovery of the Companies expenses for services provided to DNPL. So this has no effect for payment of remuneration to the Managing Director, and hence not disclosed separately in the Notes to the accounts.</p> <p>However, this will be looked into for necessary disclosure in consultation with the auditors / Company Secretaries, in future.</p>



Annexure - IV

**I. Management Replies to:
Statutory Auditors Report for the year ended 31st March, 2016:**

Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016	Managements' Reply
	<p>Emphasis of Matters</p> <p>1. We draw attention to the following matters in the Notes to the financial statements :</p>	
<p>9. (a)</p>	<p>(a) Note 2.27(i) to the financial statements regarding charge of depreciation on Fixed Assets as per Straight Line Method.</p> <p>i. During the year life of fixed assets has been re-determined by an outside agency and consequently an amount of ₹7,52,75,374/- has been written back to accumulated Profit and Loss account with corresponding adjustment to the accumulated depreciation account (As on 01.04.2015). For calculating the impact of such changes on the written down value of the assets, 1st April 2004 (as against 1st April 2006 considered in previous year accounts) has been considered as the cut-off date and for additions to the assets made after 1st April 2004, depreciation on SLM has been calculated and the difference in the accumulated depreciation between the methods have been adjusted accordingly and in case of the assets acquired prior to 1st April 2004, the WDV of the assets on 1st April 2004 has been considered for calculation of depreciation under the new method.</p> <p>ii. Depreciation for the Financial Year 2015-16 has been calculated in accordance with the rates prescribed under Schedule II to the Companies Act 2013 based on the life term of the assets.</p>	<p><i>Noted and this will be looked into.</i></p>
	<p>(b) Note 2.27(v)(e) to the financial statements regarding Trade Receivable.</p> <p>The Company's Trade Receivable are carried in the Balance Sheet at ₹100,46,67,681/- which are subject to confirmation by the consumers and reconciliation with the control register.</p>	<p><i>The company had sought confirmation of balances of all the debtors but reply was received from 92 nos. (tea factories) consumers only confirming the balances. However, the company will persue the matter vigorously in future.</i></p>

Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016	Managements' Reply
Report on Other Legal and Regulatory Requirements		
10.	As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order.	
11.	<p>As required by Section 143 (3) of the Act, we report that:</p> <ol style="list-style-type: none"> a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account; d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; e. on the basis of written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of section 164(2) of the Act; f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-III; and 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: <ol style="list-style-type: none"> i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2.27(v) 'Trade Receivables' to the financial statements; ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. 	<i>Noted.</i>



Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016	Managements' Reply
	<p>As required by Section 143 (5) of the Act, we report as per Directions and sub-directions received from Comptroller & Auditor General of India as under :</p> <p>Directions</p> <ol style="list-style-type: none"> 1. The Company has not been selected for disinvestment. 2. The company has made provision ₹5,58,71,289/- during the year towards bad and doubtful debts. 3. There are no inventories lying with third parties & Assets received as gift from Govt. Or other authorities. 4. There are no pending legal / arbitration cases. 	<p><i>Noted.</i></p>
	<p>Sub-Directions</p> <ol style="list-style-type: none"> 1. Land <ol style="list-style-type: none"> (i) Title / Lease Deeds: We have examined Title/ Lease Deeds of the landed property of the Company property, whether freehold / leasehold. In the course of our examination it was observed that the land where the Administrative Office and the Compressor Machines of the company are situated, has not been registered in its name. The said land is yet to be formally transferred to the company - which was allotted by the Government of Assam to the company in the year 1968; and since then under their occupation, however the Company has initiated action in this regard. We have not come across any other cases where deeds are not available or the title is disputed or the property is under encroachment. (ii) Physical Survey: The Company did not conduct physical survey during the year. 	<p><i>Noted.</i></p>

Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016	Managements' Reply
	<p>2. Trade and Other Receivables</p> <p>(i) The amount receivable from various parties as reflected under Trade Receivables amounting to ₹100,46,67,681/- remains mostly unreconciled and unconfirmed. The above amount includes ₹42,93,67,991/- being long outstanding dues from ASEB.</p> <p>(ii) Not applicable, in view of answer to sr. no. (i) above, being not confirmed at all.</p>	<p><i>The company had sought confirmation of balances of all the debtors but reply was received from 92 nos. consumers only confirming the balances. However, this will be pursued vigorously in future.</i></p> <p><i>The outstanding balances of ₹42,93,67,991/- from APGCL (earlier ASEB) is due to certain issues raised by APGCL and the Company has taken necessary steps to resolve the issues through discussions at the earliest, while for the outstanding balance of ₹20,32,26,549/- from EIPL the Company has resorted to legal recourse through Arbitration for the recovery of the same.</i></p>



Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016	Managements' Reply
	<p>ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT Referred to in paragraphs 7 of the Independent Auditors Report of even date to the members of Assam Gas Company Limited on the standalone financial statements as of and for the year ended March 31, 2016.</p>	
	<p>The Annexure I referred to in Independent Auditors Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:</p> <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Fixed assets of the Company has been physically verified by the management during the year and no material discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.</p>	<p><i>Noted</i></p>
	<p>(ii) As explained to us, the inventories of store items and spares were physically verified at regular intervals by the Management and discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.</p> <p>(iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.</p>	<p><i>Noted</i></p> <p><i>Noted</i></p>
	<p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions Section 185 and 186 of the Act, with respect to the loans and investments made.</p>	<p><i>Noted</i></p>
	<p>(iv) The company has not accepted any deposits from the public.</p>	<p><i>Noted</i></p>
	<p>(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.</p>	<p><i>Noted</i></p>

Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016					Managements' Reply
	(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.					<i>Noted</i>
	(b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:-					
	Name of Statute	Nature of Dues	Amount (₹)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending	<i>Noted for necessary action</i>
	Income Tax Act	Tax	3 93 305	A.Y. 2006-07	Assessing Officer	
	Income Tax Act	Tax	54 479	A.Y. 2007-08	Assessing Officer	
	Income Tax Act	Tax	4 687	A.Y. 2008-09	CPC Bangalore	
	Income Tax Act	Tax	43 82 510	A.Y. 2009-10	Assessing Officer	
	Income Tax Act	Tax	63 83 200	A.Y. 2010-11	Assessing Officer	
	Income Tax Act	Tax	14 56 630	A.Y. 2011-12	Assessing Officer	
	Income Tax Act	Tax	4 67 900	A.Y. 2012-13	Assessing Officer	
	Assam VAT ACT	Tax	210341937	F.Y. 2006-07	Assessing Officer	
	Assam VAT ACT	Tax (including interest)	23154048	F.Y. 2007-08	Additional Commissioner, Assam VAT	
	Assam VAT ACT	Tax (including interest)	214354758	F.Y. 2008-09	Assam Board of Revenue	
	Service Tax	Tax (including interest)	40228701	2007 to 2012	CESTAT, Kolkata	
	Service Tax	Tax	52 28 245	2012-2013	CESTAT, Kolkata	
	Service Tax	Tax	87 72 606	Oct'12 to Sep'13	CESTAT, Kolkata	
	Service Tax	Tax	15256361	Apr'09 to Mar'14	CESTAT, Kolkata	
	Service Tax	Tax	24 18 855	2013-2014	CESTAT, Kolkata	
	Service Tax	Tax	88 36 530	Oct'13 to Sep'14	CESTAT, Kolkata	



Sl. No.	Statutory Auditors Report on the Annual Accounts of the Company for the year ended 31 st March 2016	Managements' Reply
(viii)	The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the Order is not applicable.	<i>Noted</i>
(ix)	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.	<i>Noted</i>
(x)	According to the information and explanations given to us, no material fraud by the Company by its officers or employees has been noticed or reported during the course of our audit.	<i>Noted</i>
(xi)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read Schedule V to the Act.	<i>Noted</i>
(xii)	In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	<i>Noted</i>
(xiii)	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.	<i>Noted</i>
(xiv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	<i>Noted</i>
(xv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.	<i>Noted</i>
(xvi)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.	<i>Noted</i>
	<p>Annexure to the Independent Auditors' Report</p> <p>Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")</p> <p>Opinion</p> <p>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 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.</p>	<i>Noted</i>

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

BALANCE SHEET

<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES			
1. Share Holders Fund:			
a. Share Capital	2.1	16 91 44 900	16 91 44 900
b. Reserves & Surplus	2.2	592 49 79 837	519 49 84 012
c. Money received against share warrant		0	0
		609 41 24 737	536 41 28 912
2. Share Application Money pending allotment			
3. Non Current Liabilities			
a. Long term borrowings	2.3	0	0
b. Deferred tax liability (net)	2.4	6 54 66 003	5 73 40 345
c. Other long term liabilities	2.5	53 34 56 623	39 09 90 708
d. Long term provisions	2.6	17 11 661	1 79 00 000
		60 06 34 287	46 62 31 053
4. Current Liabilities			
a. Short term borrowings		0	0
b. Trade payables	2.7	27 24 36 333	26 97 13 663
c. Other current liabilities	2.8	16 40 68 440	8 68 44 064
d. Short term provisions	2.9	37 64 97 900	32 75 77 604
		81 30 02 673	68 41 35 331
	TOTAL	750 77 61 697	651 44 95 296
ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets			
	2.10		
a. Gross Block		307 58 30 612	296 09 85 511
b. Less: Depreciation		185 74 09 625	187 47 72 864
c. Net Block		121 84 20 987	108 62 12 647
d. Revalued Fixed Assets		0	0
		121 84 20 987	108 62 12 647



<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
(b) Capital Work in progress	2.11	5 81 75 927	4 94 83 084
(c) Non-current investments	2.12	86 30 00 000	86 30 00 000
(d) Deferred tax assets (net)		0	0
(e) Long-term loans and advances	2.13	40 89 85 315	10 50 881
(f) Other non-current assets	2.14	13 13 428	18 30 497
		133 14 74 670	91 53 64 462
2) Current assets			
(a) Current investments			
(b) Inventories	2.15	14 48 87 301	16 07 85 426
(c) Trade receivables	2.16	100 46 67 681	83 79 18 201
(d) Cash and cash equivalents	2.17	299 61 79 566	292 48 28 115
(e) Short-term loans and advances	2.18	70 76 89 992	45 13 04 306
(f) Other current assets	2.19	10 44 41 500	13 80 82 139
		495 78 66 040	451 29 18 187
	TOTAL	750 77 61 697	651 44 95 296
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

In terms of our report of even date attached to herewith

For **S K Mallick & Co.**
Chartered Accountants
Firm Regd. No. 324892E

Shri Vijay Kr. L
Chief Financial Officer
Assam Gas Co. Ltd.
P.O.: Duliajan

Shri A. K. Sharma
Managing Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 07285877

(CA. Pradip Baksi)
Partner
(Membership No. 054264)

Dated : 30th June 2016
Place : Guwahati (Camp)

Shri P. K. Das
Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 01667150

Smt. D. Dev Gupta
Company Secretary
Assam Gas Co. Ltd.
P.O.: Duliajan

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

PROFIT & LOSS STATEMENT

<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
I. Revenue from operations	2.20	279 35 64 445	243 72 36 428
II. Other income	2.21	39 81 53 283	37 67 26 042
III. Total Revenue (I + II)		319 17 17 728	281 39 62 470
IV. Expenses:			
Purchases of stock in trade	2.22	146 47 00 131	125 27 73 787
Employee benefit expenses	2.23	40 49 87 894	37 96 59 987
Finance costs	2.24	1 05 32 957	78 82 601
Depreciation and amortization expenses	2.10	5 79 12 135	8 14 77 768
Other expenses	2.25	22 95 46 577	18 83 81 307
Total expenses		216 76 79 694	191 01 75 450
V. Profit before exceptional and extra-ordinary items and tax (III - IV)		102 40 38 034	90 37 87 020
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		102 40 38 034	90 37 87 020
VIII. Prior period & extraordinary Items		(1 44 642)	0
IX. Profit before tax (VII - VIII)		102 41 82 676	90 37 87 020
X. Tax expenses			
1) Current tax		34 28 88 843	30 90 78 582
2) Deferred tax		81 25 658	(6 25 296)
		35 10 14 501	30 84 53 286



<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>			
XI. Profit for the period from continuing operations (IX - X)		67 31 68 175	59 53 33 734
XII. Profit from discontinuing operations		0	0
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit from Discontinuing operations (after tax) (XII - XIII)		0	0
XV. Profit for the period (XI + XIV)		67 31 68 175	59 53 33 734
XVII. Balance of profit transferred to Reserve & surplus A/c		67 31 68 175	59 53 33 734
XVIII. Earnings per equity share:			
(1) Basic		398	352
(2) Diluted		398	352
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

In terms of our report of even date attached to herewith

For **S K Mallick & Co.**
Chartered Accountants
Firm Regd. No. 324892E

Shri Vijay Kr. L
Chief Financial Officer
Assam Gas Co. Ltd.
P.O.: Duliajan

Shri A. K. Sharma
Managing Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 07285877

(CA. Pradip Baksi)
Partner
(Membership No. 054264)

Shri P. K. Das
Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 01667150

Smt. D. Dev Gupta
Company Secretary
Assam Gas Co. Ltd.
P.O.: Duliajan

Dated : 30th June 2016
Place : Guwahati (Camp)

**ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM**

CASH FLOW STATEMENT

(Rupees)

	For the year 2015-16	For the year 2014-15
I. CASH FLOW FROM "OPERATING ACTIVITIES"		
a) Net Profit before Tax	102 41 82 676	90 37 87 020
b) Adjustments for :		
i) Depreciation	5 79 12 135	8 14 77 768
ii) Interest on Loans	(56 57 923)	10 40 917
iii) Misc. Expenditure	5 17 069	5 17 069
iv) Interest on Fixed Deposit	(27 19 95 536)	(25 02 85 021)
v) Dividend received	(93 83 000)	(59 71 000)
Operating Profit before working capital changes	79 55 75 421	73 05 66 753
c) Working capital changes :		
i) Decrease in inventories	1 58 98 125	(2 35 47 279)
ii) Increase in Sundry Debtors	(16 68 94 122)	(5 12 85 506)
iii) Increase in S Term Loans & Advances	2 76 36 129	54 17 150
iv) Increase in other Current Liabilities	8 07 11 996	(1 32 80 235)
v) Increase in Trade payable	27 22 670	3 43 31 941
vi) Other non current assets	0	(13 96 459)
Cash generated from operations	75 56 50 219	68 08 06 365
Less : Income-tax / FBT/Cenvat paid	(34 05 76 667)	(33 40 86 049)
Cash Flow before extra ordinary items	41 50 73 552	34 67 20 316
Add : Earlier year adjustment	0	0
Net Cash from operating activities (A)	41 50 73 552	34 67 20 316
II. CASH FLOW FROM "INVESTING ACTIVITIES"		
i) Purchase of Fixed Assets	(12 35 37 944)	(6 50 30 912)
ii) Fixed Deposits	(9 65 88 657)	(48 66 20 762)
iii) Dividend received	93 83 000	59 71 000
iv) Interest received on Fixed Deposits	30 56 36 175	21 55 02 124
Net Cash used in investing activities (B)	9 48 92 574	(33 01 78 550)
III. CASH FLOW FROM "FINANCING ACTIVITIES"		
i) Interest on Loans	56 57 923	(10 40 917)
ii) Dividend & Tax paid	(1 92 04 397)	(1 83 65 591)
iii) Increase in Long term Liabilities	14 24 65 915	2 77 59 415
iv) Increase in Long Term term Loans & Advances	65 566	55 132
v) Increase in Long term provisions	(1 61 88 339)	(46 487)
vi) Increase in Loan to DNPL	(64 80 00 000)	0
Net Cash used in financing activities (C)	(53 52 03 332)	83 61 552
Net Increase in Cash & Cash equivalents (A + B + C)	(2 52 37 206)	2 49 03 318
Cash & Cash equivalents at the begining of the year	6 58 11 752	4 09 08 434
Cash & Cash equivalents at the end of the year	4 05 74 546	6 58 11 752

Note to the Cash Flow Statement :

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.



ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM
SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies

1.1 Corporate information

Assam Gas Company Limited, a Government of Assam Undertaking - fully owned and controlled by the Government of Assam through Equity participation, is a Private Limited Company incorporated in India under the provisions of the Companies Act, 1956.

1.2 (i) Convention

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

(ii) Use of Estimates

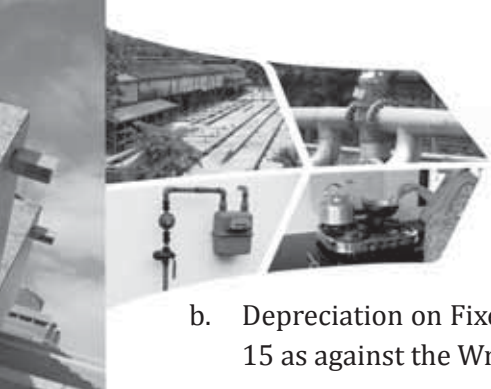
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual results and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

(iii) Fixed Assets

- i) Fixed Assets are stated at their original cost inclusive of freight, duties, taxes and other incidental expenses related to acquisition and any other cost attributable to bringing the same to their working condition.
- ii) In the case of commissioned assets where final payment to the contractor is pending, capitalization is made on provisional basis subject to necessary adjustment in cost and depreciation in the year of settlement.
- iii) Borrowing cost attributable to construction of Capital Assets is capitalised till the date of commencement of commercial use of the assets. Other borrowing costs are recognised as expense.
- iv) Capital cost recovered from consumers, are credited to Capital Reserve and the Fixed Assets are valued at cost.

(iv) Depreciation

- a. Depreciation on Fixed Assets is provided on Straight Line method at the rates prescribed under schedule II to the Companies Act 2013.

- 
- b. Depreciation on Fixed Assets is provided on Straight Line Method w.e.f Financial Year 2014-15 as against the Written Down Value (WDV) Method followed earlier.
 - c. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in cases where useful life is different than those prescribed in Schedule II are used.
 - d. Tools and Plants issued and utilised are charged off in the year of issue.
 - e. No depreciation is provided on Capital Work-in-Progress.

(v) Accounting of Work In Progress

- i) Cost of Right - of - way (ROW) of land for laying pipelines is capitalized as capital work-in-progress.
- ii) Crop and other compensation paid are accounted for under capital work-in-progress on the basis of actual payments as and when work commences where ROW is acquired.
- iii) Capital work-in-progress includes value of materials received at site for use in the projects.
- iv) Expenditure on job work and contracts are accounted for based on bills recommended/ jobs certified and approved by appropriate authority. Amounts deducted for delayed supplies/ delayed completion of works etc., if any, is accounted for on crystallization of such amounts.

(vi) Investments

- a. Non Current Investments are valued at cost. However, provision for diminution in value is made to recognize a decline in the value, other than temporary.
- b. Current Investments are valued at lower of cost or fair value.

(vii) Stock of Stores

- i) Stock of Stores are valued at cost and are determined from Stores Price Ledger.
- ii) Stores Price Ledger is reconciled with physical balances of Stores. Difference if any, below ₹5 000/- is to be adjusted in account and is to be written off as per policy. Difference if any, of ₹5 000/- and above is adjusted in accounts after proper investigation.

(viii) Trade Receivables

Provision for bad and doubtful debts on Trade receivable have been made at the rate of 2% on the "Revenue from operations" (Profit & Loss Account).

(ix) Statement of Profit & Loss

- i) Gas Sale Price is determined on the basis of Gas Cost Price inclusive of marketing margin at the rate approved and notified by Central Government. Besides this, no additional cost is marked up on the cost price.



- ii) In case of Gas Sales, invoices / bills are raised and accounted for in the same year on the basis of provisional rates / prices which are subject to confirmation by the producers of gas and / or Central Government. Revised bills raised due to change in the prices effected by the producers and / or Central Government are accounted for in the year in which such intimation is received by the Company.
- iii) In case of Gas purchases, invoices / bills raised by supplier of Natural Gas are accounted for in the same year on the basis of provisional rates / prices. Revised bills, if any, raised by suppliers due to change in the prices effected by the producers and / or Central Government are accounted for in the year in which such intimation is received.
- iv) Interest on staff-loan is accounted for on cash basis. However, Interest on delayed payment from the consumers, have been accounted for on accrual basis.
- v) Deferred tax provision has been made in the accounts in accordance with the requirement of the Accounting Standard on "Taxes on Income" (AS-22). The only component of the Deferred Tax Liability is on the tax effect of timing differences on depreciation has been considered.
- vi) VRS payments made have been accounted for by way of charging to Statement of Profit and Loss an amount equal to 1/5th of such payments and the balance are charged to Miscellaneous expenditure (Asset) to be written off over next four succeeding years.
- vii) Gratuity has been accounted for on the basis of actuarial valuation. Employees Leave Encashment benefits, has been accounted for on the basis of actual payments made during the year.
- viii) Adjustments for Income Tax provision, Advance Tax paid and Tax Deducted at Source are made for the excess or short provision made and deductions not admitted and refunds made by the department, on the basis of the latest available Annual Return filed or the Assessment Orders received.
- ix) Sales Tax – VAT on Gas sales and Service Tax on TC are paid on the basis of the sales invoices (including Debit Notes and Credit Notes) actually raised during each month and are realized from the consumers subsequently. Annual and monthly Returns of VAT and Service Tax are also filed on the basis of the Sales Invoices raised during each month and difference between the Ledger balance and the actual payments are reconciled at the end of the year.

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2016

<i>(Rupees)</i>		
	As at 31-03-2016	As at 31-03-2015
1. 2.1 - SHARE CAPITAL :		
AUTHORISED SHARE CAPITAL :		
20,00,000 Equity Shares of Rs. 100/- each	20 00 00 000	20 00 00 000
ISSUED, SUBSCRIBED, CALLED & PAID-UP:		
16,91,449 Equity shares of Rs. 100/- each, fully called and fully paid up (1691449 Equity Shares of Rs. 100/- each held by Govt. of Assam)	16 91 44 900	16 91 44 900
	16 91 44 900	16 91 44 900
2. NOTE:- 2.2 RESERVES & SURPLUS		
Revaluation Reserves		
Opening balance (Revalued Land cost in 1985)	38 87 252	46 03 580
Less: Adjustment during the year (other than Land cost)	0	7 16 328
Closing balance	38 87 252	38 87 252
Capital Reserve		
Opening balance	69 10 823	69 10 823
Less: Adjustment during the year	0	0
Closing balance	69 10 823	69 10 823
Profit & Loss A/C		
Opening balance	518 41 85 937	407 57 40 527
Add: Depreciation written back due to change to SLM	7 52 75 374	53 25 33 738
Add: Amount transferred from surplus	67 31 68 175	59 53 33 734
Amount adjusted from others (Dividend Tax 2013-14)	0	(2 17 665)
Amount available for appropriation	593 26 29 486	520 33 90 334
Appropriations:		
Provision for dividend	1 69 14 490	1 69 14 490
Dividend tax	15 33 234	22 89 907
Closing balance	591 41 81 762	518 41 85 937
	592 49 79 837	519 49 84 012

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
3. NOTE :- 2.3 LONG TERM BORROWINGS	0	0
	0	0
4. NOTE :- 2.4 DEFERRED TAX LIABILITY		
Accumulated at the beginning of the year	5 73 40 345	5 79 65 641
Provided for the year	81 25 658	(6 25 296)
	6 54 66 003	5 73 40 345
5. NOTE :- 2.5 OTHER LONG TERM LIABILITIES		
(i) SECURITY DEPOSIT FROM DOMESTIC CONSUMERS		
Duliajan Gas Grid	83 46 350	77 02 850
Sibsagar Gas Grid	66 51 526	63 64 526
Moran Gas Grid	41 26 000	39 72 700
Nazira/Simaluguri Gas Grid	33 38 800	32 61 800
Digboi Gas Grid	34 42 240	33 38 190
Dibrugarh Gas Grid	1 29 92 031	1 19 92 727
Naharkatia Domestic Grid	11 06 000	11 04 500
Margerita Domestic Grid	25 54 880	23 47 700
Jorhat Domestic Grid	24 87 800	19 04 000
Ledo Domestic Grid	4 94 200	3 77 880
Tinsukia Domestic Grid	85 95 973	80 64 840
	5 41 35 800	5 04 31 713
(ii) SECURITY DEPOSIT FROM T.E. & OTHERS:		
Tea Estates/Gardens.	3 21 93 710	2 43 68 710
Duliajan College	1 000	1 000
Contractors	1 79 09 723	1 31 47 489
Earnest Money	64 20 446	71 48 063
	5 65 24 879	4 46 65 262
(iii) ADVANCE FROM T.E. AND OTHERS:		
Tea Gardens	40 69 87 737	27 47 93 217
T.E. (Capital Cost)	5 25 000	5 25 000
T.E. (Gas Meter)	57 19 741	54 69 741
NRPP diversion project - PWD Assam	41 50 000	41 50 000
Domestic Consumers	54 13 466	77 08 834
	42 27 95 944	29 26 46 792
(iv) Suspense Receivable	0	32 46 941
	0	32 46 941
	53 34 56 623	39 09 90 708

Notes forming part of the Financial Statement as at 31st March, 2016

(Rupees)		
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
6. NOTE :-2.6 OTHER LONG TERM PROVISIONS		
O L for Superannuation benefits of employees	17 11 661	1 79 00 000
	17 11 661	1 79 00 000
7. NOTE :- 2.7 TRADE PAYABLES		
Oil India Ltd., Duliajan	10 52 63 375	7 40 44 366
ONGC, Sibsagar	16 71 72 958	19 56 69 297
	27 24 36 333	26 97 13 663
8. NOTE :- 2.8 OTHER CURRENT LIABILITES		
(I) STATUTORY LIABILITIES:		
Staff Professional Tax	86 149	85 401
Employees Income Tax deducted at source	93 22 787	36 29 672
Contractors' Income Tax	14 43 862	13 31 190
Salary Savings Scheme	10 95 576	9 98 670
Recurring Deposit (Staff)	30 500	26 000
Group Savings Link Insurance	72 881	70 841
Assam Sales Tax	69 702	69 702
Providend Fund Recovery	50 87 434	48 45 870
VAT on contracts/supplies	6 01 082	7 16 300
VAT on Natural Gas	1 18 32 166	93 72 424
	2 96 42 139	2 11 46 070
(II) OTHER LIABILITY		
AGCL Staff Co-op. Society	3 41 108	3 45 806
AGCL Tea Canteen	42 460	41 156
AGCL Executive Club	29 265	36 337
AGCL Staff Recreation Centre	11 643	11 193
KWH Pipes (India) Ltd.	1 20 100	1 20 100
Outstanding Liabilities for expenses	13 38 81 725	6 51 43 402
	13 44 26 301	6 56 97 994
(III) CURRENT MATURITIES OF LONG TERM LOAN		
	0	0
	0	0
	16 40 68 440	8 68 44 064

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
9. NOTE :- 2.9 SHORT TERM PROVISIONS		
Provision for Dividend	1 69 14 490	1 69 14 490
Provision for Tax on Dividend	15 33 234	22 89 907
Provision for Income Tax/FBT	34 62 73 425	30 08 40 749
Provision of Service Tax on TC/GM Maint bills	1 17 76 751	75 32 458
	37 64 97 900	32 75 77 604
10. NOTE NO: 2.10 SCHEDULE OF FIXED ASSETS		
<i>(enclosed separately)</i>		
11. NOTE NO: 2.11 CAPITAL WORK - IN - PROGRESS		
Pipeline H.D.P.E.	4 14 47 750	4 45 31 259
CNG/LNG Project	33 36 328	1 67 890
Scada	1 19 44 449	37 07 785
Power Project	14 47 400	10 76 150
	5 81 75 927	4 94 83 084
12. NOTE :- 2.12 NON CURRENT INVESTMENTS		
Equity contribution in Tripura Natural Gas Co. Ltd. <i>(27,000 nos. of Equity Shares @ 100/- fully paid up)</i>	1 00 00 000	1 00 00 000
Equity Contribution in DNP Limited <i>(85300000 nos. of Equity Shares @ 10/- fully paid up)</i>	85 30 00 000	85 30 00 000
	86 30 00 000	86 30 00 000
13. NOTE :- 2.13 LONG TERM LOANS & ADVANCES		
AGCL Gratuity Trust Account	1 000	1 000
Security Deposit	11 69 699	11 00 225
Assam Entry tax	(1 85 384)	(50 344)
Loans to M/s. DNP Limited	40 80 00 000	0
	40 89 85 315	10 50 881
14. NOTE :- 2.14 OTHER NON-CURRENT ASSETS		
Misc. Expenditure (to the extent not written off)		
VRS Payments - Accumulated balance	18 30 497	9 51 107
Add : Paid during the year	0	13 96 459
	18 30 497	23 47 566
Less : Adjusted during the year	5 17 069	5 17 069
	13 13 428	18 30 497
15. NOTE :- 2.15 INVENTORIES		
<i>(As taken , valued and certified by the Management at cost)</i>		
Stock of Stores and Spares	11 17 31 471	12 21 73 792
Stock of Stores(Project)	1 68 42 754	1 91 90 186
Stock with Instrument Deptt. & Crisis Mgmt.com.	24 79 277	52 79 518
Stock of Medical Stores	3 21 919	2 67 406
Stock of Stores at Site Office	1 35 11 880	1 38 74 524
	14 48 87 301	16 07 85 426

Notes forming part of the Financial Statement as at 31st March, 2016

2.10 Schedule of Fixed Assets

ANNEXED TO AND FORMING OF THE BALANCE SHEET AS AT 31ST MARCH, 2016

(Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK on SLM		
	COST AS AT 01-04-15	ADDITION FOR THE YEAR	ADJUSTMENT	COST AS AT 31/03/2016	UP TO 01-04-15 (under SLM)	ADJUSTMENT ON SLM conversion	FOR THE YEAR (SLM)	Adjustment to Assets	TOTAL (under SLM)	AS AT 31-03-16	AS AT 31-03-15
A. Land	2 10 00 934	2 89 383	0	2 12 90 317	0	0	0	0	0	2 12 90 317	2 10 00 934
B. Residential & Factory Building	12 77 33 936	1 04 62 558	0	13 81 96 494	6 00 69 042	(10 09 515)	43 72 593	0	6 34 32 119	7 47 64 375	6 69 84 638
C. Pipe Lines & Plant & Machinery	273 22 49 521	7 44 07 491	0	280 66 57 012	175 42 67 597	(7 42 58 551)	4 72 44 222	0	172 72 53 258	107 94 03 754	97 79 81 938
D. Office Equipment	50 29 228	1 47 940	0	51 77 168	35 55 052	(86 369)	5 61 214	0	40 29 897	11 47 271	14 74 175
E. Hospital Equipments	12 93 718	0	0	12 93 718	12 34 400	(50 977)	7 307	0	11 90 730	1 02 988	59 318
F. Miscellaneous Fixed Assets	38 32 824	0	0	38 32 824	36 47 124	(1 16 940)	65 422	0	35 95 606	2 37 218	1 23 922
G. Electrical Installation	64 16 756	1 24 94 779	0	1 89 11 535	47 43 952	21 596	14 49 865	0	62 15 412	1 26 96 123	17 34 594
H. Roads, Drains and Water Works	2 16 21 059	41 82 065	0	2 58 03 124	1 53 62 844	11 22 717	17 93 164	0	1 82 79 725	75 24 399	69 38 470
I. Furniture & Fixture	88 57 333	8 50 960	0	97 48 293	61 68 050	(6 288)	4 38 033	0	65 99 795	31 48 496	26 89 291
J. Motor Vehicles	1 05 51 819	1 16 09 570	0	2 21 61 389	52 83 623	1 65 391	13 49 590	0	68 18 574	1 53 42 815	52 68 197
K. E.D.P. System	1 89 75 447	3 80 355	0	1 93 35 802	1 74 23 076	(4 86 806)	4 97 736	0	1 74 22 208	19 13 594	15 52 371
L. Communication System	34 22 935	0	0	34 22 935	30 19 113	(5 77 830)	1 33 017	0	25 73 300	8 49 635	4 04 821
Total	266 09 85 511	11 48 45 101	0	307 58 30 612	187 47 72 864	(7 52 75 374)	5 79 12 135	0	185 74 09 625	121 84 20 987	108 62 12 647
Previous Year's Figures	290 34 19 103	5 75 66 408	0	296 09 85 511	232 58 28 834	(53 25 33 738)	8 14 77 766	0	187 47 72 864	188 62 12 647	57 75 90 259

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
16. NOTE :- 2.16 TRADE RECEIVABLES <i>(Unsecured and considered good)</i>		
Brahmaputra Valley Fertiliser Corpn. Ltd.	7 68 33 199	11 11 34 911
Assam State Electricity Board, Namrup	15 90 77 489	8 61 81 917
Assam State Electricity Board, Maibela	27 02 90 502	18 96 34 126
Assam Petro Chemicals Ltd.	21 15 973	20 53 502
Sonari area T E	1 91 96 270	1 14 17 673
NEEPCO	61 25 830	90 47 678
Oil India Limited, Duliajan	4 95 014	2 59 189
Domestic Consumers Receivable	10 29 70 586	10 44 73 117
Moran Plantation line	1 23 76 914	23 45 024
Naharkatia/Duliajan Area gardens	2 19 83 839	1 55 75 620
Dibrugarh area T.E.	3 05 65 616	2 10 61 645
Doomdooma area T.E.	4 28 52 954	2 95 80 164
Margherita Tea Gas Grid	2 51 71 359	1 90 45 011
Tinsukia Tea Gas Grid	5 92 22 253	4 66 12 894
Jorhat-Golaghat Line T.E.	2 53 86 488	1 94 73 940
ASEB NRPP	3 14 257	59 99 581
Suspense a/c	(22 04 724)	(3 65 706)
	85 27 73 819	67 35 30 286
<i>(Unsecured and considered doubtful)</i>		
ASEB Namrup	0	63 77 935
Tea Gardens (Under Court Case)	45 38 602	53 28 646
DLF Project	20 32 26 549	20 32 26 549
	20 77 65 151	21 49 33 130
	106 05 38 970	88 84 63 416
Less : Provision for Bad and doubtful debts	5 58 71 289	5 05 45 215
	100 46 67 681	83 79 18 201
<u>Sundry debtors - Age Analysis</u>		
<i>Less than six months</i>	47 67 88 015	48 59 51 723
<i>More than six months</i>	52 78 79 666	35 19 66 478
	100 46 67 681	83 79 18 201

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
17. NOTE :- 2.17 CASH & CASH EQUIVALENTS		
a) Cash in hand:		
With Head Office, Duliajan	4 99 263	7 87 186
With Officials (Imprest)	2 30 881	1 84 933
Cash at Guwahati Office	1 489	1 196
Cash at Silchar Office	39 422	12 913
	7 71 055	9 86 228
b) Balances with Banks:		
State Bank of India, Mathurapur	97 997	98 627
State Bank of India, Moran	8 35 146	7 92 650
State Bank of India, Nazira	1 04 477	3 99 026
State Bank of India, Duliajan, A/C No. 124 (Gen)	14 33 872	2 22 432
State Bank of India, Sibsagar	2 35 651	12 56 152
State Bank of India, Dibrugarh	8 70 821	23 69 372
State Bank of India, Digboi	6 96 779	31 62 931
State Bank of India, Gargaon	1 02 848	29 04 320
State Bank of India, Silchar	10 216	4 893
State Bank of India, Tinsukia	10 15 083	5 30 163
State Bank of India, Duliajan (Dividend A/C)	1 671	4 576
United Bank of India, Duliajan	18 709	45 41 413
United Bank of India, Chawkidighi, Dibrugarh	7 16 919	1 33 351
United Bank of India, Digboi	12 57 841	66 75 265
United Bank of India, Naharkatia	3 72 639	3 06 727
United Bank of India, Ledo	3 55 790	4 61 304
UCO Bank, Sibsagar	3 63 194	72 05 127
UCO Bank, Duliajan (Lien A/C)	3 50 165	6 74 548
Assam Co-Op. Apex Bank Ltd. Duliajan (Non Schedule)	30 05 102	67 93 842
Allahabad Bank, Duliajan	1 72 34 819	9 13 283
Allahabad Bank, Dibrugarh (47)	30 27 681	14 89 172
Allahabad Bank, Sibsagar	20 64 427	28 93 333
Allahabad Bank, Tinsukia	16 16 323	84 55 027
Punjab National Bank, R.G. Baruah Rd, Guwahati	3 716	1 99 281
Canara Bank, Duliajan	27 679	5 09 242
Canara Bank, Titabar	14 891	0
Indian Bank, Dibrugarh	1 69 723	12 83 825
Vijaya Bank, Jorhat	12 63 258	41 86 852
Central Bank of India, Margherita	25 36 054	63 58 790
	3 98 03 491	6 48 25 524
Balances with banks in Deposit accounts:		
Fixed Deposit With Scheduled Banks	294 35 68 359	284 78 43 509
Fixed Deposit With Non Scheduled Banks	1 20 36 661	1 11 72 854
	295 56 05 020	285 90 16 363
	299 61 79 566	292 48 28 115

Notes forming part of the Financial Statement as at 31st March, 2016

		(Rupees)	
		As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>			
18. NOTE :- 2.18 SHORT TERM LOANS & ADVANCES			
a) Advances to related parties			
DNP Limied (current maturity of Long term Adv)	24 00 00 000	0	
DNP Limied (short term advance)	54 06 966	3 08 73 652	
	24 54 06 966	3 08 73 652	
b) Loans & advances to employees			
Advance to staff	2 49 39 599	2 77 02 091	
Advance to Directors	0	0	
	2 49 39 599	2 77 02 091	
c) Prepaid expenses			
Pre-paid Insurance Premium	76 64 658	74 91 875	
	76 64 658	74 91 875	
d) Balance with Government Authorities			
Advance Income Tax	36 58 73 654	32 45 63 113	
Tax deducted at source	5 30 41 097	5 03 29 823	
Fringe Benefit Tax - Advance	14 89 298	14 89 298	
Service Tax on Advances	48 79 243	22 43 714	
CEN VAT (Service Tax)	36 92 551	34 50 352	
	42 89 75 843	38 20 76 300	
e) Other advances			
Advance to Contractors & Suppliers	1 44 297	26 42 759	
<i>(Less than 1 year - Rs. 1 44 297)</i>			
<i>(More than 1 yaer Less than 3 years - Rs. NIL)</i>			
AGC Staff Recreation Centre	43 000	65 000	
AGCL Executive Club	63 000	0	
Receivable from OIL	4 52 629	4 52 629	
	7 02 926	31 60 388	
	70 76 89 992	45 13 04 306	
<i>Unsecured and considered good</i>	70 76 89 992	45 13 04 306	
<i>Unsecured and doubtful of recovery</i>	0	0	
	70 76 89 992	45 13 04 306	
19. NOTE :- 2.19 OTHER CURRENT ASSETS			
Interest accrued on Fixed Deposit	10 44 41 500	13 80 82 139	
	10 44 41 500	13 80 82 139	

Notes forming part of the Financial Statement as at 31st March, 2016

				(Rupees)	
				As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>					
20. NOTE :- 2.20 REVENUE FROM OPERATIONS					
a) Gas Sales	183700214	SCM	176 41 15 934	142 72 70 652	
Less: VAT on Gas Sales			22 33 95 108	15 83 55 053	
			154 07 20 826	126 89 15 599	
b) Operating Income-Transmission Charges	1561083554	SCM	142 86 58 167	131 27 58 009	
Less: Service Tax on TC			17 58 14 548	14 44 37 180	
			125 28 43 619	116 83 20 829	
			279 35 64 445	243 72 36 428	
21. NOTE :- 2.21 OTHER INCOME					
Interest on Fixed Deposit			27 19 95 536	25 02 85 021	
Interest on Loan to DNP Limited			56 57 923	0	
Minimum Demand Charges (Gas)			3 48 10 109	5 34 45 711	
Minimum Demand Charges (TC)			4 70 58 439	3 65 78 632	
Interest on Delay payment			1 08 54 900	64 70 547	
Interest from Employees on Loan			14 09 271	15 49 873	
Dividend Income from Investment			93 83 000	59 71 000	
Sale of Materials			3 90 165	3 53 423	
Service charges			9 70 700	7 15 200	
Compensation Charges			5 23 918	30 04 984	
Guest House Charge realised			1 38 740	1 85 335	
House rent realised from employees			8 06 649	8 42 323	
Gas Charges realised from employees			88 470	87 730	
Miscellaneous receipts			1 37 50 807	1 65 21 913	
Income from works contracts			3 14 656	7 14 350	
			39 81 53 283	37 67 26 042	

Notes forming part of the Financial Statement as at 31st March, 2016

			(Rupees)	
			As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>				
22. NOTE :- 2.22 PURCHASES OF STOCK IN TRADE				
Gas Purchases	183995575	SCM	146 47 00 131	125 27 73 787
			146 47 00 131	125 27 73 787
23. NOTE :- 2.23 EMPLOYEES BENEFITS EXPENSE				
(a) EMPLOYEES REMUNERATION & BENEFITS:				
Salary & Wages			32 40 82 646	28 60 49 683
Providend Fund / Pension Fund Contribution			3 01 08 100	2 87 94 771
Arrear D.A.			21 92 357	16 80 138
Bonus & Exgratia to Employees			88 00 000	88 00 000
Ex-Gratia on Death of Employees			40 000	60 000
Employees Training Expenses			15 00 841	8 18 232
Group Gratuity Scheme			1 68 11 661	3 19 82 112
Welfare Expenses for Employee			16 97 965	13 97 701
Medical Expenses			1 33 59 621	1 41 61 127
Leave Travel Assistance			8 95 334	9 24 942
Leave Travel Concession			4 99 285	3 20 380
Retirement Journey Benefits			2 09 800	90 000
Group Superannuation Scheme			24 43 485	23 00 519
VRS & Premature Settlement Scheme			5 17 069	5 17 069
			40 31 58 164	37 78 96 674
(b) MD'S REMUNERATION & BENEFITS				
Remuneration			16 59 054	15 87 209
Providend/Pension Fund			1 70 676	1 76 104
			18 29 730	17 63 313
			40 49 87 894	37 96 59 987
24. NOTE :- 2.24 FINANCE COSTS				
Interest on Loan			0	10 40 917
Interest on Deposit & Advance			1 05 32 957	68 41 684
			1 05 32 957	78 82 601
25. NOTE :- 2.25 OTHER EXPENSES				
a) POWER & FUEL / COMPRESSION CHARGES				
Electricity Charges			44 63 589	40 09 519
Compressor Gas Fuel Expenses			1 20 82 054	2 07 46 493
Gas Compression charges			1 87 14 024	1 20 24 660
			3 52 59 667	3 67 80 672
(b) RATES & TAXES:				
Fees & Fines			30 01 006	6 41 158
Rent, Rates & Taxes			65 522	14 19 969
Company's Professional Tax			2 500	2 500
Interest on Service Tax			6 25 930	1 46 164
			36 94 958	22 09 791

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
(c) OTHER OPERATING EXPENSES:		
P.F. Administrative Expenses	21 70 317	25 25 743
Deposit Linked Insurance	10 67 287	10 67 287
Stipend to Trainees	11 21 907	4 62 544
MD's office Expenses	72 716	63 321
Guwahati office expenses	9 24 654	17 86 020
Printing & Stationery	10 96 260	15 96 367
Postage & Telegrams	1 42 072	1 08 310
Telephone charges	3 87 293	4 08 986
Vehicle Hire charges	86 68 141	71 06 894
Vehicle running expenses	43 37 501	40 97 305
Liveries	4 83 471	6 79 412
Advertisement	53 04 103	27 17 115
Bank charges	5 73 002	7 55 346
Legal expenses	54 12 123	22 70 312
Insurance premium	1 04 30 569	97 12 015
House rent	14 16 327	11 62 565
Books, Maps & periodicals	2 30 923	1 87 907
Carriage, Cartage & Freight	1 10 131	81 965
Meeting expenses	5 93 938	2 12 074
Donation & Subscription	50 32 953	40 31 633
Exhibition & Business development expenses	1 32 333	1 91 961
Miscellaneous Expenses	44 85 785	41 73 455
Guest House Expenses	7 38 687	4 82 706
Tools & Plants Consumed	1 02 180	7 50 874
Company's Celebration expenses	7 37 267	2 45 686
Sanitary Expenses	1 36 459	78 802
Land Survey Expenses	10 195	85 345
Compensation paid	41 393	2 14 030
Consultancy charges	9 10 979	0
Gas loss on transmission	2 64 81 159	2 64 06 370
Meter reading expenses	21 26 286	11 17 489
Loss on accident	0	40 43 169
Compensation paid on Fire Accident	33 45 353	23 13 072
Discount/ Rebate (net)	(2 52 995)	(12 47 208)
CSR expenses	37 00 877	0
Bad debts - written off	31 30 994	35 50 361
Provision for bad and doubtful debts	53 26 074	22 05 091
	10 07 28 714	8 56 44 324

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
(d) TRAVELLING EXPENSES:		
Employees	46 08 350	30 83 077
Managing Director'	8 73 440	8 71 514
Director's	9 066	3 61 316
Candidates/others	1 90 337	59 470
	56 81 193	43 75 377
(e) AUDIT FEE & EXPENSES:		
Statutory Audit Fee	1 00 000	80 000
Statutory Auditor' Fees for other services	40 000	50 000
Statutory Auditor' expenses	60 000	53 774
Cost Audit Fee	50 000	55 000
Fees & expenses to Tax Consultant	1 89 277	38 800
Fees to oher Auditors (Other services)	60 000	25 750
Audit expenses for others	51 062	89 500
	5 50 339	3 92 824
(f) CHAIRMAN'S EXPENSES:		
Travelling expenses	2 75 420	2 41 031
Office expenses	9 75 843	7 17 170
Honorarium	12 548	31 000
	12 63 811	9 89 201
(g) REPAIRS & MAINTENANCE		
Compressor	1 79 12 997	1 17 22 012
Pipelines	4 10 45 534	2 46 65 374
Gas Meter	11 37 637	11 13 122
Building	1 01 57 006	92 36 331
Vehicles	3 26 589	3 04 749
Colony	7 41 596	3 50 687
Compressor Station	1 60 004	9 61 137
Electrical Installation	45 17 551	14 58 650
Roads & Drains	17 02 792	5 51 553
Water Supply	13 12 848	35 64 305
EDP System	14 82 741	18 78 954
Plant & Machinery	1 29 912	4 97 544
Domestic Gas Lines	10 94 854	10 57 717
Other Assets	6 45 834	6 26 983
	8 23 67 895	5 79 89 118
	22 95 46 577	18 83 81 307

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

NOTES ON ACCOUNTS - 2015-16 (Continued)

2.26 1. Amount paid to Managing Director:

Remuneration	Rs. 16 59 054
P. F. Contribution & Pension Fund	Rs. 1 70 676

2. Number of employees who are in receipt of emoluments aggregating to Rs.24 00 000/- or more or Rs.2 00 000/- per month N I L
3. Figures of the previous year have been re-grouped, re-arranged, and re-casted wherever found necessary.
4. Figures are taken nearest to the Rupee.

2.27 Balance Sheet

i. Fixed Assets :

- a. During the year under review, no amount has been received from any consumer towards Capital cost.
- b. The method of providing depreciation on Fixed Assets, followed on Written Down Value method has been changed to Straight Line Method with effect from the Financial Year 2014-15 and consequent to the change in the method of depreciation an amount of ₹54,98,47,536/- up to the financial year 2014-15 has been adjusted against the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation account and the WDV of the assets. During the year under review, an amount of ₹7,52,75,374/- has been written back to accumulated Profit and Loss account with corresponding adjustment to the accumulated depreciation (as on 01-04-2015). For calculating the impact of such changes on the written down value of the assets, 1st April 2004 (as against 01-04-2006 considered in previous years' accounts) has been considered as the cut off date and for additions to the assets made after 1st April 2004, depreciation on SLM has been calculated and the difference in the accumulated depreciation between the methods have been adjusted accordingly and in case of the assets acquired prior to 1st April 2004, the WDV of the assets on 1st April 2004 has been considered for calculation of depreciation under the new method (SLM) as per the rates provided under Schedule XIV to the Companies Act, 1956.
- c. Depreciation for the Financial Year 2015-16 has been calculated in accordance with the rates prescribed under Schedule II to the Companies Act 2013 based on the life term of the assets. Accordingly depreciation amounting to ₹5,79,12,135/- has been charged to Profit & Loss account for the current Financial Year.

ii. Investments :

- a. Investment in Share Capital of M/s. Tripura Natural Gas Co. Ltd., Agartala (Tripura, India), which is jointly promoted (in 1990) by M/s. Assam Gas Company Ltd., and M/s. Tripura



Industrial Development Corporation, Agartala (Tripura, India), is valued at cost. The Shares of M/s. Tripura Natural Gas Co. Ltd. are not quoted in any of the Stock Exchanges. The Company is having 10% Equity Share holdings in M/s. Tripura Natural Gas Company Limited at a cost of Rs.1 00 00 000/- (as against Rs.28 65 000/- up to 2011-12) and all the Share Certificates have since been received.

In accordance with the requirement of Accounting Standard (AS) - 27 'Financial Reporting of Interests in Joint Ventures' the disclosures are giving below:

Description of Interest : Jointly controlled entity.

Proportion of ownership interest : 10% (25% till year 2004-05)

Name & Country of Incorporation : Tripura Natural Gas Co. Ltd., Agartala, Tripura, India.

Aggregate amounts of each of the Assets, Liability, Income and Expenses related to interest in the joint Venture:

Assets : Investment	100 00 000	Income : Dividend income	N I L
Advance(Shares)	N I L		
Receivables	N I L		
Liability :	N I L	Expenses :	N I L

Finalisation of Accounts of M/s. Tripura Natural Gas Company Limited for the year 2015-16 is under process.

- b.** Investment in Share Capital of M/s. DNP Limited, Guwahati (Assam, India), jointly promoted (in 2007) by M/s. Assam Gas Company Ltd., M/s. Numaligarh Refineries Limited, Numaligarh (Assam, India) and M/s. Oil India Limited, Duliajan (Assam, India), is valued at cost.

M/s.DNP Limited was incorporated as a Public Company Limited by Shares under the Companies Act, 1956 on 15th June, 2007, with its Registered Office at Guwahati (Assam, India), with an Authorised Capital of Rs. 150 00 00 000/-, divided into 15 00 00 000 equity shares of Rs.10/- each and the pattern of Equity Share holding structure was agreed at (w.e.f. 17th March 2009) which has increased to Rs. 1 70 00 00 000 (as on 31.03.13):

M/s. Assam Gas Company Limited	-	51%
M/s. Numaligarh Refineries Limited	-	26%
M/s. Oil India Limited	-	23%

and the contribution to Share Capital have since been made amounting to Rs.1 67 25 00 000/- in total, including Rs. 85 30 00 000/- invested by M/s. Assam Gas Company Limited.

Dividend for the Financial year 2014-15 amounting to Rs. 93 83 000 declared by DNPL have since been received and accounted for.

In accordance with the requirement of Accounting Standard (AS) - 27 'Financial Reporting of Interests in Joint Ventures' the disclosures are given below:

Description of Interest : Jointly controlled entity.
 Proportion of ownership interest : 51% (w.e.f. 17th March 2009)
 Name & Country of Incorporation : DNP Limited, Guwahati (Assam), India.

Aggregate amounts of each of the Assets, Liability, Income and Expenses related to interest in the joint Venture:

Assets : Investment	85 30 00 000	Income :	
Advance(others)	54 06 966	Dividend:	93 83 000
Loans	64 80 00 000	Interest on Loan:	56 57 923
Liability :	N I L	Expenses :	N I L

A copy of the Financial statements of M/s.DNP Limited for the year 2015-16, along with Consolidated Financial Statements, as required under 'Accounting Standard – 21', are annexed to herewith.

iv. Long term Loans & Advances :

During the year under review, Company has given to DNP Limited term loan amounting to ₹66,80,00,000/- at an interest rate of 10% p.a. repayable at the rate of ₹2,00,00,000/- per month alongwith interest. Long term advance (Note: 2.13) represents an amount of ₹40,80,00,000/- of the above loan amount and the balance amount, being current portion of the loan, is shown under Short Term Loans & Advances (Note: 2.18).

iv. Stock of Stores :

- (i) During the year under review, an amount of ₹294/- has been written off / adjusted in the books of accounts on account of difference between the Stores Price Ledger and the physical Stock.
- (ii) Stock with Instrumentation department and crisis management amounting to ₹24,79,277/- which includes ₹14,35,707/- being the realizable value of 11 numbers of Gas meters returned from the site from 2007-08 to 2015-16.

v. Trade receivables :

- a. During the year under review, an amount of ₹63,77,935/- being Trade Receivables (disputed bills on TC / MDC / Interest on delayed payments etc. pertaining to the years prior to 2002-03) from Assam State Electricity Board, Namrup (Note – 2.16), has been witten off and adjusted in the books of accounts by adjusting ₹32,46,941/- against Suspense Receivable account in Other Long Term Liabilities (Note – 2.5 (iv)) and balance ₹31,30,994/- is written off against the profit.
- b. Trade Receivables includes an amount of ₹20,32,26,549/- due from M/s. Eastern India Powertech Limited on account of Gas and TC Bills for the period December 2010 to January, 2013 (supply disconnected in January, 2013). Since M/s.EIPL has stopped making payments the same has been classified under 'Sundry Debtors – Unsecured and considered doubtful'.



The Company has resorted to legal remedies through Arbitration for the recovery of the amount due.

- c. Trade Recivable includes an amount of ₹42,94,73,599/- due from ASEB (NTPS – ₹15,90,77,489/- and LTPS – ₹27,02,90,502/-). During the year under review, ASEB – LTPS has raised dispute over the TC rates for the period 2008 onwards and accordingly has served a Debit Note on the Company amounting to ₹41,21,22,337/- for the period 2008 to 2015. The Company has neither accepted the debit note nor made any adjustments in the books of accounts though ASEB has started recovering the amounts through adjustment against the subsequent bills raised on them.
- d. No provision has been made in the accounts against the Trade Receivables – unsecured and considered doubtful of recovery. However, Provision for bad and doubtful debts have been provided at the rate of 2% on the “Revenue from Operation” (Profit & Loss Account) amounting to ₹53,26,074/- for the current year as per the Accounting Policies.
- e. Balances of the Trade Receivables are shown as per the balances in the General Ledger, which are subject to confirmation by the consumers and reconciliation with the control register. The Company has sent letters of confirmation to all the parties and some of the replies (including some major consumers) are yet to be received.

vi. Balance with Banks :

- i. The Company has been maintaining and operating a Current Account with Assam Co-operative Apex Bank Limited, Duliajan (Non Scheduled Bank) with balance of ₹67,93,842/- as on 31-03-2015 and ₹30,05,102/- as on 31-03-2016. The maximum balance at any point of time during the year in the said account was ₹67,93,842/.

vii. Reserves and Surplus :

Capital Reserves – ₹69,10,823/- represents non-refundable contributions received from the consumers towards capital cost (cost of Pipelines etc.).

viii. Other Liabilities :

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

ix. Profit & Loss Account :

- a. During the year under review, ASEB – LTPS has raised dispute over the TC rates for the period 2008 onwards and accordingly has served a Debit Note on the Company amounting to ₹41,21,22,337/- for the period 2008 to 2015. The Company has neither accepted the debit note nor made any adjustments in the books of accounts (reversal of TC already accounted for and booked in Profit & Loss) though ASEB has started recovering the amounts through adjustment against the subsequent bills raised on them. Discussion is under process between

both the parties to resolve the dispute. However, the amount of the debit note is shown under contingent liability.

- b. As required by the Accounting Standard on "Taxes on Income" (AS-22), the deferred tax provision amounting to ₹81,25,658/- for the year under review, has been adjusted against the Statement of Profit and Loss, the only component of the Deferred Tax Liability based on the tax effect of timing differences on depreciation has been considered.
- c. Current Tax includes amounts of ₹34,62,73 425/- (Dr) being the provision made for the Financial year 2015-16, ₹33,84,582/- (Cr) being the excess provision made for the Financial years 2013-14 and 2014-15.
- d. Miscellaneous Expenses under other operating expenses (Note 2.25.c) amounting to ₹44,85,785/- includes amounts expended on purchase of curtain cloth, sanitary materials, periodical cleaning charges, miscellaneous township maintenance, reversal of inadmissible CENVAT credit and other miscellaneous expenditures incurred for the corporate offices and all other site offices, are furnished below.

Particulars			Amount
Security Expenses	Dr	Rs.	10 13 096
CENVAT reversal	Dr	Rs.	12 56 620
Consumables	Dr	Rs.	3 14 797
Misc. Expenses at site offices	Dr	Rs.	7 42 228
Cleaning & Sweeping	Dr	Rs.	5 16 413
Administrative Expenses	Dr	Rs.	1 66 175
Other expenses	Dr	Rs.	4 76 458
TOTAL	Dr	Rs.	44 85 785

- e. Miscellaneous Receipts under Other Income (Note - 2.21) - ₹1 37 50 807/- (Cr) includes apportionment and reimbursement of the cost of expenses other than salary / arrear salary of the employees, received from M/s. DNP Limited for the year 2015-16 and other receipts in the nature of cost of Tender papers, fees and fines for late payment, rent, recovery from contractors, etc., as furnished below.

Particulars			Amount
Expenses Recovery	Cr	Rs.	1 08 08 026
Fines & Fees from Domestic	Cr	Rs.	22 25 352
Cost of Tender paper	Cr	Rs.	1 95 000
Penalty from consumers	Cr	Rs.	4 36 000
Other Receipts	Cr	Rs.	26 429
Reconnection Charge	Cr	Rs.	60 000
TOTAL	Cr	Rs.	1 37 50 807

- f. During the year under review no amount has been paid towards VRS payments and an amount of ₹5 17 069/- (being 1/5th of actual payments) has been charged to Statement of Profit and Loss on account of the proportionate share of current year's.



- g. During the period under review MDC bill (penalty for non consumption of the agreed quantum) raised on consumers have been re arranged and shown under Other Income and not as against the earlier practice of disclosing under Revenue from Operation.
- h. The Company is continuing the Group Gratuity Scheme and Group Superannuation Scheme with Life Insurance Corporation of India, Jorhat Branch under Policy Cover GGCA-71070 for Gratuity Scheme and Policy Cover GSCA – 71044 for Superannuation Scheme.

During the year under audit, Gratuity has been accounted for on the basis of actuarial valuation and an amount of ₹1,68,11,661/- has been charged under Gratuity, consisting of current year's and past service liability.

- i. During the year under audit, Employees Leave Encashment benefits, has been accounted for on the basis of actual payments made during the year. Since actuarial valuation of Leave Encashment Benefits has not been carried out, no provision has been made in the accounts for actuarial valuation during the year.
- j. Interest on delayed payments due from ASEB and ten nos. of tea consumers (Trade Receivables) which are either disputed or considered doubtful of recovery have not been provided during the year under review and shall be considered during the year of settlement / realisation.
- k. Gas meters installed from time to time have been reconciled and necessary adjustments have been affected to Advance from tea Gardens – Gas meter under current liabilities & provisions and Stock of stores at site offices / I E department.
- l. Provision for Tax on Dividend - ₹15,33,234/- has been calculated on ₹75,31,490/-, after deducting the dividend received from domestic subsidiary companies amounting to ₹93,83,000/- from the Provision for Dividend made amounting to ₹1,69,14,490/- for the year.

x. Contingent Liabilities :

- a. In respect of claims under Income Tax, VAT and Service Tax

i) Income Tax

- a. CIT (Appeals), Dibrugarh has allowed the Company's claim for holding the Company as 'Mineral Oil Concern' under the Income Tax Act, 1961 with regard to the admissibility of Depreciation claim for the Assessment Years 1988-89 to 1995-96 and 1997-98. But the same was contested by the Department through Appeals in ITAT, Guwahati, which have been restored to the files of CIT (Appeals), Dibrugarh for re assessment vide ITAT, Guwahati's Order dated 27-07-2006 and remains pending decision. The Contingent liability arising on this remains unascertained and therefore has not been provided for.
- b. ITDS reflected in the accounts (Refer to note 2.19 (d)) includes an amount of ₹68.68 lakhs being TDS disallowed by the department for the Financial years 2008-09 to 2012-13. The Company has filed revised petitions for the allowability of the same. The Contingent liability arising on this remains unascertained and therefore has not been provided for.



ii) VAT:

The Company has made a rectification petition / appeal against the Orders of the Superintendent and Asstt. Commissioner, Assam Value Added Tax, dated 25-03-2013, 01-09-2015 and 21-04-16, amounting to ₹2,31,54,048/- for the Assessment Year 2007-08 and ₹21,43,54,758/- for the Assessment Year 2008-09, ₹ 21,03,41,937/- for the Assessment Year 2006-07 respectively, including Interest, being the amount of VAT on natural gas purchased from M/s. Canoro Resources Limited and sold to consumers and VAT payable on Transmission charges also. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

iii) Service Tax

An appeal has been filed with Customs, Excise and Service Tax Appellate Tribunal, Kolkata, against the Orders of the Commissioner of Central Excise, Dibrugarh dated 04-04-2012, 10-10-2013, 19-02-2014, 05-12-2014, 27-03-2015, 30-04-2015 and 18-03-2016 regarding payment of service Tax on Minimum Demand Charges on TC and Marketing Margin and other miscellaneous issues amounting to ₹8,07,41,298/- exclusive of interest and penalty, for the period November 2006 to March 2016. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

The details of the appeals filed by the Company which are still pending at various forums are furnished below.

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Tax	3 93 305	A.Y. 2006-07	Assessing Officer
Income Tax Act	Tax	54 479	A.Y. 2007-08	Assessing Officer
Income Tax Act	Tax	4 687	A.Y. 2008-09	CPC Bangalore
Income Tax Act	Tax	43 82 510	A.Y. 2009-10	Assessing Officer
Income Tax Act	Tax	63 83 200	A.Y. 2010-11	Assessing Officer
Income Tax Act	Tax	14 56 630	A.Y. 2011-12	Assessing Officer
Income Tax Act	Tax	4 67 900	A.Y. 2012-13	Assessing Officer
Assam VAT ACT	Tax (including interest)	21 03 41 937	F.Y. 2006-07	Assessing Officer
Assam VAT ACT	Tax (including interest)	2 31 54 048	F.Y. 2007-08	Additional Commissioner, Assam VAT
Assam VAT ACT	Tax (including interest)	21 43 54 758	F.Y. 2008-09	Assam Board of Revenue
Service Tax	Tax	4 02 28 701	2007 to 2012	CESTAT, Kolkata
Service Tax	Tax	52 28 245	2012-2013	CESTAT, Kolkata
Service Tax	Tax	87 72 606	Oct'12 to Sep'13	CESTAT, Kolkata
Service Tax	Tax	1 52 56 361	Apr'09 to Mar'14	CESTAT, Kolkata
Service Tax	Tax	24 18 855	2013-2014	CESTAT, Kolkata
Service Tax	Tax	88 36 530	Oct'13 to Sep'14	CESTAT, Kolkata

b. In respect of claims other than under Income Tax, VAT and Service Tax



- i) During the year under review, Contingent Liabilities have been estimated for an amount of ₹9,85,02,303/- (previous year ₹9,85,02,303/-) which includes ₹3,19,616/- on account of Royalty on MGQ bills raised by M/s. Oil India Limited, an amount of ₹2,41,08,680/- on account of disputed interest on loan (2009-10) claimed by UCO Bank which has not been acknowledged by the Company and a debit note raised by ONGC Ltd. during 2012-13 and 2014-15 amounting to ₹ 7,40,74,007/- for the period from June'10 to March'15 as additional gas price bill against consumption of gas volume in excess of booked volume and Interest charges on delayed / non payment of billed amounts, which has not been acknowledged by the Company. Disputed interest on loan claimed by UCO Bank not acknowledged by the Company has been considered till 2009-10 and no provision has been made since 2011-12 as there was no claim from the banker.
- ii) During the year under review, ASEB – LTPS has raised dispute over the TC rates for the period 2008 onwards and accordingly has served a Debit Note on the Company amounting to ₹41,21,22,337/- for the period 2008 to 2015. The Company has neither accepted the debit note nor made any adjustments in the books of accounts though ASEB has started recovering the amounts through adjustment against the subsequent bills raised on them. Discussion is under process between both the parties to resolve the disputed. No provision for any probable reversal of TC already accounted for and booked in Profit & Loss..

xi. GENERAL :

- a. Service Tax on Transmission charges amounting to ₹1,17,65,379/- & service tax on other services amounting to ₹11,372/-, which are outstanding for collection during the year under consideration (bills raised in 2016-17) have been treated under “Provision of Service Tax on TC / Gas Meter maint bills” (Short Term Provisions).
- b. VAT on Gas Sales are provided for and paid on the basis of bills raised and accounted for during the year.
- c. The Company has renewed most of the MoU / agreements due for renewal with the suppliers and consumers. However, the Company is yet to renew the Gas sales and purchase agreement with few consumers (29 nos.) which includes 2 nos. bulk consumers and 27 nos. of Individual Tea factory consumers and efforts have been taken for the renewal of the same at the earliest.
- d. The difference in quantities of gas purchased and sold – 2 95 361 SCM, has arisen due to metering discrepancies.
- e. Related Party Disclosure: In accordance with the requirements of Accounting Standard (AS)-18 ‘Related Party Disclosures’ the names of related party where control exists / able to exercise significant influence, along with the aggregate transactions and year end balances with them as identified by the company are given below:

(a) Directors / Key Managerial Personnel

- | | |
|------------------------|----------------------------|
| 1. Smt Amiya Gogoi | 2. Shri Ram Tirath Jindal |
| 3. Shri P K Das | 4. Shri Adiya Kr. Sharma |
| 5. Shri A K Nath | 6. Shri H Ahmed Khan |
| 7. Shri Rajib Hazarika | 8. Shri Anuj Kr. Borkotoky |
| 9. Shri S K Khare | 10. Ms. Shehla Rahman |
| 11. Shri V B Pyarelal | 12. Shri Bipin Gogoi |
| 13. Shri P Bujarbaruah | 14. Shri B.Borpatragohain |

(b) Joint venture - Tripura Natural Gas Company Limited., Agartala, Tripura
DNP Limited, Guwahati, Assam

The following transactions were carried out during the year with the related parties:-

Nature of transaction	Directors / Key Managerial Personnel	Joint venture
Remuneration, T.A. and other benefits	39 76 047 (36 85 344)	
Balance as at 31.03.2016		
Receivables	NIL (NIL)	N I L (N I L)
(b) Joint venture (continued)		
Advance against issue of Shares		NIL (NIL)
Loans		64 80 00 000 (NIL)
Advance (reimbursable)		54 06 966 (3 08 73 652)

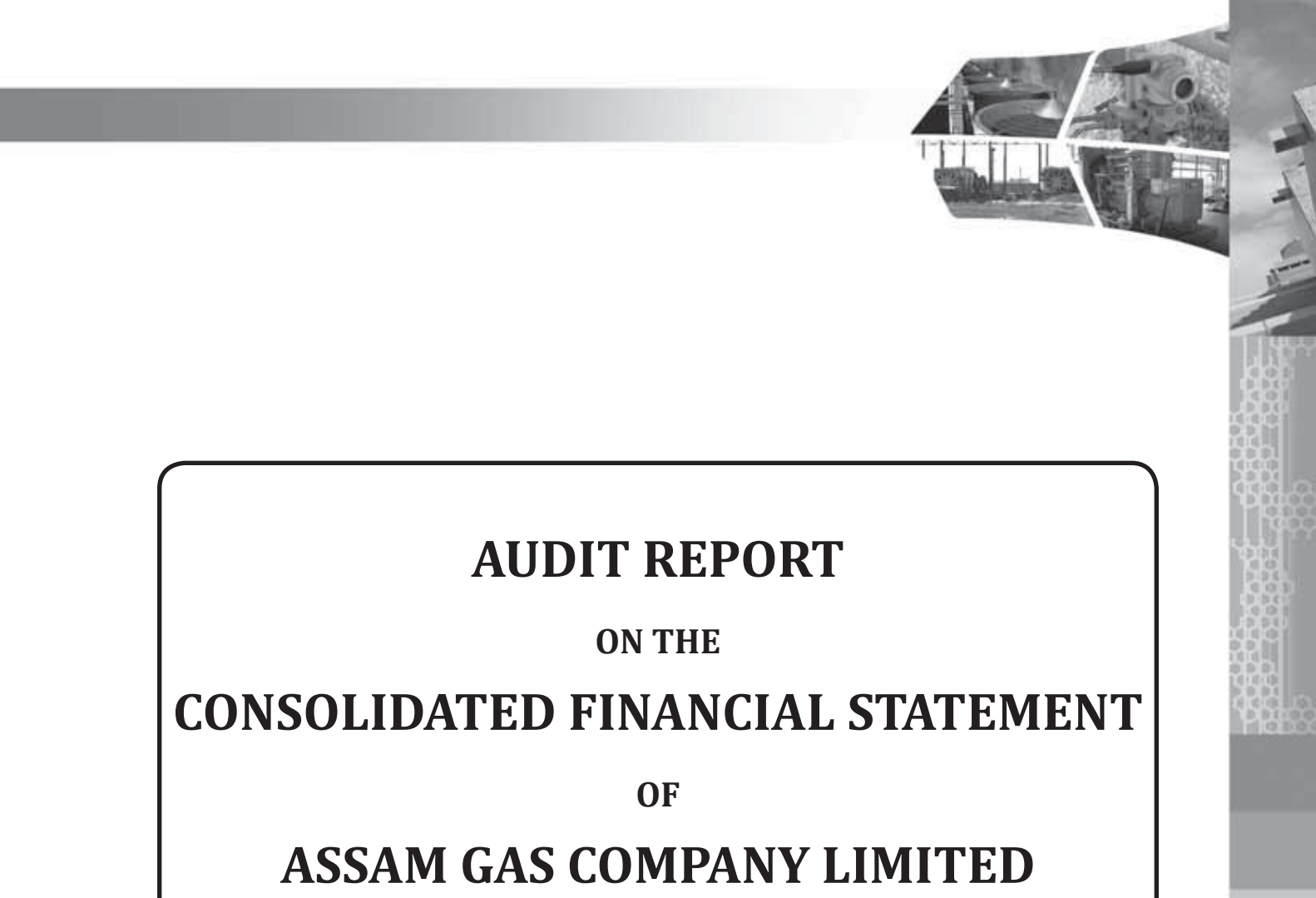
(Figures in brackets relate to previous years)

f. SEGMENT REPORTING :

The Company is primarily engaged in the business of 'Transmission of Natural Gas' and the other business of the Company i.e purchase and sale of natural gas and construction and maintenance of gas pipe lines are collateral to and revolve around the primary business of the Company and hence 'Segment Reporting' as per AS-17 issued by the Institute of Chartered Accountants of India, has not been considered. However, the matter is being taken up with the consultants and shall be complied with as per their advice in future.

g. IMPAIRMENT OF ASSETS :

Process has been initiated for the assessment of the impairment of Assets.



AUDIT REPORT
ON THE
CONSOLIDATED FINANCIAL STATEMENT
OF
ASSAM GAS COMPANY LIMITED
FOR THE FINANCIAL YEAR
2015-16

S. K. Mallick & Co.

Chartered Accountants

Bikaner Buildings, 1st Floor, Room No. 2, 8-B Lalbazar Street, Kolkata-700 001

Phone : 033:65262949/40053787, Email: skmco.ca@gmail.com





ASSAM GAS COMPANY LIMITED

Independent Auditors' Report on the Consolidated Financial Statements

TO THE MEMBERS OF ASSAM GAS COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ASSAM GAS COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements


The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on



the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.


Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹29,71,394 thousands as at 31st March, 2016, total revenues of ₹6,32,826 thousands and net cash flows amounting to ₹26,320 thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

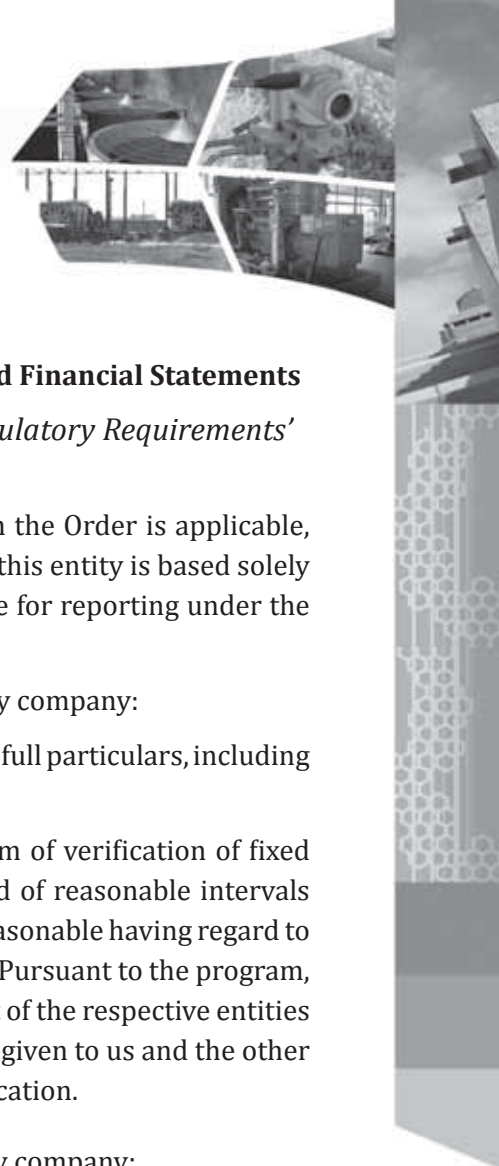
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses 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 Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **S. K. Mallick & Co.**
Chartered Accountants
(Firm Registration No. 324892E)

Place : Guwahati (Camp)
Dated : 30th June, 2016

[Pradip Baksi]
Partner
Membership No. 054264




ASSAM GAS COMPANY LIMITED

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

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


Our reporting on the Order includes one subsidiary company, to which the Order is applicable, which have been audited by other auditors and our report in respect of this entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company and subsidiary company:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Holding Company and subsidiary company have a program of verification of fixed assets to cover all the items in a phased manner over a period of reasonable intervals which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and subsidiary company:
 - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and subsidiary company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily



available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary company commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.

- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and subsidiary company have not accepted any deposit complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company and subsidiary company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company:
- (a) The respective entities have generally been regular in depositing 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 material statutory dues applicable to the respective entities with the appropriate authorities.
- (b) The aforesaid entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group its associates and jointly controlled entities does not have consolidated accumulated losses at the end of the financial year and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees



given by the Holding Company and subsidiary company for loans taken by others outside of the Group its associates and jointly controlled entities from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group its associates and jointly controlled entities.

(xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and subsidiary company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

(xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and subsidiary company and no material fraud on the Holding Company and subsidiary company has been noticed or reported during the year.

For **S. K. Mallick & Co.**
Chartered Accountants
(Firm Registration No. 324892E)

Place : Guwahati (Camp)

Dated : 30th June, 2016

[Pradip Baksi]
Partner
Membership No. 054264

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

CONSOLIDATED BALANCE SHEET (with DNP Limited)

<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES			
1. Share Holders Fund:			
a. Share Capital	2.1	16 91 44 900	16 91 44 900
b. Reserves & Surplus	2.2	605 02 77 399	528 37 65 579
c. Money received against share warrant		0	0
d. Minority Interest	2.2A	92 59 45 232	89 57 80 335
		714 53 67 531	634 86 90 814
2. Share Application Money pending allotment		0	0
3. Non Current Liabilities			
a. Long term borrowings	2.3	0	64 80 00 000
b. Deferred tax liability (net)	2.4	33 32 15 089	24 38 97 295
c. Other long term liabilities	2.5	56 60 76 749	42 37 78 893
d. Long term provisions	2.6	17 11 661	1 79 00 000
		90 10 03 499	133 35 76 188
4. Current Liabilities			
a. Short term borrowings		0	0
b. Trade payables	2.7	31 12 60 024	32 24 61 755
c. Other current liabilities	2.8	17 08 85 666	31 47 84 492
d. Short term provisions	2.9	44 42 32 259	38 78 16 547
		92 63 77 949	102 50 62 794
	TOTAL	897 27 48 979	870 73 29 796
ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.10		
a. Gross Block		652 73 00 341	640 82 44 212
b. <u>Less:</u> Depreciation		265 85 71 155	252 27 85 287
c. Net Block		386 87 29 186	388 54 58 925
d. Revalued Fixed Assets		0	0
		386 87 29 186	388 54 58 925



<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>			
(b) Capital Work in progress	2.11	5 82 65 927	4 95 73 084
(c) Non-current investments	2.12	1 00 00 000	1 00 00 000
(d) Deferred tax assets (net)		0	0
(e) Long-term loans and advances	2.13	18 57 701	19 23 267
(f) Other non-current assets	2.14	13 13 428	18 30 497
		7 14 37 056	6 33 26 848
2) Current assets			
(a) Current investments		0	0
(b) Inventories	2.15	18 97 39 951	20 11 40 076
(c) Trade receivables	2.16	113 94 27 298	95 52 19 259
(d) Cash and cash equivalents	2.17	306 59 80 117	296 83 07 862
(e) Short-term loans and advances	2.18	53 27 91 298	49 56 93 388
(f) Other current assets	2.19	10 46 44 073	13 81 83 438
		503 25 82 737	475 85 44 023
	TOTAL	897 27 48 979	870 73 29 796
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

In terms of our report of even date attached to herewith

For **S K Mallick & Co.**
Chartered Accountants
Firm Regd. No. 324892E

Shri Vijay Kr. L
Chief Financial Officer
Assam Gas Co. Ltd.
P.O.: Duliajan

Shri A. K. Sharma
Managing Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 07285877

(CA. Pradip Baksi)
Partner
(Membership No. 054264)

Dated : 30th June 2016
Place : Guwahati (Camp)

Shri P. K. Das
Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 01667150

Smt. D. Dev Gupta
Company Secretary
Assam Gas Co. Ltd.
P.O.: Duliajan

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

CONSOLIDATED PROFIT & LOSS STATEMENT *(with DNP Limited)*

<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
I. Revenue from operations	2.20	341 97 75 118	309 75 69 166
II. Other income	2.21	38 97 27 727	37 60 29 329
III. Total Revenue (I + II)		380 95 02 845	347 35 98 495
IV. Expenses:			
Purchases of stock in trade	2.22	146 47 00 131	125 27 73 787
Employee benefit expenses	2.23	44 31 10 480	41 46 22 706
Finance costs	2.24	9 98 12 880	12 75 75 911
Depreciation and amortization expenses	2.10	21 10 61 242	23 43 17 829
Other expenses	2.25	35 68 30 614	34 99 93 628
Total expenses		257 55 15 347	237 92 83 861
V. Profit before exceptional and extraordinary items and tax (III - IV)		123 39 87 498	109 43 14 634
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		123 39 87 498	109 43 14 634
VIII. Prior period & Extraordinary Items		(1 44 642)	0
IX. Profit before tax (VII - VIII)		123 41 32 140	109 43 14 634
X. Tax expenses			
1) Current tax		39 09 03 803	35 65 57 665
2) Deferred tax		8 93 17 794	8 13 69 337
		48 02 21 597	43 79 27 002
XI. Profit for the period from continuing operations (IX - X)		75 39 10 543	65 63 87 632
XII. Profit from discontinuing operations		0	0



<i>(Rupees)</i>			
Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>			
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit from Discontinuing operations (after tax) (XII - XIII)		0	0
XV. Profit for the period (XI + XIV)		75 39 10 543	65 63 87 632
XVII. Balance of profit transferred to Reserve & surplus A/c		75 39 10 543	65 63 87 632
XVIII. Earnings per equity share:			
(1) Basic		446	388
(2) Diluted		446	388
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

In terms of our report of even date attached to herewith

For **S K Mallick & Co.**
Chartered Accountants
Firm Regd. No. 324892E

Shri Vijay Kr. L
Chief Financial Officer
Assam Gas Co. Ltd.
P.O.: Duliajan

Shri A. K. Sharma
Managing Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 07285877

(CA. Pradip Baksi)
Partner
(Membership No. 054264)

Shri P. K. Das
Director
Assam Gas Co. Ltd.
P.O.: Duliajan
DIN: 01667150

Smt. D. Dev Gupta
Company Secretary
Assam Gas Co. Ltd.
P.O.: Duliajan

Dated : 30th June 2016
Place : Guwahati (Camp)

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

CONSOLIDATED CASH FLOW STATEMENT *(with DNP Limited)*

		<i>(Rupees)</i>	
		For the year	For the year
		2015-16	2014-15
I.	CASH FLOW FROM "OPERATING ACTIVITIES"		
a)	Net Profit before Tax	123 41 32 140	109 43 14 634
b)	Adjustments for :		
i)	Depreciation	21 10 61 242	23 43 17 829
ii)	Interest on Loans	8 36 22 000	12 07 34 227
iii)	Misc. Expenditure	5 17 069	5 17 069
iv)	Interest on Fixed Deposit	(27 76 80 190)	(25 53 28 105)
	Operating Profit before working capital changes	125 16 52 261	119 45 55 654
c)	Working capital changes :		
i)	Decrease in inventories	1 14 00 125	83 75 071
ii)	Increase in Sundry Debtors	(18 43 52 681)	(6 44 35 564)
iii)	Increase in S Term Loans & Advances	59 16 337	3 45 02 835
iv)	Increase in other Current Liabilities	(13 34 51 670)	5 49 68 311
v)	Increase in Trade payable	(1 12 01 731)	5 10 42 723
vi)	Other non current assets	0	(13 96 459)
	Cash generated from operations	93 99 62 641	127 76 12 571
Less :	Income-tax / FBT/Cenvat paid	(38 83 49 792)	(37 48 95 564)
	Cash Flow before extra ordinary items	55 16 12 849	90 27 17 007
Add :	Earlier year adjustment	0	0
	Net Cash from operating activities	(A) 55 16 12 849	90 27 17 007
II.	CASH FLOW FROM "INVESTING ACTIVITIES"		
i)	Purchase of Fixed Assets	(12 77 48 972)	(6 50 29 130)
ii)	Fixed Deposits	(12 70 10 892)	(48 71 84 310)
iii)	Interest received on Fixed Deposits	31 12 19 555	22 81 78 909
	Net Cash used in investing activities	(B) 5 64 59 691	(32 40 34 531)
III.	CASH FLOW FROM "FINANCING ACTIVITIES"		
i)	Decrease in Secured Loan	(64 80 00 000)	(41 93 12 000)
ii)	Interest on Loans	(8 36 22 000)	(12 07 34 227)
iii)	Dividend & Tax paid	(3 19 64 260)	(3 20 63 591)
iv)	Increase in Long term Liabilities	14 22 97 856	3 05 47 600
v)	Increase in Long Term Loans & Advances	65 566	54 746
vi)	Increase in Long term provisions	(1 61 88 339)	(46 487)
	Net Cash used in financing activities	(C) (63 74 11 177)	(54 15 53 959)
	Net Increase in Cash & Cash equivalents	(2 93 38 637)	3 71 28 517
	Cash & Cash equivalents at the beginning of the year	7 91 86 951	4 20 58 434
	Cash & Cash equivalents at the end of the year	4 98 48 314	7 91 86 951

Note to the Cash Flow Statement:

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.



ASSAM GAS COMPANY LIMITED
CONSOLIDATED FINANCIAL STATEMENTS - 2015-16
SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies

1.1 Basis of preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

1.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Assam Gas Company Limited ('the Company') and its subsidiary company (DNP Limited). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
 - b) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
 - c) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
 - d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- C. Investments other than in subsidiary have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

D. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

ASSAM GAS COMPANY LIMITED
DULIAJAN :: ASSAM

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2016

		<i>(Rupees)</i>	
		As at 31-03-2016	As at 31-03-2015
NOTE 2.1 - SHARE CAPITAL :			
AUTHORISED SHARE CAPITAL :			
20,00,000 Equity Shares of Rs. 100/- each	190 00 00 000	190 00 00 000	
ISSUED, SUBSCRIBED, CALLED & PAID-UP:			
16,91,449 Equity shares of Rs. 100/- each, fully called and fully paid up (1691449 Equity Shares of Rs. 100/- each held by Govt. of Assam)	16 91 44 900	16 91 44 900	
	16 91 44 900	16 91 44 900	
NOTE:- 2.2 RESERVES & SURPLUS			
Revaluation Reserves			
Opening balance (Revalued Land cost in 1985)	38 87 252	46 03 580	
Less: Adjustment during the year (other than Land cost)	0	7 16 328	
Closing balance	38 87 252	38 87 252	
Capital Reserve			
Opening balance	69 10 823	69 10 823	
Less: Adjustment during the year	0	0	
Closing balance	69 10 823	69 10 823	
Profit & Loss A/C			
Opening balance	533 98 64 839	418 65 37 527	
Add: Depreciation written back due to change to SLM	7 52 75 374	53 25 33 738	
Add: Amount transferred from surplus	66 25 06 234	58 60 78 301	
Amount adjusted from others (Dividend Tax 2013-14)	0	(2 17 665)	
Amount available for appropriation	607 76 46 447	530 49 31 901	
Appropriations:			
Provision for dividend	3 08 45 990	2 59 29 490	
Dividend tax	73 21 133	60 34 907	
Closing balance	603 94 79 324	527 29 67 504	
	605 02 77 399	528 37 65 579	
NOTE :- 2.2A MINORITY INTEREST			
Value of Equity Shares in DNPL	81 95 00 000	81 95 00 000	
Share of Capital & Revenue Profits	10 64 45 232	7 62 80 335	
	92 59 45 232	89 57 80 335	

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
NOTE :- 2.3 LONG TERM BORROWINGS		
(Secured against Hypothecation of movable Plant &	0	64 80 00 000
	0	64 80 00 000
NOTE :- 2.4 DEFERRED TAX LIABILITY		
Accumulated at the beginning of the year	43 63 28 646	39 21 78 603
Provided for the year	(10 31 13 557)	(14 82 81 308)
	33 32 15 089	24 38 97 295
NOTE :- 2.5 OTHER LONG TERM LIABILITIES		
(ii) SECURITY DEPOSIT FROM DOMESTIC CONSUMERS		
Duliajan Gas Grid	83 46 350	77 02 850
Sibsagar Gas Grid	66 51 526	63 64 526
Moran Gas Grid	41 26 000	39 72 700
Nazira/Simaluguri Gas Grid	33 38 800	32 61 800
Digboi Gas Grid	34 42 240	33 38 190
Dibrugarh Gas Grid	1 29 92 031	1 19 92 727
Naharkatia Domestic Grid	11 06 000	11 04 500
Margerita Domestic Grid	25 54 880	23 47 700
Jorhat Domestic Grid	24 87 800	19 04 000
Ledo Domestic Grid	4 94 200	3 77 880
Tinsukia Domestic Grid	85 95 973	80 64 840
	5 41 35 800	5 04 31 713
(iii) SECURITY DEPOSIT FROM T.E. & OTHERS:		
Tea Estates/Gardens/Customers	6 21 93 710	5 43 68 710
Duliajan College	1 000	1 000
Contractors	1 96 27 349	1 54 83 174
Earnest Money	73 22 946	76 00 563
	8 91 45 005	7 74 53 447
(iv) ADVANCE FROM T.E. AND OTHERS:		
Tea Gardens	40 69 87 737	27 47 93 217
T.E. (Capital Cost)	5 25 000	5 25 000
T.E. (Gas Meter)	57 19 741	54 69 741
NRPP diversion project - PWD Assam	41 50 000	41 50 000
Domestic Consumers	54 13 466	77 08 834
	42 27 95 944	29 26 46 792
(v) Suspense Receivable	0	32 46 941
	0	32 46 941
	56 60 76 749	42 37 78 893

Notes forming part of the Financial Statement as at 31st March, 2016

(Rupees)		
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
NOTE :- 2.6 OTHER LONG TERM PROVISIONS		
O L for Superannuation benefits of employees	17 11 661	1 79 00 000
	17 11 661	1 79 00 000
NOTE :- 2.7 TRADE PAYABLES		
Oil India Ltd., Duliajan	14 40 87 066	12 67 92 458
ONGC, Sibsagar	16 71 72 958	19 56 69 297
	31 12 60 024	32 24 61 755
NOTE :- 2.8 OTHER CURRENT LIABILITES		
(I) STATUTORY LIABILITIES:		
Staff Professional Tax	90 749	85 401
Employees Income Tax deducted at source	93 22 787	36 29 672
Contractors' Income Tax	23 74 643	26 69 495
Salary Savings Scheme	10 95 576	9 98 670
Recurring Deposit (Staff)	30 500	26 000
Group Savings Link Insurance	72 881	70 841
Assam Sales Tax	69 702	69 702
Providend Fund Recovery	52 80 203	48 45 870
VAT (Value added tax)	6 01 082	7 16 300
Entry Tax	37 008	1 505
Service Tax realised on Consumer	88 87 145	67 04 066
VAT on Natural Gas	1 20 00 761	95 67 759
	3 98 63 037	2 93 85 281
(II) OTHER LIABILITY		
AGCL Staff Co-op. Society	3 41 108	3 45 806
AGCL Tea Canteen	42 460	41 156
AGCL Executive Club	29 265	36 337
AGCL Staff Recreation Centre	11 643	11 193
KWH Pipes (India) Ltd.	1 20 100	1 20 100
Outstanding Liabilities for expenses	13 04 78 053	4 48 44 619
	13 10 22 629	4 53 99 211
(III) CURRENT MATURITIES OF LONG TERM LOAN		
	0	24 00 00 000
	17 08 85 666	31 47 84 492
NOTE :- 2.9 SHORT TERM PROVISIONS		
Provision for Dividend	3 08 45 990	2 59 28 990
Provision for Tax on Dividend	73 21 133	60 35 270
Provision for Income Tax/FBT	39 42 88 385	34 83 19 829
Provision of Service Tax on TC/GM Maint bills	1 17 76 751	75 32 458
	44 42 32 259	38 78 16 547

Notes forming part of the Financial Statement as at 31st March, 2016

2.10 Schedule of Fixed Assets (of Consolidated Financial Statements):

ANNEXED TO AND FORMING OF THE BALANCE SHEET AS AT 31ST MARCH, 2016

(Rupees)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK on SLM	
	COST AS AT 01-04-15	ADDITION FOR THE YEAR	ADJUSTMENT	COST AS AT 31/03/2016	UP TO 01-04-15 (under SLM)	ADJUSTMENT ON SLM conversion	FOR THE YEAR (SLM)	Adjustment to Assets	TOTAL (under SLM)	AS AT 31-03-16	AS AT 31-03-15	
A. Land	4 18 66 132	2 89 383		4 21 55 515						4 21 55 515	4 18 66 132	
B. Residential & Factory Building	26 38 19 779	1 04 62 568		27 42 82 337	7 48 55 181	(10 09 515)	80 09 373		8 18 55 038	19 24 27 299	18 62 84 342	
C. Pipe Lines & Plant & Machinery	574 00 07 107	7 79 71 079		581 79 78 186	227 92 08 922	(7 42 58 551)	14 78 97 271		235 28 47 642	346 51 30 544	346 07 98 190	
D. Office Equipment	50 29 228	1 47 940		51 77 168	35 55 052	(86 369)	5 61 214		40 29 697	11 47 271	14 74 175	
E. Hospital Equipments	12 93 718			12 93 718	12 34 400	(50 977)	7 307		11 90 730	1 02 988	59 318	
F. Miscellaneous Fixed Assets	41 48 455	1 150		41 49 605	39 62 755	(1 16 940)	68 572		39 12 387	2 37 218	1 23 922	
G. Electrical Installation	16 76 91 801	1 31 41 069		18 08 32 870	4 51 44 689	21 696	1 86 94 073		6 50 60 357	11 57 72 513	12 26 08 892	
H. Roads, Drains and Water Works	6 49 69 041	41 82 065		6 91 51 106	3 60 32 669	11 22 717	2 04 54 106		5 76 09 522	1 15 41 594	2 96 16 597	
I. Furniture & Fixture	97 00 262	8 90 960		1 05 91 242	64 90 526	(6 288)	5 40 027		70 24 266	35 66 977	32 09 754	
J. Motor Vehicles	1 05 51 819	1 16 09 570		2 21 61 389	52 83 623	1 85 391	13 49 560		68 18 574	1 53 42 815	52 68 197	
K. E.D.P. System	9 57 43 914	3 60 365		9 61 04 289	6 39 99 326	(4 98 606)	1 21 48 722		7 56 49 442	2 04 54 827	3 17 44 687	
L. Communication System	34 22 935			34 22 935	30 18 113	(5 77 800)	1 33 017		25 73 300	8 49 635	4 04 821	
Total	640 82 44 212	11 90 56 129		652 73 00 341	252 27 85 287	(7 52 79 374)	21 10 61 242		265 85 71 155	388 87 29 186	388 54 58 925	
Previous Year's Figures	633 09 05 905	7 74 06 792	60485	640 82 44 212	282 10 00 296	(53 25 33 738)	23 43 26 097	(7 368)	252 27 85 287	388 54 58 925	350 99 05 609	

Notes forming part of the Financial Statement as at 31st March, 2016

<i>(Rupees)</i>		
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
NOTE NO: 2.11 CAPITAL WORK IN PROGRESS		
NEEPCO Kathalguri Project DNPL Divi Pipeline H.D.P.E.	4 14 47 750	4 45 31 259
CNG/LNG Project	33 36 328	1 67 890
Scada	1 19 44 449	37 07 785
Software development	90 000	90 000
Power Project	14 47 400	10 76 150
	5 82 65 927	4 95 73 084
NOTE :- 2.12 NON CURRENT INVESTMENTS		
Equity contribution in Tripura Natural Gas Co. Ltd. <i>(27,000 nos. of Equity Shares @ 100/- fully paid up)</i>	1 00 00 000	1 00 00 000
	1 00 00 000	1 00 00 000
NOTE :- 2.13 LONG TERM LOANS & ADVANCES		
AGCL Gratuity Trust Account	1 000	1 000
Security Deposit	20 42 085	19 72 611
Assam Entry tax	(1 85 384)	(50 344)
	18 57 701	19 23 267
NOTE :- 2.14 OTHER NON-CURRENT ASSETS		
Misc. Expenditure (to the extent not written off)		
VRS Payments - Accumulated balance	18 30 497	9 51 107
Add : Paid during the year	0	13 96 459
	18 30 497	23 47 566
Less : Adjusted during the year	5 17 069	5 17 069
	13 13 428	18 30 497
NOTE :- 2.15 INVENTORIES		
<i>(As taken, valued and certified by the Management at cost)</i>		
Stock of Stores and Spares	15 65 84 121	16 25 28 442
Stock of Stores(Project)	1 68 42 754	1 91 90 186
Stock with Instrument Deptt. & Crisis Mgmt. com.	24 79 277	52 79 518
Stock of Medical Stores	3 21 919	2 67 406
Stock of Stores at Site Office	1 35 11 880	1 38 74 524
	18 97 39 951	20 11 40 076

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
NOTE :- 2.16 TRADE RECEIVABLES		
<i>(Unsecured and considered good)</i>		
Brahmaputra Valley Fertiliser Corpn. Ltd.	7 68 33 199	11 11 34 911
Assam State Electricity Board, Namrup	15 90 77 489	8 61 81 917
Assam State Electricity Board, Maibela	27 02 90 502	18 96 34 126
Assam Petro Chemicals Ltd.	21 15 973	20 53 502
Sonari area T E	1 91 96 270	1 14 17 673
NEEPCO	61 25 830	90 47 678
Oil India Limited, Duliajan	4 95 014	2 59 189
Domestic Consumers Receivable	10 29 70 586	10 44 73 117
Moran Plantation line	1 23 76 914	23 45 024
Naharkatia/Duliajan Area gardens	2 19 83 839	1 55 75 620
Dibrugarh area T.E.	3 05 65 616	2 10 61 645
Doomdooma area T.E.	4 28 52 954	2 95 80 164
Margherita Tea Gas Grid	2 51 71 359	1 90 45 011
Tinsukia Tea Gas Grid	5 92 22 253	4 66 12 894
Jorhat-Golaghat Line T.E.	2 53 86 488	1 94 73 940
NRL	13 47 59 617	11 73 01 058
ASEB NRPP	3 14 257	59 99 581
Suspense a/c	(22 04 724)	(3 65 706)
	98 75 33 436	79 08 31 344
<i>(Unsecured and considered doubtful)</i>		
ASEB Namrup	0	63 77 935
Tea Gardens (Under Court Case)	45 38 602	53 28 646
DLF Project	20 32 26 549	20 32 26 549
	20 77 65 151	21 49 33 130
	119 52 98 587	100 57 64 474
Less : Provision for Bad and doubtful debts	5 58 71 289	5 05 45 215
	113 94 27 298	95 52 19 259
Sundry debtors - Age Analysis		
<i>Less than six months</i>	47 67 88 015	48 59 51 723
<i>More than six months</i>	52 78 79 666	35 19 66 478
	113 94 27 298	95 52 19 259
NOTE :- 2.17 CASH & CASH EQUIVALENTS		
a) Cash in hand:		
With Head Office, Duliajan	5 44 763	7 87 186
With Officials (Imprest)	2 30 881	1 84 933
Cash at Guwahati Office	1 489	1 196
Cash at Silchar Office	39 422	12 913
	8 16 555	9 86 228

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
b) Balances with Banks:		
State Bank of India, Mathurapur	97 997	98 627
State Bank of India, Moran	8 35 146	7 92 650
State Bank of India, Nazira	1 04 477	3 99 026
State Bank of India, Duliajan, A/C No. 124 (Gen)	52 84 119	1 35 91 247
State Bank of India, Sibsagar	2 35 651	12 56 152
State Bank of India, Dibrugarh	8 70 821	23 69 372
State Bank of India, Digboi	6 96 779	31 62 931
State Bank of India, Gargaon	1 02 848	29 04 320
State Bank of India, Silchar	10 216	4 893
State Bank of India, Tinsukia	10 15 083	5 30 163
State Bank of India, Duliajan (Dividend A/C)	9 375	10 960
United Bank of India, Duliajan	18 709	45 41 413
United Bank of India, Chawkidinghi, Dibrugarh	7 16 919	1 33 351
United Bank of India, Digboi	12 57 841	66 75 265
United Bank of India, Naharkatia	3 72 639	3 06 727
United Bank of India, Ledo	3 55 790	4 61 304
UCO Bank, Sibsagar	3 63 194	72 05 127
UCO Bank, Duliajan (Lien A/C)	3 50 165	6 74 548
Assam Co-Op.Apex Bank Ltd.Duliajan (Non Schedule)	30 05 102	67 93 842
Allahabad Bank, Duliajan	1 72 34 819	9 13 283
Allahabad Bank, Dibrugarh (47)	83 97 998	14 89 172
Allahabad Bank, Sibsagar	20 64 427	28 93 333
Allahabad Bank, Tinsukia	16 16 323	84 55 027
Punjab National Bank, R.G.Baruah Rd, Guwahati	3 716	1 99 281
Canara Bank, Duliajan	27 679	5 09 242
Canara Bank, Titabar	14 891	0
Indian Bank, Dibrugarh	1 69 723	12 83 825
Vijaya Bank, Jorhat	12 63 258	41 86 852
Central Bank of India, Margherita	25 36 054	63 58 790
	4 90 31 759	7 82 00 723
Balances with banks in Deposit accounts:		
Fixed Deposit With Scheduled Banks	300 40 95 142	287 79 48 057
Fixed Deposit With Non Scheduled Banks	1 20 36 661	1 11 72 854
	301 61 31 803	288 91 20 911
	306 59 80 117	296 83 07 862
NOTE :- 2.18 SHORT TERM LOANS & ADVANCES		
a) Advances to related parties	0	0
b) Loans & advances to employees		
Advance to staff	2 49 39 599	2 77 02 091
Advance to Directors	0	0
	2 49 39 599	2 77 02 091
c) Prepaid expenses		
Pre-paid Insurance Premium	84 88 905	83 16 343
	84 88 905	83 16 343

Notes forming part of the Financial Statement as at 31st March, 2016

		(Rupees)	
		As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>			
d) Balance with Government Authorities			
Advance Income Tax		41 49 76 771	37 46 73 798
Tax deducted at source		5 30 41 097	5 03 29 823
Fringe Benefit Tax - Advance		14 89 298	14 89 298
Service Tax on Advances		48 79 243	22 43 714
CEN VAT (Service Tax)		43 67 289	52 69 664
		47 87 53 698	43 40 06 297
d) Other advances			
Advance to Contractors & Suppliers		2 00 50 467	2 51 51 028
	<i>(Less than 1 year - Rs. 1 44 297)</i>		
	<i>(More than 1 year Less than 3 years - Rs. NIL)</i>		
AGC Staff Recreation Centre		43 000	65 000
AGCL Executive Club		63 000	0
Receivable from OIL		4 52 629	4 52 629
		2 06 09 096	2 56 68 657
		53 27 91 298	49 56 93 388
	<i>Unsecured and considered good</i>	70 76 89 992	45 13 04 306
	<i>Unsecured and doubtful of recovery</i>	0	0
		53 27 91 298	49 56 93 388
NOTE :- 2.19 OTHER CURRENT ASSETS			
Interest accrued on Fixed Deposit		10 46 44 073	13 81 83 438
		10 46 44 073	13 81 83 438
NOTE :- 2.20 REVENUE FROM OPERATIONS			
a) Gas Sales	183700214 SCM	176 41 15 934	142 72 70 652
Less: VAT on Gas Sales		22 33 95 108	15 83 55 053
		154 07 20 826	126 89 15 599
b) Operating Income(Transmission Charges)	1561083554 SCM	205 48 68 840	197 30 90 747
Less: Service Tax on TC		17 58 14 548	14 44 37 180
		187 90 54 292	182 86 53 567
		341 97 75 118	309 75 69 166

Notes forming part of the Financial Statement as at 31st March, 2016

		(Rupees)	
		As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>			
NOTE :- 2.21 OTHER INCOME			
Interest on Fixed Deposit		27 76 80 190	25 53 28 105
Minimum Demand Charges (Gas)		3 48 10 109	5 34 45 711
Minimum Demand Charges (TC)		4 70 58 439	3 65 78 632
Interest on Delay payment		1 08 54 900	64 70 547
Sale of Materials		3 90 165	3 53 423
Service charges		9 70 700	7 15 200
Compensation Charges		5 23 918	30 04 984
Guest House Charge realised		1 38 740	1 85 335
House rent realised from employees		8 06 649	8 42 323
Gas Charges realised from employees		88 470	87 730
Miscellaneous receipts		1 46 81 520	1 67 53 116
Income from works contracts		3 14 656	7 14 350
		38 97 27 727	37 60 29 329
NOTE :- 2.22 PURCHASES OF STOCK IN TRADE			
Gas Purchases	183995575 SCM	146 47 00 131	125 27 73 787
		146 47 00 131	125 27 73 787
NOTE :- 2.23 EMPLOYEES BENEFITS EXPENSE			
(a) EMPLOYEES REMUNERATION & BENEFITS:			
Salary & Wages		36 08 49 450	32 10 12 402
Providend Fund / Pension Fund Contribution		3 10 73 049	2 87 94 771
Arrear D.A.		21 92 357	16 80 138
Bonus & Exgratia to Employees		88 00 000	88 00 000
Ex-Gratia on Death of Employees		40 000	60 000
Employees Training Expenses		15 00 841	8 18 232
Group Gratuity Scheme		1 70 15 622	3 19 82 112
Welfare Expenses for Employee		18 84 837	13 97 701
Medical Expenses		1 33 59 621	1 41 61 127
Leave Travel Assistance		8 95 334	9 24 942
Leave Travel Concession		4 99 285	3 20 380
Retirement Journey Benefits		2 09 800	90 000
Group Superannuation Scheme		24 43 485	23 00 519
VRS & Prematured Settlement Scheme		5 17 069	5 17 069
		44 12 80 750	41 28 59 393
(b) MD'S REMUNERATION & BENEFITS			
Remuneration		16 59 054	15 87 209
Providend/Pension Fund		1 70 676	1 76 104
		18 29 730	17 63 313
		44 31 10 480	41 46 22 706
NOTE :- 2.24 FINANCE COSTS			
Interest on Loan		8 92 79 923	12 07 34 227
Interest on Deposit & Advance		1 05 32 957	68 41 684
		9 98 12 880	12 75 75 911

Notes forming part of the Financial Statement as at 31st March, 2016

	(Rupees)	
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
NOTE :- 2.25 OTHER EXPENSES		
a) POWER & FUEL / COMPRESSION CHARGES		
Electricity Charges	7 98 28 591	8 21 71 585
Compressor Gas Fuel Expenses	1 20 82 054	2 07 46 493
Gas Compression charges	1 87 14 024	1 20 24 660
	11 06 24 669	11 49 42 738
(b) RATES & TAXES:		
Fees & Fines	30 01 006	6 41 158
Rent, Rates & Taxes	9 92 836	22 17 169
Company's Professional Tax	2 500	2 500
Interest on Service Tax	6 25 930	1 46 164
	46 22 272	30 06 991
(c) OTHER OPERATING EXPENSES:		
P.F. Administrative Expenses	21 70 317	25 25 743
Deposit Linked Insurance	10 67 287	10 67 287
Stipend to Trainees	11 21 907	4 62 544
MD's office Expenses	72 716	63 321
Guwahati office expenses	9 24 654	17 86 020
Printing & Stationery	24 40 370	21 77 527
Postage & Telegrams	1 42 072	1 08 310
Telephone charges	3 87 293	4 08 986
Vehicle Hire charges	86 68 141	71 06 894
Vehicle running expenses	43 37 501	40 97 305
Liveries	4 83 471	6 79 412
Advertisement	53 04 103	27 17 115
Bank charges	13 10 872	14 89 208
Legal expenses	54 12 123	22 70 312
Insurance premium	1 56 05 447	1 48 64 851
House rent	14 16 327	11 62 565
Books, Maps & periodicals	2 30 923	1 87 907
Carriage, Cartage & Freight	1 10 131	81 965
Meeting expenses	5 93 938	2 12 074
Donation & Subscription	50 32 953	40 31 633
Exhibition & Business development expenses	1 32 333	1 91 961
Miscellaneous Expenses	66 24 119	58 02 402
Guest House Expenses	7 38 687	4 82 706
Tools & Plants Consumed	1 02 180	7 50 874
Company's Celebration expenses	7 37 267	2 45 686
Sanitary Expenses	1 36 459	78 802
Land Survey Expenses	10 195	85 345
Compensation paid	41 393	2 14 030
Consultancy charges	9 10 979	0
Gas loss on transmission	2 64 81 159	2 64 06 370
Meter reading expenses	21 26 286	11 17 489
Loss on accident	0	40 43 169
Compensation paid on Fire Accident	33 45 353	23 13 072
Discount/ Rebate (net)	(2 52 995)	(9 83 198)
CSR expenses	57 56 463	0
Bad debts - written off	31 30 994	35 50 361
Provision for bad and doubtful debts	53 26 074	3 22 23 403
	11 21 79 492	12 40 23 451

Notes forming part of the Financial Statement as at 31st March, 2016

(Rupees)		
	As at 31-03-2016	As at 31-03-2015
<i>(continued)</i>		
(d) TRAVELLING EXPENSES:		
Employees	74 91 600	59 58 263
Managing Director'	8 73 440	8 71 514
Director's	9 066	3 61 316
Candidates/others	1 90 337	59 470
	85 64 443	72 50 563
(e) AUDIT FEE & EXPENSES:		
Statutory Audit Fee	1 40 000	1 20 000
Statutory Auditor' Fees for other services	52 500	57 500
Statutory Auditor' expenses	65 000	74 274
Tax consultants Fee	15 000	15 000
Cost Audit Fee	95 225	98 872
Fees & expenses to Tax Consultant	1 89 277	38 800
Fees to oher Auditors (Other services)	60 000	25 750
Audit expenses for others	51 062	89 500
	6 68 064	5 19 696
(f) CHAIRMAN'S EXPENSES:		
Travelling expenses	2 75 420	2 41 031
Office expenses	9 75 843	7 17 170
Honorarium	12 548	31 000
	12 63 811	9 89 201
(g) REPAIRS & MAINTENANCE		
Compressor	3 69 66 990	3 71 24 793
Pipelines	4 54 44 760	2 89 78 340
Gas Meter	11 37 637	11 13 122
Building	1 04 24 357	92 84 854
Vehicles	3 26 589	3 04 749
Colony	7 41 596	3 50 687
Compressor Station	1 60 004	9 61 137
Electrical Installation	45 17 551	14 58 650
Roads & Drains	17 02 792	5 51 553
Water Supply	13 12 848	35 64 305
EDP System	14 82 741	18 78 954
Plant & Machinery	1 24 74 214	1 13 91 464
Domestic Gas Lines	10 94 854	10 57 717
Other Assets	11 20 930	12 40 663
	11 89 07 863	9 92 60 988
	35 68 30 614	34 99 93 628

ASSAM GAS COMPANY LIMITED
NOTES ON ACCOUNTS -2015-16 *(continued)*

2.26 Balance Sheet

i. Equity Share Capital

Equity Share Capital of the Company in the consolidated financial statements are exclusive of the equity share capital of the subsidiary company, the details of which are furnished below :

Authorised Capital :	As at 31-03-2016	As at 31-03-2015
17 00 00 000 equity shares of Rs. 10/- each	170 00 00 000	170 00 00 000
Issued, subscribed and paid up :		
16 72 50 000 equity shares of Rs. 10/- each	167 25 00 000	167 25 00 000

Terms / rights attached to equity shares

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

Shares held by Holding Company

Out of the equity shares issued by the company, shares held by the Holding company (Assam Gas Company Limited, with nominees) is as below.

	As at 31-03-2016	As at 31-03-2015
8 53 00 000 equity shares of Rs. 10/- each	85 30 00 000	85 30 00 000

Details of share holders' holding in the Company

Name of the shareholder	As at 31-03-2016		As at 31-03-2015	
	Number	% of holding	Number	% of holding
Assam Gas Company Limited (with nominees)	8 53 00 000	51%	8 53 00 000	51%
Numaligarh Refinery Limited	4 34 90 000	26%	4 34 90 000	26%
Oil India Limited	3 84 60 000	23%	3 84 60 000	23%

ii. Long Term Borrowings :

During the year under consideration, Assam Gas Company Limited – the holding company has taken over the outstanding balances of the subsidiary (Rs. 66 80 00 000/- as on 1st March 2016). The amount of loan given by the company shall be 'Long Term Unsecured Loan', bearing a interest rate of 10%, payable in fixed equal monthly installments of Rs. 2 00 00 000/- each along with the interest accrued thereon on the last day of each remaining months.

iii. Minority Interest :

Minority Interest represents the amounts due to other shareholders in the subsidiary, represented by share in equity capital and share in the profits of the subsidiary.

2.27 Previous years' figures have been regrouped / rearranged wherever necessary for comparison and confirms to current years' classifications.



Independent Auditors' Report

To the members of DNP Limited

DNP LIMITED: DULIAJAN

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements..



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2016;
- ii. In the case of the statement of Profit & Loss of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to the extent applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 regarding report on the Internal Financial Controls the same is enclosed by way of annexure to this report.
3. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company has made provision, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

(Aakash Agarwalla)

Partner

M. No: 058427

Camp : Guwahati
Date : 05th May, 2016



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

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

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

Management's Responsibility for Internal Financial Controls

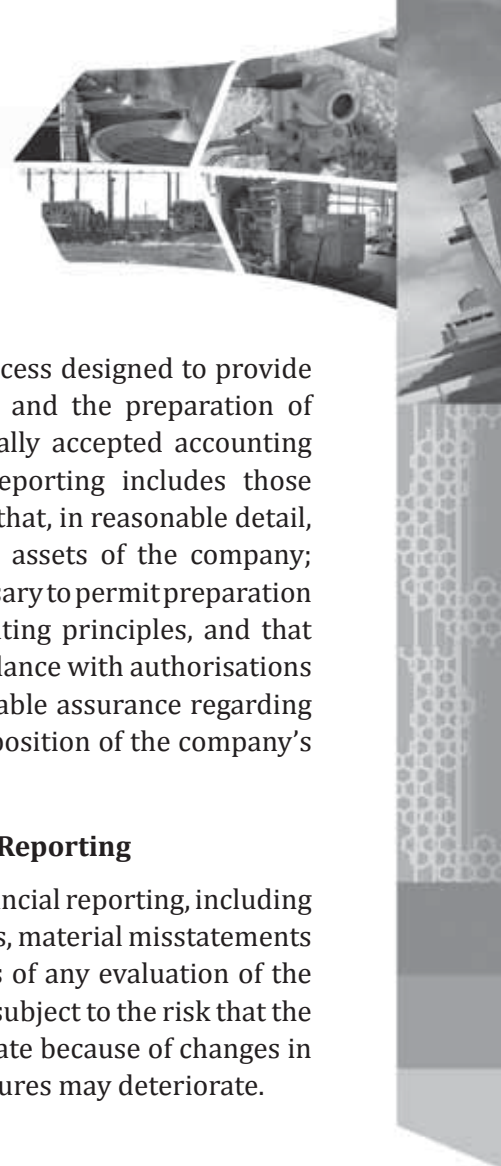
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

(Aakash Agarwalla)

Partner

M. No: 058427

Camp : Guwahati
Date : 05th May, 2016



The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of DNP Limited, Duliajan for the year ended on 31't March, 2016. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The major items of fixed assets have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
(c) Title deeds of all immovable properties are held in the name of the company except free hold land measuring 16B 4K 16.43Ls. owned by the company whose mutation is still pending.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies was noticed.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a), (b) & (c) of clause (iii) of the Order are not applicable to the company.
- (iv) Provisions of section 185 and 186 of the Companies Act, 2013 have been duly complied with in respect of loans, investments, guarantees and security made/granted during the year.
- (v) The Company has not accepted any deposits from the public, therefore the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products/providing of services, to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues wherever applicable and no undisputed amounts payable in respect of above referred statutory dues were outstanding, at the yearend for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and the records examined by us, there are no dues outstanding in respect of income-tax or sales-tax or service tax or duty of customs or duty of excise or value added tax on account of any dispute other than a Service Tax demand of ₹11.14 lac (excluding penalty and interest) received from the office of the Commissioner of Central Excise & Service Tax, Dibrugarh vide their Order dated 31/03/2015 which has been disclosed under Note No. 32 of Financial Statement as Contingent Liability.



- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (ix) According to the information and explanations given to us and the records examined by us, no moneys has been raised by the company by way of public offer (including debt instrument). Further, the term loans were applied for the purpose for which the loans were obtained.
- (x) Based on the audit procedures performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and the records examined by us, no managerial remuneration has been paid or provided by the company during the year.
- (xii) Since the company is not a Nidhi Company, provisions of clause (xii) of the Order are not applicable.
- (xiii) All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013. However, no disclosure is required in the Financial Statements as per Accounting Standard 18 as the company is a State Controlled Enterprise.
- (xiv) According to the information and explanations given to us and the records examined by us, the company has not made any preferential allotment or private placement of shares during the year under review.
- (xv) According to the information and explanations given to us and the records examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

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

Aakash Agarwalla

(Aakash Agarwalla)

Partner

M. No: 058427

Camp : Guwahati
Date : 05th May, 2016

BALANCE SHEET AS AT MARCH 31, 2016

₹ In thousands

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

Corporate Information & Significant Accounting Policies 1 & 2

Notes to Financial Statement 3 - 33

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

In terms of our Report of even date attached



For and on behalf of Kanoi Associates
Chartered Accountants
Firm Reg. No. 309101E

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

For and on behalf of the Board of Directors

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

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

Camp : Guwahati
Date : 05-05-2016

Place: Guwahati
Date : 05-05-2016



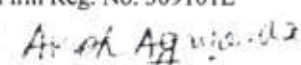
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

₹ In thousands

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

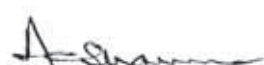
Corporate Information & Significant Accounting Policies **1 & 2**
 Notes to Financial Statement **3 - 33**
 The accompanying notes are an integral part of these financial statements.


In terms of our Report of even date attached

For and on behalf of Kanoi Associates
 Chartered Accountants
 Firm Reg. No. 309101E

 (CA. Aakash Agarwalla)
 Membership No. 058427



For and on behalf of the Board of Directors


 A. K. Sharma
 Director
 DIN- 07285877


 S. K. Barua
 Director
 DIN- 06503943

Camp : Guwahati
 Date : 05-05-2016

Place: Guwahati
 Date : 05-05-2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

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



As *h*



₹ In thousands

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

For and on behalf of Kanoi Associates

Chartered Accountants

Firm Reg. No. 309101E



Aakash Agarwalla

(CA. Aakash Agarwalla)

Membership No. 058427

For and on behalf of the Board of Directors

A. K. Sharma

A. K. Sharma

Director

DIN- 07285877

S. K. Barua

S. K. Barua

Director

DIN- 06503943

Camp : Guwahati

Date : 05-05-2016

Place: Guwahati

Date : 05-05-2016



1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation

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

B. Use of Estimates

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

C. Fixed Assets

a) Land

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

b) Fixed Asset other than Land

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

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

c) Intangible Assets:

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

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

d) Expenditure during construction period:

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

e) Pre-operative Expenditure

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



D. Depreciation

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

- (a) Assets costing up to ₹5 thousand are depreciated fully in the year of capitalization.
- (b) Cost of the leasehold land not exceeding 99 years is amortized over the lease period.

E. Inventories

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

F. Revenue Recognition

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

G. Classification of Income/Expenses

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

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

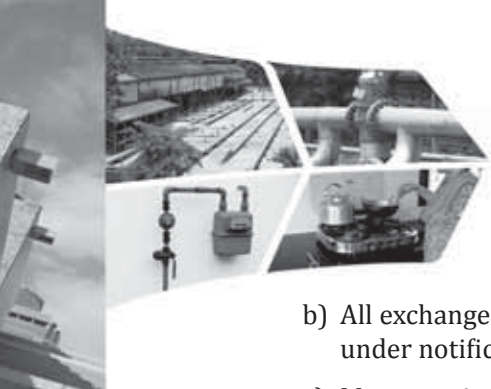
Prepaid expenses up to ₹100 thousand in each case are charged to revenue as and when incurred.

H. Borrowing Costs

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

I. Foreign Currency Transaction

- a) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.

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

J. Capital Grants

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

K. Provisions, Contingent Liabilities and Capital Commitments

- a) Provisions are recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- b) Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ₹100 thousand in each case are disclosed by way of notes to accounts.
- c) Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹100 thousand.

L. Taxes on Income

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

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

Deferred tax expenses or benefit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. In the event of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future.

M. Impairment of Assets

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

N. Cenvat

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



Notes to Accounts

3 Share Capital

₹ In thousands

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

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

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

b. Terms/right attached to equity shares

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

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

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

c. Shares held by holding company

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

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

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

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



Handwritten signature and initials.

Notes to Accounts

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

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

Additional Information to Secured/Unsecured Long Term Borrowings:

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

Detail of Securities and Terms of repayment

Assam Gas Company Limited :

The loan of ₹ 6,48,000 thousand bearing interest at the rate of 10.00% is repayable in 29 (twenty-nine) monthly installments, consisting of 28 (twenty-eight) equal monthly installments of ₹ 22,500 thousand each and Last 1 (one) installment of ₹ 18,000 thousand only.



Assam

Notes to Accounts

6 Deferred Tax Liabilities (Net)

As per requirement of the Accounting Standard 22 - "Accounting of Taxes on Income" the net tax Liability Debited to Statement of Profit and Loss during the year is ₹ 81,192 thousand (previous year ₹ 81,995 thousand). The year end position of Deferred Tax Liability and Asset is given below :

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

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

7 Other Long-term Liabilities

	₹ In thousands	
	31-Mar-16	31-Mar-15
Trade Payables	-	-
Deposits from Customer	30,000	30,000
Others	-	-
	30,000	30,000

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



(Handwritten signatures)



Notes to Accounts

8 Trade Payables	₹ In thousands	
	31-Mar-16	31-Mar-15
Trade Payables	38,824	52,748
	<u>38,824</u>	<u>52,748</u>

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9 Other Current Liabilities	₹ In thousands	
	31-Mar-16	31-Mar-15
Current maturities of long term debt	270,000	240,000
EMD from Contractors & Suppliers	903	452
Statutory Liabilities	10,221	8,239
Security Deposits from Contractors	1,468	1,174
Retentions from Contractors	250	1,162
Creditors for Capital Expenditure	1,502	4,812
Other Payables	501	5,761
	<u>284,845</u>	<u>261,600</u>

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



(Signature)

Notes to Accounts

11. Tangible Assets

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

1. Free hold land owned by the company as on 31.03.2016 stands at 54B-4K-15.43L, (including 7B-3K-6, 56L, allotted by Govt. of Assam) out of which mutation is pending for 16B-4K-16.43L.

2. Addition to pipeline ₹ 3,563 thousand represents Entry Tax paid for goods purchased in earlier years.

12. Intangible Assets

	Gross Block/Cost				Depreciation				Net Block	
	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	As at
	01-Apr-15	31-Mar-16	01-Apr-15	31-Mar-16	01-Apr-15	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
	(1)	(2)	(3)	(4) = (1 + 2 + 3)	(5)	(6)	(7)	(8) = (5 + 6 + 7)	(9) = (4 - 8)	(10) = (1 - 5)
Software	41	-	-	41	41	-	-	41	-	-
Total	41	-	-	41	41	-	-	41	-	-
Previous Year	41	-	-	41	32	8	-	41	-	8



(Signature)



Notes to Accounts

13 Capital Work in Progress ₹ In thousands

31-Mar-16 31-Mar-15

FIXED ASSETS (UNDER CONSTRUCTION)

SOFTWARE

a) Inventory Management Software

	90	90
	90	90

14 Long-Term Loans and Advances ₹ In thousands

31-Mar-16 31-Mar-15

Security Deposits
(Unsecured, considered good)

	872	872
	872	872

15 Inventories ₹ In thousands

31-Mar-16 31-Mar-15

Stores and spares valued at Weighted Average Cost
(includes Project Surplus Material valued at ₹ 58,569 thousand)

Less : Provision for Losses on Project surplus materials

	100,493	96,002
	(55,640)	(55,648)
	44,853	40,354

16 Trade Receivables ₹ In thousands

31-Mar-16 31-Mar-15

Unsecured

Outstanding for a period exceeding six months from the date they are due for payment :

Considered good
Considered doubtful
Provision for doubtful receivable

	-	-
	-	-
	-	-

Not Exceeding Six Months :

Other receivables
Considered good
Considered doubtful

	-	-
	-	-
	134,760	117,301
	-	-
	134,760	117,301
	134,760	117,301





Notes to Accounts

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

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

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

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



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Notes to Accounts

20 Revenue from operations	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Sale of Services		
Transportation of Gas	626,211	660,333
	<u>626,211</u>	<u>660,333</u>
21 Other Income	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Interest Income		
On Bank Deposits	4,796	5,043
Others	888	-
Other non-operating income	931	231
	<u>6,615</u>	<u>5,274</u>
Other non-operating income includes ₹ 912 thousand being liability no longer required written off.		
22 Employee benefits expenses	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Salaries and wages		
Employees	8,470	-
Deputed Employees (AGCL)	21,616	29,187
Contribution to Provident Fund	965	-
Contribution to Gratuity Fund	204	-
Welfare & Training Expenses	187	-
	<u>31,442</u>	<u>29,187</u>
23 Finance costs	₹ In thousands	
	<i>31-Mar-16</i>	<i>31-Mar-15</i>
Interest expenses on loans		
Oil India Limited	83,622	117,150
Assam Gas Company Limited	5,658	-
State Bank of India	-	2,543
	<u>89,280</u>	<u>119,693</u>

Notes to Accounts

24 Other expenses

₹ In thousands

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



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Notes to Accounts

- 25 Provision for taxation (MAT) for the financial year 2015-16 amounting to ₹ 48,015 thousand (Previous Year ₹ 47,479 thousand) has been made as per section 115JB of the IT Act, 1961. MAT Credit has not been recognized due to uncertainty of recovery of same within the specified period.

26 Earnings per equity share	₹ In thousands	
	31-Mar-16	31-Mar-15
Face value ₹ 10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	95,783	67,024
Weighted average number of Equity Shares outstanding during the year	167,250,000	167,250,000
Basic earnings per share (₹)	0.57	0.40
Diluted earnings per share (₹)	0.57	0.40

- 27 The company is operating under a single segment. As such there is no other reportable segment as defined by the Accounting Standard-17 Segment Reporting issued by the Institute of Chartered Accountants of India.
- 28 Trade payable, Trade Receivable and Creditors for Capital Expenditure are subject to Confirmation.
- 29 During the year under review the company has recruited permanent employees on its pay roll. However, certain personnels outsourced from its holding company Assam Gas Company Limited are still working on deputation.
- 30 Permanent manpower of the company including the post of Co. Secretary was approved by the Govt. of Assam in November 2014. The company has already taken steps to appoint a full time company secretary. However, pending appointment of the company secretary the job responsibilities of Company Secretary have been discharged by the Company Secretary of Assam Gas Company Limited, its holding company, on secondment basis.
- 31 As per guidelines issued by the Institute of Chartered Accountants of India under AS-28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2016.

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

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



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CIN: U11101AS1962SGC001184

P.O.: Duliajan, Dist.: Dibrugarh

PIN: 786602, Assam