

ANNUAL REPORT

2014-2015



CIN : U11101AS1962SGC001184



CIN : U11101AS1962SGC001184

REGD. & HEAD OFFICE : DULIAJAN

DIST. DIBRUGARH (ASSAM), PIN 786 602

Fax : (Duliajan) (+91) 374-2800557, (Guwahati) (+91) 361-2340028

E-mail : info@assamgas.org / Website : www.assamgas.org

GUWAHATI OFFICE

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G.S. Road, Christian Basti
Guwahati 781 005
Tel : 0361-2340028
Fax : 0361-2340028

NAZIRA OFFICE

P. O. Nazira 785 685
Dist. Sibsagar (Assam)
Tel. : 03772-252337

SIBSAGAR OFFICE

M. I. Bora Road
Near the Office of the Suptd. of Police
Sibsagar, Assam, PIN 785 640
Tel. : 03772-222301

MORAN OFFICE

Kushal Nagar
Opp. Moran Higher Secondary School
Moran-Naharkatia Road
P. O. Moranhat

BARMATHURAPUR OFFICE

P. O. Mothurapur, Via-Suffry
Tel. : 03772-254342

DIBRUGARH OFFICE

Near Don Bosco School
Boragimoth
Dibrugarh 786 006
Tel. : 0373-2324486

TINSUKIA OFFICE

Bordoloi Nagar
P. O. Tinsukia 786 125
Tel. : 0374-2306988

NAHARKATIA OFFICE

Nigam Road, Milon Nagar
P. O. Naharkatia 786 610

DIGBOI OFFICE

Ram Nagar, Borbil No. 1
P. O. Digboi 786 171
Tel. : 03751-264621

GOLAGHAT OFFICE

Jonaki Nagar, Near DFO Office
Golaghat
Tel. : 03774-285301

JORHAT OFFICE

Nehru Park. T. R. Phukan Road
Near ASTC, Jorhat
Tel. : 0376-2300290

MARGHERITA OFFICE

Segunbari Tiniali, Margherita
Dist. Tinsukia, Assam
Tel. : 03751-220022

LEDO OFFICE

Kol Para
Near Panchayat Office
Ledo
Dist. Tinsukia, Assam

TITABAR OFFICE

Milan Nagar, Block Road
Near Rajib Gandhi Stadium
PIN 785 630



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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. Tibrewal & Co.
Chartered Accountants
Karwa Buliding (1st Floor)
R. K. Bordoloi Path
Dibrugarh-786001
Assam

Secretarial Auditors

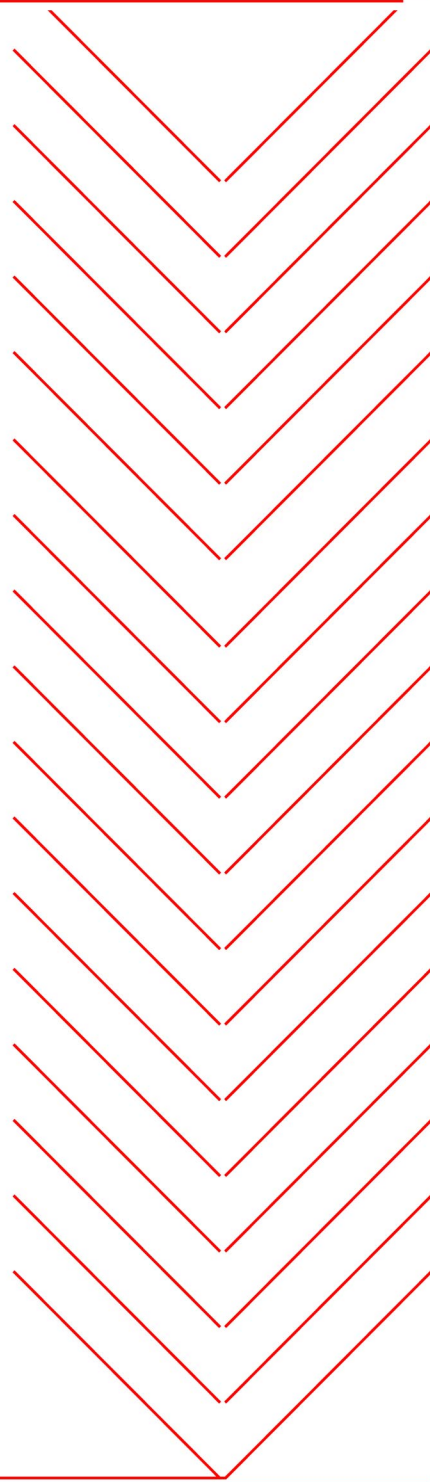
M/s Biman Debnath & Associates
House No. 3 (2nd Floor)
ABC, G. S. Road
Guwahati-781 005
Assam

Registered Office

Assam Gas Company Ltd.
P. O. Duliajan, Dist. Dibrugarh
PIN - 786 602, Assam
CIN : U11101AS1962SGC001184

Liasioning Office (Coordination Office)

“Adams Plaza”, 1st Floor
G. S. Road, Christian Basti
Guwahati - 781 005





ASSAM GAS COMPANY LIMITED

Notice to the Shareholders

Notice is hereby given that the 53rd 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 30th September, 2015 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, 2015 and Statement of Profit & Loss for the year ended 31st March, 2015 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 a Director in place of Shri R. T. Jindal, IAS (05292121) who retires by rotation in pursuance of Section 152 of the Companies Act, 2013. Shri R. T. Jindal being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri P. K. Das (01667150) who retires by rotation in pursuance of Section 152 of the Companies Act, 2013. Shri P. K. Das being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditor of the Company for the financial year 2015-2016.

B. Special Business

1. Appointment of Director

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

"RESOLVED THAT Shri S. K. Khare be and is hereby appointed as Director of the Company."

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

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

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

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

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 Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, approval accorded by the Board in its 261st meeting held on 8th July, 2015 for appointment of M/s Musib & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2015-2016 for carrying out the audit of cost records maintained by the Company at a remuneration of ₹ 50,000/- plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of service tax at applicable rates etc. be and is hereby ratified and approved."

By Order of the Board of Directors

Sd/
(D. Dev Gupta)
Company Secretary

Registered Office

Duliajan

Dist. Dibrugarh 786602

Date : 28th September, 2015

a. Explanatory statements under Section 102 of the Companies Act, 2013 in respect of the business under Item 4, 5, 6 and 7 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 : 28th September, 2015

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

The following are the Explanatory Statements in respect of item No. B of the Special Businesses indicated in the Notice dated 26th September, 2015.



Item No. B

1. Appointment of Director

Shri S. K. Khare, IAS, Principal Secretary, Finance Deptt. Government of Assam was appointed as Director on the Board of the Company w.e.f. 25th March 2015 pursuant to Section 161 of the Companies Act, 2013.

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

Except Shri S. K. Khare, no other Director, key managerial personnel or their relatives are interested or concerned in the Resolution.

2. Appointment of Director

Shri Achintya Kumar Nath was appointed as Additional Director on the Board of the Company w.e.f. 24th September, 2015 pursuant to Section 161 of the Companies Act, 2013.

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

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

3. Appointment of Director

Shri Aditya Kumar Sharma, DGM(F&A), Assam Gas Company Limited was appointed as Additional Director on the Board of the Company w.e.f. 10th September, 2015 pursuant to Article 110 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013. In accordance with the approval of the Government of Assam as conveyed Vide Notification No. MI.42/2015/34 dated 28th August, 2015, Shri Aditya Kumar Sharma, DGM (F&A), AGCL assumed the charge of the post of Managing Director of the Company in the pay-scale of ₹ 55,000/- per month plus other allowances as admissible with effect from the date of taking over charge initially for a period of three years from the date of his assumption of charge of the post on or after 31.08.2015.

Shri Sharma's appointment as Additional Director on the Board of the Company was made effective on 10th September, 2015 on the receipt of his Directors' Identification Number (DIN) on that date i.e., by Circular Resolution.

Shri A. K. Sharma, being appointed as Additional Director will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of



the Companies Act, 2013 proposing the candidature of Shri A. K. Sharma as a Director of the Company. A brief resume of Shri A. K. Sharma is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Board recommends the appointment of Shri A. K. Sharma as Director of the Company.

Except Shri A. K. Sharma, no other Director, key managerial personnel or their relatives are interested or concerned in the Resolution.

4. Remuneration of Cost Auditor

M/s Musib & Associates was appointed by the Board as the Cost Auditor of the Company for the financial year 2014-2015 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 Musib & Associates, Cost Auditor of the Company for the year 2015-2016.

By Order of the Board of Directors

Sd/-

(D. Dev Gupta)

Company Secretary

Registered Office

Duliajan

Dist. Dibrugarh

Date : 28th September, 2015



DIRECTORS REPORT

Your Directors have pleasure in presenting the 53rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

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

Key Financial Parameters

(₹ in lakhs)

Particulars	2014-2015	2013-2014
A. Revenue		
a, From operations	25,272.60	24,170.06
b. Other Income	2,867.02	2,465.52
Total Revenue (A)	28,139.62	26,635.58
B. Expenses		
a. Depreciation and amortization expenses	814.78	918.25
b. Other Expenses	18,286.97	15,441.17
Total Expenditure (B)	19,101.75	16,359.42
C. Profit/Loss before exceptional and extraordinary items and tax : (A-B) = C	9,037.87	10,276.16
D. Prior period & Extraordinary items	0	109.68
E. Profit before tax (C-D) = E	9,037.87	10,385.84
F. Tax Expenses	3,084.53	3,572.27
G. Profit for the period after Tax (E-F)=G	5,953.34	6,813.57
H. Balance of Profit transferred to Reserve & Surplus A/c	5,953.34	6,813.57
I. Earnings per equity share (in ₹) Basic & Diluted	352	403



Directors propose to appropriate this amount as under :	2014-2015	2013-2014	2013-2014
Adjustments for expenses, taxes and Reserves			
Dividend :	169.14	169.14	
Dividend Tax	20.72	12.33	
For Transfer to General Reserve	5763.48	6,632.10	
Summarized Cash Flow Statement :		(As per financial Statement)	(Adjusted figures)*
Cash Flows :			
Inflow / (Outflow) from operations	3467.20	2571.20	2511.20
Inflow/ (Outflow) from investing activities	(3301.79)	1,225.63	(2447.03)
Inflow/ (Outflow) from financing activities	83.62	(372.40)	-
Net increase/(decrease) in cash & cash equivalents	249.03	3,424.43	(248.23)

Performance highlights

Financial Performance

During the year, the Company recorded a turnover (comprising of Income from Operations and Other Income) of ₹ 281.40 Crore as against ₹ 266.36 Crore during the previous year. The Company recorded a profit before tax (PBT) of ₹. 90.38 Crore and a net profit after tax (PAT) of ₹ 59.53 Crore in 2014-2015.

The internal generation of cash during the year stood at ₹ 249.03 Crores as against ₹ 248.23 Crores in the previous year.

Your Company through effective utilization of available surplus funds, was able to earn an interest income of ₹ 2502.85 Lakhs during the year. During the year the Company acquired various fixed Assets of ₹ 575.66 Lakhs (at cost) as against ₹. 494.88 Lakhs (at cost) during the previous year.

The value of fixed assets (net of depreciation) as on 31st March, 2015 stood at ₹ 108.62 Crores

Physical Performance

During the year under review, the company has transported 1606.950 MMSCUM of gas to its consumers as against 1553.905 MMSCUM during the previous year.

During the year, your Company continued its focused attention towards optimum utilization of all available resources expanding its customer base within the authorized area and also sought



out new sources and applications of gas to further increase its business. Various cost control initiatives have also been taken up to ensure generation of reasonable levels of operating surplus.

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Company continues to endeavor 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 380 Industrial and Tea consumers spread across the five districts of upper Assam
- Other Industrial consumers such as steel mills, brick industries, etc
- Over 28,400 domestic and 920 commercial consumers spread over 11 towns in upper Assam as of August 2015.

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 laid in Titabar town near Jorhat.

SHARE CAPITAL

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

DIVIDEND

After taking into consideration the financial results of the Company during the year, your Directors had proposed a dividend of 10% on the paid-up Share Capital of ₹ 16.91 Crores for the year 2014-2015 amounting to ₹ 1.69 Crores, at the same rate of 10% as that of the previous year 2013-2014 exclusive of Corporate Dividend Tax. Your Directors propose to transfer the remaining balance of Profit and Loss Account to the Reserve & Surplus Account.

GOVT. AUDIT REVIEW

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

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in form MGT-9 for the financial year 2014-15 has been enclosed with this report.

NUMBER OF BOARD MEETINGS

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Optimum utilization of gas transportation and distribution infrastructure plays an important role in the gas industry for efficient delivery of gas to end consumers. However, 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 network.

SWOT

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. Its nearly 40 years experience in the gas transportation to large power, fertilizer and petrochemical plants makes it the natural choice for gas transportation projects in the NER.

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 market 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 2015-16 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 is undergoing commissioning runs as on date of report. The operational status of the plants of the bulk consumers, and gas drawal by the weather dependent tea consumers are beyond the control of the company and not wholly predictable. Revenue generations from these consumers are therefore difficult to predict.

SAFETY

The company suffered a major rupture of the 300 mm diameter Moran Namrup pipeline on 1st September 2014 due to which gas supply to about 25 tea factories in the Moran - Naharkatiya area was affected for about one month. To ascertain the health of the assets and to enhance the safety of operations, several activities were taken up under the guidance of PNGRB (Petroleum & Natural Gas Regulatory Board) and OISD (Oil Industry Safety Directorate). The company had taken immediate steps for treatment and rehabilitation of the affected people and for payment of adequate compensation to the three injured persons and next of kin of seven persons who expired in the accident.



During the year 2014-2015, fire and safety training, awareness programmes and onsite emergency mock drills were organized during the year. The company also participated in offsite drills along with Mutual Aid Partners.

EMPLOYEE RELATIONS

Your Company has been able to maintain a cordial relation with all its employees through mutual support and cooperation at all levels. During the year, AGCL continued to maintain harmonious industrial relations and no man days was lost. 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.

HUMAN RESOURCE

As on 31st March, 2015, total employees strength was 372 (including MD) of which 300 belonged to the staff category and 72 to the executive cadre. They are supplemented by engagement of contractual personnel, muster roll workers and home guards.

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 PNGRB Regulations for CGD networks and NG pipelines and are in various stages of compliance.

RISK MANAGEMENT POLICY

Although the company does not have a defined risk management policy as on date, the Board of Directors of the company deliberate on threats, risks and concerns which in the opinion of the Board may pose a threat to continuation of its business or . The Board reviews the means adopted by the company to mitigate the risk from time to time. The details of risk and concerns of the company are discussed in the Management Discussion and Analysis Report.

DIRECTORS

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

i. Government of Assam vide Notification No. MI.214/2002/118-A dated 5th February, 2015 appointed Shri Sameer Kumar Khare, IAS, Principal Secretary, Finance Department, Government of Assam as Director of the Assam Gas Company Limited vice Shri Ghana Kt. Pegu, since relieved.



ii. Government of Assam vide Notification No MI.214/2002/124-A dated 24th August, 2015 appointed Shri Achintya Kumar Nath, Head- Production (Gas), OIL as one of the Directors in the Board of Assam Gas Company Limited vice Shri Bipin Gogoi, since retired.

iii. Government of Assam vide Notification No. MI.42/2015/34-A dated 28th August, 2015 appointed Shri Aditya Kumar Sharma, DGM (F&A), AGCL as Managing Director of the Company in place of Shri Bhupen Borpatragohain on the expiry of his extended term on 31st August, 2015.

The present composition of the Board of Directors as on the date of report is as follows :

1.	Smti Amiya Gogoi	:	Chairperson
2.	Shri Ram Tirath Jindal, IAS	:	Dy Chairman
3.	Shri Sameer Kumar Khare, IAS	:	Director
4.	Shri Bhupen Borpatragohain	:	Managing Director**(upto 31.08.2015)
5.	Shri P. K. Das	:	Director
6.	Shri Pradyut Bujarbaruah	:	Director
7.	Shri Achintya Kumar Nath	:	Director
8.	Shri Aditya Kumar Sharma	:	Managing Director (appointed vide Govt. Notification dated 28 th August, 2015)

The Directors have placed on record their appreciation of the valuable contribution made and guidance given by Shri Ghana Kt. Pegu and Shri Bipin Gogoi for the development and progress of AGCL's business during their tenure as Directors of the Company.

Shri Bhupen Borpatragohain, on expiry of his extended term on 31st August, 2015 completed his tenure as Managing Director of the Company and consequently, resigned from the office of Managing Director and Directorship of the Company with effect from 1st September, 2015. The Directors have placed on record their appreciation of the valuable contributions made and guidance given by him for the development and progress of the Company's business.

INDEPENDENT DIRECTORS

In line with the provisions of the Companies Act, 2013 the Company is taking necessary action in consultation with the Govt. of Assam to appoint at least two Independent Directors in the Board of AGCL.

ADEQUACY OF INTERNAL FINANCIAL STATEMENTS

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.



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, Post Moran Hat, Dibrugarh -785670 were appointed as Statutory Auditors for the financial year 2014-15 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

M/s. S. K. Mallick & Co., (CA1807) Chartered Accountants, Post Moran Hat, Dibrugarh -785670 has also been appointed as Independent Auditor for the Financial Year 2015-16 by the office of C & AG of India vide letter No. CA.V/COY/ASSAM.AGCL (1)/462 dated 15/07/2015. The remuneration for the Independent Auditors was fixed at ₹ 80,000.00 (Rupees Eighty Thousand only).

SECRETARIAL AUDITORS

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

COST AUDITORS

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

DISCLOSURES

CSR Committee

The Corporate Social Responsibility Committee till 31/08/2015 comprised of Smt Amiya Gogoi, (Chairperson), Shri B. Borpatragohain, Managing Director and Shri P. K. Das, Director as other members.

Audit Committee

The Audit Committee till 30/06/2015 comprised of Directors namely Shri P. K. Das (Chairman), Shri Bipin Gogoi and Shri P. Bujarbaruah as other members All the recommendations made by the Audit Committee were accepted by the Board. Details regarding Audit Committee are provided separately in the Corporate Governance Report.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes in the relevant financial year 2014-15 affecting the financial position of the company.



PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The company didn't 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.

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 direct foreign exchange earnings or outgo during the year 2014-15.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

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

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.

PROJECTS

Status of major projects that are under various stages of implementation as well as those under feasibility stage are given below:

- a. PIB in its meeting held on 28th January 2013 approved setting up of the first CNG station of the company at Dibrugarh. The company has engaged MECON (A Govt of India enterprise) as the project management consultant and as on date, tendering for most of the supply and works packages under the ₹ 655.93 Lakhs project has been completed. Once commissioned within the financial year 2015-2016, the company proposes to expand the CNG network to several other towns within the Upper Assam City Gas Distribution Network of AGCL.
- b. Extension of piped natural gas supply to new charge areas of different towns are being taken up along with proposal for gas supply to Titabor and Golaghat towns.
- c. The company has undertaken implementation of a SCADA (Supervisory Control and Data Acquisition) System covering its entire gas network for remotely managing gas flows to different consumers. The project is expected to be completed in 2016.

INVESTMENTS IN JOINT VENTURES

a. DNP Limited

The Natural Gas Transportation Project of DNP Limited (a subsidiary of your Company and in joint venture with NRL and OIL) was successfully commissioned in February, 2011 for transportation of 1.00 MMSCMD (Million Standard Cubic Metres per day) of natural gas from Duliajan to Numaligarh Refinery Limited (NRL). The project started its commercial operation with effect from 1st April, 2011. During the fourth full year of its operation, approximately 242.12 MMSCM (Million Standard Cubic Metres) of natural gas was transported to NRL as against the annual contracted quantity of 300 MMSCM.



During the year 2014-2015, DNP Ltd. registered a profit of ₹ 46.90 crores before interest, depreciation and taxes against a turnover of ₹ 66.03 crores. DNP Ltd continued to overcome challenges to service existing loans and yet register a profit after tax of ₹ 6.70 crores as against profit after tax of ₹ 4.42 crores in the previous year.

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 1.1% of the paid-up share capital of ₹ 167.25 Crores (i.e. ₹ 0.11/- per fully paid equity shares of ₹ 10/- each) to its shareholders which would absorb a sum of ₹ 2.21 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 had paid its dividend 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 ₹ 1028.00 Crore 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Prior to the Companies Act, 2013, CSR activities were not mandatory for all companies, although most of the Companies were involved in CSR activities on a voluntary basis. However, with the coming into effect of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as well as activities to be undertaken as per Schedule VII of the Companies Act, 2013, CSR activities have become mandatory for companies with a prescribed turnover and paid up share capital. The CSR policy of the company was approved by the Board on 23rd April, 2015. As such no expenditure was incurred on CSR during the year 2014-2015. The sanctioned amount of ₹ 1.80 Crores was carried forward to the year 2015-2016.

The CSR Policy may be accessed on the Company's website at www.assamgas.org.

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

a. Documentation and promotion of cultural heritage and dying art forms of Assam under **Clause (v)** of Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013.



b. Sustainable Environment Protection through proper waste management under **Clause (iv)** of the Schedule.

c. Improving the quality of life of people in its operational area. Improvement of quality of life can take place by (i) improving the quality of the surrounding environment, (ii) health care activities, (iii) improving education, etc. under **Clause (x)** of the Schedule.

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

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

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

NOMINATION & REMUNERATION COMMITTEE POLICY

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

DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM

The company has a Vigilance department and the vigil mechanism has been strengthened by placing a senior level officer to head the department.



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 2014-15.

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:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- II. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- III. They 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;
- IV. They have prepared the annual accounts on a going concern basis;
- V. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- VI. They 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 2014-15.

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 including Integrated Management System (IMS) under PNGRB Act, 2006 and Essential Services Maintenance Act in the financial year 2014-2015.



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 appreciation 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 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

Sd/-
(AMIYA GOGOI)
Chairperson

Date : 26/09/2015

Place : Guwahati



ANNEXURE I TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	Refer Sections : a. Corporate Social Responsibility and b. Disclosures: CSR Committee in this Report
2. Average net profit of the Company for last three financial years	₹ 89.68 Crores
3. Prescribed CSR expenditure (Two percent of the amount mentioned in item 2 above)	₹ 1.80 Crores
4. Details of CSR spent during the financial year:	NIL
5. Total amount to be spent for the financial year	₹ 1.80 Crores
6. Amount unspent, if any	₹ 1.80 Crores
7. Manner in which the amount spent during the financial year	—



Assam Gas Company Limited

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

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (` in crore)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (` in crore)	Cumulative Expenditure upto the reporting period i.e. FY 2014-2015 (` in crore)	Amount Spent Direct or through Implementing Agency
1.	Documentation and promotion of cultural heritage and dying art forms of Assam	(Clause (v) of Schedule VII					
2.	Sustainable Environment Protection through proper waste management	(iv) of Schedule-VII					
3.	Improving the quality of life of people in its operational area. Improvement of quality of life can take place by (i) improving the quality of the surrounding environment, (ii) health care activities, (iii) improving education, etc	(x) of Schedule-VII					

RESPONSIBILITY STATEMENT

Board approval on CSR Policy was received in the financial year 2015-2016 i.e. 23/04/2015. Hence the entire amount of ₹ 1.80 Crores to be spent on CSR activities for the financial year 2014-2015 has been carried forward to the next financial year i.e. 2015-2016.

Sd/-
B. Borpatragohain
Director

Sd/-
Amiya Gogoi
Chairman, CSR Committee

Sd/-
P. K. Das
Director

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2015

I. REGISTRATION & OTHER DETAILS

i	CIN	U11101AS1962SGC001184
ii	Registration Date	31/03/1962
iii	Name of the Company	ASSAM GAS COMPANY LTD
iv	Category of the Company	PUBLIC 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

No. of Companies for which information is being filled	2
--	---

S. 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	Demat	Physical	Total	
A. Promoter s							
(1) Indian							
a) Individual/ HUF	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt	-	16,91,449	16,91,449	-	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	-	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) FIs	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-
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	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			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Government of Assam	16,91,449	100.00%	-	16,91,449	100.00%	-	NO CHANGE
	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	% of total shares of the company	No. of shares	% of total shares of the company	% of total shares of the company
At the beginning of the year		16,91,449	100.00%		16,91,449	100.00%	
Changes During the Year		No Change					
Increase							
Date	Reason for Increase	No Change					
Decrease							
Date	Reason for Decrease	No Change					
At the End of the year		16,91,449	100.00%		16,91,449	100.00%	

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) Not applicable

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



Decrease					
Date	Reason for Decrease				
At the End of the year (or on the date of separation, if separated during the year)					

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

v. Shareholding of Directors and Key Managerial Personnel : NIL

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



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

VI. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year 2014-15	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total 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
1	Gross salary	17,71,534			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,10,220			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	63,810			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)				
	Ceiling as per the Act	79 Crs (approx) being 11% of the Net Profit as per Section 197 & 198 of Companies Act, 2013			

B. Remuneration to other directors

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



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary	15,62,976	8,48,104	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,24,790	8,26,237	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	40,682	21,496	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
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	-	-



Assam Gas Company Limited

REPORT ON CORPORATE GOVERNANCE

Good corporate governance serves as a road map to provide a clear direction to the board on stakeholders as regards the conduct of corporate affairs. It lies upon the principle of transparency, accountability, disclosure and value creation. In AGCL, our main concern is to adopt best governance practices, which in our view are critical to ensure optimization of returns and satisfaction levels accruing to all shareholders. The company is maintaining transparency and sharing the relevant information with all the stakeholders including shareholders, employees, customers and the government through the Annual Reports, etc. Being a non-listed entity, disclosures required to be made as per Listing Agreement pertaining to Corporate Governance are not applicable to the Company. However, as per 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 proposes to cover the relevant information on areas under Corporate Governance disclosures during the financial year 2014-2015 as furnished below. The report on Corporate Governance forms an integral part of this report. The requisite certificate from the secretarial auditors of the company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance at **Annexure-III**.

1. Board of Directors

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

As on 31st March, 2015, the Board of AGCL comprised of three Part time (Ex-Officio) Directors from Industries & Commerce Department, Finance Department and Public Enterprises Department, Government of Assam, two Nominee Directors from the Producer and Consumer Companies namely, Oil India Limited and Assam Power Generation Corporation Ltd. One Whole Time Director being the Managing Director and One Government nominee being Part time Non- official Director. All appointments are notified by the Government of Assam.

The Government Nominee (Part time Non-Official) is the Chairperson of the Company with Additional Chief Secretary, Industries & Commerce Department, Government of Assam holding the post of Deputy Chairman in terms of Article 93(b) of the Articles of Association of the company. During the year, all the meetings of the board and the 52nd 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 directorship. The Board's actions and decisions are aligned with the Company's best interests. The Board has an effective mechanism to facilitate Post Meeting, follow ups, Review and Reporting process for the decision taken by the Board or Sub-Committee of the Board.



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

Five Board Meetings were held during the financial year 2014-2015, details of which are as follows:-

5 th July, 2014	6 th Sep 2014	24 th Sept 2014	27 th Nov 2014	25 th Mar 2015
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The relevant details of the Directors of the company are as below :

Sl. No.	Name of the Directors	Academic Qualifications	Date of joining as Director of the Company	No. of meeting attended	%	Attendance at the last Annual General Meeting	Details of Directorships held in other companies
1.	Smt. Amiya Gogoi Chairperson	H.S Pass	02/06/2012	5	100	Attended	Nil
2.	Shri Ram Tirath Jindal, IAS Additional Chief Secretary to the Govt. of Assam, Industries & Commerce Department, Dispur, Guwahati-781006 (w. e .f. 18/06/2012)	M.Sc. (Chemistry) from Punjab Agriculture University	18/06/2012	4	80	Attended	Chairman: 1. AIIDCL 2. DNP Ltd. Dy. Chairman: AGCL MD: 1. AHECL Director: 1 AIDC 2 APL 3 BCPL 4 ATPO 5 ATCL 6 IIE 7 AIM
3.	Shri Bhupen Borpatragohain Managing Director, AGCL (w.e.f. 1/04/2009 upto 31/08/2015)	B.E. (Mech)	01/04/2009	5	100	Attended	Director, 1. DNPL 2. TNGCL



4.	Shri Bipin Gogoi, GM, Production (Gas), OIL (w.e.f. 06/08/2013)	B.E. (Mech)	06/08/2013	5	100	Attended	Nil
5.	Shri P. K. Das (w.e.f. 26/02/2014)	M. Com.	26/02/2014	1	100	—	Director 1. AGCL 2. AHSIDC 3. ASCL 4. AMDCL 5. AL&PCL 6. ASF(F&D)CL 7. APL(ASSAM) Ltd. 8. AEDCL 9. APTDCL 10. ASDC FOR SC LTD 11. ASDC FOR OBC LTD. 12. AH&ECL
5.	Shri Pradyut Bujarbaruah (w.e.f. 01/09/2014)	B.E.(Mech)	01/09/2014	0	0	—	1. Managing Director and Shareholder -1 share APGCL 2. Director, Assam Power Project Development Company Limited 3. Shareholder- 1 share Assam Power Distribution Company Limited
6.	Shri G. K. Pegu (upto 05/02/2015)		04/09/2014	2	100	—	Nil



7	Sameer Kumar Khare, IAS Principal Secy, Finance Deptt., Govt of Assam	B.E.(Mech), IIT Bombay, Post Graduate in Ecology and Environmen- tal Science, Business Finance	05/02/2015	1	100	—	Director NRL APL AHCECL
8.	Shri Aditya Kumar Sharma, DGM(F&A), AGCL Appointed as Managing Director vide Govt. of Assam Notification dated 28.08.2015	B. Com (Hons.), ACMA, MBA(Finan- ce)from IISWBM, Calcutta University	(w.e.f. 10.09.2015)	-	-	—	Director DNPL (w.e.f. 11.09.2015)

● **AGCL** : Assam Gas Company Limited, **AHECL** : Assam Hydrocarbon & Energy Co. Limited; **AIDCL** : Assam Industrial Development Corporation Ltd; **AIM** : Assam Institute of Management; **AIIDCL** : Assam Industrial Infrastructure Development Corporation Ltd; **APL** : Assam Petrochemicals Limited; **ATCL** : Assam Tea Corporation Limited; **ATPO** : Assam Trade Promotion Orgn.; **BCPL** : Brahmaputra Cracker & Polymer Limited; **IIE** - Indian Institute of Entrepreneurs; **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., **AIDCL** : Assam Industrial Development Corporation Ltd., **ASF(F&D)CL** : Assam State Film (Finance & Development) Corporation Ltd. **APML** : Ashok Paper Mills (Assam) Ltd, **AEDCL** : Assam Electronics Development Corporation Ltd. **APTDCL** : Assam Plain Tribes Development Corporation Ltd. **ASDCL** : Assam State Development Corporation for SC Ltd. **ASDCL** : Assam State Development Corporation for OBC Ltd, **DNPL** : DNP Ltd. **NRL** : Numaligarh Refinery Limited.

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, revenue budget, financial reports, etc.

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



2. Audit Committee

AGCL took the initiative to introduce Corporate Governance in the organization during the year 2008 itself, by constituting an Audit Committee. The Audit Committee assist the Board in its responsibility for overseeing the integrity of the accounting, auditing and reporting practices of the Company and its compliances of the legal and regulatory requirement. The Committee assists the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, remuneration of Statutory Auditors, appointment and remuneration of Cost Auditors, performance of Internal Auditor and its compliance with the legal and regulatory requirements, etc.

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

The Government vide Notification Dated 3rd July, 2014 relieved six directors from the Board of Assam Gas Company Limited and as such the Audit Committee was dissolved.

However, in accordance with Section 177 of the Companies Act, 2013, and in partial modification of the resolution passed at the 259th Meeting of the Board of Directors dated 25th March, 2015, the Audit Committee of the Board be and is hereby reconstituted.

2.1. Composition

The present Audit Committee was reconstituted w.e.f. 25th March, 2015. As of 31/03/2015, the Audit Committee comprised of Shri P. K. Das, Shri Bipin Gogoi and Shri P. Bujarbaruah. 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 2014-2015, only one meeting of the Audit Committee was held on the 12th March, 2015.



2.4. Attendance of the Audit Committee meeting during the financial year 2014-2015

Attendance at the Audit Committee meetings during the financial year 2014-2015 :

Name of the members	No. of meetings attended	%age thereof (out of 4 meetings held)	Attendance at the last Annual General Meeting
Shri P. K. Das	1	100	-
Shri Bipin Gogoi	1	100	-
Shri P. Bujarbaruah	0	0	-

3. Nomination and Remuneration Committee

Presently there is no Nomination and Remuneration Committee of the Board in AGCL. Since an Independent Director must be a member of the Nomination and Remuneration Committee and as there are no Independent Directors in the Board of AGCL, the Company has initiated action with the Industries & Commerce Department, Government of Assam to appoint at least two Independent Directors on the Board of Assam Gas Company Ltd. from a panel of eminent persons having requisite qualification and experience.

4. Investors Grievance Committee

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

5. Annual/ Extra Ordinary General Meetings

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

	Date and Time of the Meetings	Venue
51 st Annual General Meeting	30 th September, 2013 11:00 AM	Registered office of AGCL, Duliajan, Duliajan-786602
51 st Adjourned Annual General Meeting	20 th January, 2014 11:00 AM	Registered office of AGCL, Duliajan, Duliajan-786602
52 nd Annual General Meeting	29 th September, 2014 11:00 AM	Registered office of AGCL, Duliajan, Duliajan-786602
52 nd Adjourned Annual General Meeting	8 th December, 2014 11:00 AM	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 seeking re-appointment/appointment

All the Directors are appointed by the Government of Assam in accordance with Article 92 of the Articles of Association of the Company.

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

i. Shri Ram Tirath Jindal, IAS

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

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

ii. Shri 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 Polytex 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 Eleven other State Level Public Enterprises of Assam

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

iii. Shri Sameer Kumar Khare, IAS

Shri Sameer Kumar Khare, is an IAS officer of 1989 batch of Assam Meghalaya joint cadre. Shri Khare graduated in Mechanical Engineering from Indian Institute of Technology (IIT) Bombay and possesses post graduation degree in Ecology Environmental Science as well as Business Finance after joining the services. During the last 25 years, Shri Khare worked in various capacities in Government of Assam, Govt. of Madhya Pradesh, Govt. of Chhattisgarh and in the Central Government. Shri Khare last served the Central Govt. as Joint Secretary in the Ministry of Defense and presently holding the post of Principal Secretary to the Government of Assam, Finance Department.

Shri Khare is also a member of Board of Directors of Assam Petrochemicals Ltd., Assam Hydro Carbon and Energy Company Ltd. and Numaligarh Refinery Ltd.

Shri Sameer Kumar Khare, IAS, Principal Secretary, Finance Deptt. Government of Assam was appointed as Additional Director on the Board of the Company w.e.f. 05.02.2015 pursuant to Section 161 of the Companies Act, 2013.

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

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

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.



Shri Achintya Kumar Nath, Head- Production (Gas) was appointed as Additional Director on the Board of the Company w.e.f. 24/09/2015 pursuant to Article 93(a) & (c) of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

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

v. Shri Aditya Kumar Sharma

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

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

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

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

6. Disclosures and compliance

- a. There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- b. There was no instances of non-compliance of any provisions of Law, guidelines issued by any regulatory authorities as well as no penalties was imposed on the Company during the last three years.
- c. During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- d. There were no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.
- e. The Company could not incur any expenditure on CSR and Sustainability activities during the financial year 2014-2015 as the Board approval on CSR Policy of DNPL was received in the financial year



2015-2015 i.e., 23.04.2015. The budgeted amount of ₹ 1.80 Crs on CSR activities has been carried forward with the budgeted amount on CSR activities of Rs. 1.97 Crs in the current financial year 2015-2016.

f. During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

7. 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.

8. Management Discussion & Analysis Report

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

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.

General information to shareholders

Number of AGM	53 rd Annual General Meeting
Date and Time	30 th September, 2015 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 Rs 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 31-03-2015 :



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	.01%
	Total	16,91,44,900/-	16,91,449	100%

Registered Office

Assam Gas Company Limited campus
P. O. Duliajan, Dist. : Dibrugarh
PIN 786602

Liaison Office

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



BIMAN DEBNATH & ASSOCIATES
Company Secretaries

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

To
The Members Of
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, 2015** as stipulated in the Guidelines on Corporate Governance for State Level Public Sector Units issued by Department of Public Enterprises(DPE), Government of India in the month of November, 2011.

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

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

- a. Clause 3.1.1 relating to the Board of Directors /board of management / managing Committee shall have an optimum combination of Functional, Nominee and Independent directors.
- b. Clause 3.1.3 relating to the number of Nominee Directors to be appointed by the Government.
- c. Clause 3.1.4 relating to the number of Independent Directors on the Board of the Company.
- d. Clause 3.4.3 relating to Guidelines and policies evolved by the State Government with respect to the structure, composition, selection, appointment and service conditions of the Board of Directors shall be strictly followed.
- e. Clause 4.1.1 relating to the composition of Audit Committee which states that two-thirds of the members of the Audit Committee shall be Independent Directors.



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

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

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

Date :

Place : Guwahati



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

- a. Factories Acts and Rules ;
- b. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;



c. The Environment (Protection) Act, 1986;

d. Air (Prevention and Control of Pollution) Act, 1981;

e. Petroleum and Minerals Pipelines (Acquisition of Rights of User Inland) Act, 1962

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

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

i. Petroleum and Natural Gas Regularity Board Act, 2006

ii. Order, Instructions of the Government of Assam.

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

1. The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 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. The Corporate Governance Guidelines issued for the State Level Public Sector Units are not complied with by the Company.

3. The Company has formed several committees of the Board but the Composition of Committee is not as per the requirement of Section 177 and 178 of the Companies Act, 2013.

4. In the case of Capital expenditure, the expenditure incurred by the Board has exceeded the Authority given by the Articles of Association of the Company.

5. The existing provision of the Articles of Association of the Company needs to be amended so as to reflect the changed provisions of the Companies Act, 2013.

6. 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.

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 : 17/08/2015

Place : Guwahati



MANAGEMENT REPLY TO SECRETARIAL AUDITORS OBSERVATIONS

Sl. No.	Secretarial Auditors Observations	Management Reply
1.	The Company has not complied with the provisions of Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with relation to the appointment of Independent Director during the financial year under review.	Assam Gas Company Limited, being a Government Company, in line with the Central Government Notification dtd 05/06/2015 has already initiated action with Industries & Commerce Department, Government of Assam for the appointment of at least two Independent Director in the AGCL Board.
2.	The Corporate Governance Guidelines issued for the State Level Public Sector Units are not complied with by the Company.	Noted.
3.	The Company has formed several committees of the Board but the Composition of Committee is not as per the requirement of Section 177 and 178 of the Companies Act, 2013.	Noted.
4.	In the case of Capital expenditure, the expenditure incurred by the Board has exceeded the Authority given by the Articles of Association of the Company.	Noted. Necessary actions are taken to amend the Articles of Association of the Company.
5.	The existing provision of the Articles of Association of the Company needs to be amended so as to reflect the changed provisions of the Companies Act, 2013.	Noted. Actions have been initiated for amendment in the Articles of Association of the Company. Draft copy of the amended Articles of Association of the Company is under finalisation.
6.	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.	Noted for necessary action.



MANAGEMENT'S REPLY TO

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF ASSAM GAS COMPANY LIMITED FOR THE YEAR ENDED 31ST March 2015

A. COMMENTS ON PROFITABILITY

Profit and Loss Account

Expenses

Other Expenses (Note No. 2.25)- ₹ 18.84 crore

The above is understated by ₹ 0.32 crore due to the non provisioning towards compensation payable for death of persons in a fire accident. This has, resulted in understatement of 'Current Liabilities' by ₹ 0.32 crore with corresponding overstatement of profit for the year to the same extent.

Managements' Reply :

Noted. Necessary corrections will be done in the accounts of FY 2015-16.

B. COMMENTS ON AUDITORS REPORT

The Assam Gas Company Ltd has 51 per cent shares in its subsidiary company DNP Ltd as on 31st March 2015. Hence, the company is required to prepare Consolidated Financial Statement as per section 129(3) of the Companies Act 2013 (Act) in addition to its Standalone Financial Statement in the same form and manner as the Standalone Financial Statement. Further, as per section 129(4) of the Act, the Consolidated Financial Statements are required to be audited and certified by the Statutory Auditors in the same form and manner as the Standalone Financial Statement.

However, the company has not prepared the Consolidated Financial Statement as prescribed in Schedule III of the Companies Act 2013. Neither, it has disclosed the non compliance of Section 129(3) of the Companies Act 2013. The fact was not reported by the Statutory Auditors in their Audit Report dated 25th August, 2015.

Managements' Reply : As per the requirements under section 129(3) of the Companies Act, 2013 and Accounting Standard - 21, the Consolidated Financial Statements forming part of the Annual Accounts have been prepared with necessary disclosure under para 2.27. iii(b) and the same has been certified by the Statutory Auditors.



As regards audit of Consolidated Financial Statements as per section 129(4) of the Companies Act, 2013, it has not been carried out separately. However, audit of the lone subsidiary company M/s. DNP Limited has already been completed and their Annual Report has been attached with the audited Financial Statements of the company as disclosed under para 2.27. iii (b) to Notes on Accounts.

However, this will be taken care of from next financial year onwards.



MANAGEMENT'S REPLY TO INDEPENDENT AUDITORS' REPORT

Emphasis of Matters

1. We draw attention to the following matters in the Notes to the financial statements :

Note 2.27(i) to the financial statements regarding change of method of depreciation on Fixed assets from WDV method to SLM.

i. Consequent to the effect of such changes an amount of ₹ 54,98,47,536/- upto the financial year 2013-14 has been adjusted against the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation account and the WDV of the assets. For calculating the impact of such changes on the written down value of the assets, 1st April 2006 has been considered as the cut off date and for additions to the assets made after 1st April 2006, 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 2006, the WDV of the assets on 1st April 2006 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.

ii. Depreciation for the Financial Year 2014-15 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. In case of the assets acquired prior to 1st April 2006 (where the WDV of the assets on 1st April 2006 has been considered for calculating depreciation for the subsequent years) the remaining life span of the assets have been considered on an average basis as determined by the management of the Company. Accordingly depreciation amounting to ₹ 8,14,77,768/- has been charged to Profit & Loss account for the current Financial Year and an amount of ₹ 1,73,13,798/- has been adjusted to the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation and the WDV of the Assets on account of excess depreciation charged on those assets outlived their life under Schedule II of the Companies Act, 2013.

iii. In our opinion while calculating such depreciation, the Company has estimated the remaining life of the assets without technical appraisal. However our opinion is not qualified in respect of this matter.

Managements' Reply : *Noted and this will be looked into.*



Report on Other Legal and Regulatory Requirements

2. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 & 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164 (2) of the Act;
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit And Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 2.16 '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.

Managements' Reply : *Noted.*

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 written off ₹ 35,50,361/- during the year towards bad 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 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 does not have any unprotected vacant land and hence no physical survey has been conducted during the year.

Managements' Reply : *Noted.*

2. Trade and Other Receivables

- i. The amount receivable from various parties as reflected under Trade Receivables amounting to ₹ 83,82,83,907/- remains mostly unreconciled and unconfirmed. The above amount includes ₹ 63,77,935/- and ₹ 20,32,26,549/- being long outstanding dues from ASEB Namrup and DLF Project (EIPL) respectively.
- ii. Not applicable, in view of answer to sr. no. (i) above, being not confirmed at all.

Managements' Reply : *The company has sought confirmation of balances of all the debtors but reply has been received from 67 nos. consumers only confirming the balances. However, this will be looked into in future. The outstanding balances of ₹ 63,77,935/- from ASEB Namrup is very old balances and are under the consideration of the Audit Committee for necessary decision, 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.*



ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraphs 7 and 10 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, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of its fixed assets

Fixed Asset Register in compliance with CARO requirements are still under compilation. Physical Verification of all the fixed assets has not been conducted by the management during the year, but there is a regular programme of verification in a phased manner at periodical intervals, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.

The reconciliation of book records with the physical counts could not be undertaken. Pending such physical verification and reconciliation, we are unable to state whether there is any material discrepancy between physical count and fixed assets records.

Managements' Reply : *The Company has undertaken the updation of the Fixed Asset Register in compliance with CARO requirements and preparation of the new Fixed Asset Register is expected to be completed within the current financial Year 2015-16. Though physical verification of most of the Fixed assets are carried out every year, with the completion of the Fixed Asset Register physical verification of all the assets can be implemented more efficiently.*

ii. In respect of its inventory

a. As explained to us, the inventories of store items and spares were physically verified at regular intervals by the Management.

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The 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.

Managements' Reply : *Noted.*

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.

Managements' Reply : *Noted.*



iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets. During the course of our audit, we have observed continuing failure to correct major weaknesses relating to sale of gas to domestic consumers. The weaknesses pertain to invoicing and accounting for collections. We are informed by the management that steps are being taken to correct these weaknesses.

Managements' Reply : *Improvement of the Internal control procedures and the system is a continuous process and this exercise will take considerable time considering the volume and nature of transactions. Though the Company has improved its internal control system specially, with reference to purchase of inventory, fixed assets and for the transmission and sale of natural gas and in some other vital areas like Bank accounts, Sundry debtors, etc., we are in the process of developing a system in case of sale of gas to domestic consumers through all our site offices.*

We have already developed a system to check and rectify the monthly bills raised by the site offices. Reconciliation of the Accounts of the Sundry Debtors between General Ledger and Registers kept in Site Offices is under progress and the necessary adjustments if any, shall be carried out after the completion of the reconciliation work. New software has been developed and installed for billing and accounting of the receipts and reconciliation of Sundry Debtors at the site offices. Due to simultaneous process of conversion of Non Meter consumer to Meter consumers as per guidelines of PNGRB and introduction of new system of billing the reconciliation process is taking some additional time. And the action initiated will be reviewed periodically for necessary correction to ensure its effectiveness and continuous improvement to the system.

v. The company has not received any public deposits during the year.

Managements' Reply : *Noted.*

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.

Managements' Reply : *Noted.*

vii. In respect of statutory dues:

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.

Managements' Reply : *Noted.*



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 (Rs)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending
Income Tax Act	Tax	393305	A.Y 2006-07	Assessing Officer
Income Tax Act	Tax	54479	A.Y 2007-08	Assessing Officer
Income Tax Act	Tax	4687	A.Y 2008-09	CPC Bengaluru
Income Tax Act	Tax	4382510	A.Y 2009-10	Assessing Officer
Income Tax Act	Tax	6383200	A.Y 2010-11	Assessing Officer
Income Tax Act	Tax	1456630	A.Y 2011-12	Assessing Officer
Income Tax Act	Tax	467900	A.Y 2012-13	Assessing Officer
Assam VAT	Tax	14404879	2006-07	Additional Commissioner Assam VAT
Assam VAT	Tax	23154048	2007-08	Additional Commissioner Assam VAT
Assam VAT	Tax	402060720	2008-09	Additional Commissioner Assam VAT
Service Tax	Tax	40228701	2007 to 2012	CESTAT Kolkata
Service Tax	Tax	5098965	2012-2013	CESTAT Kolkata
Service Tax	Tax	8772606	Oct'12 to Sep'13	CESTAT Kolkata
Service Tax	Tax	15256361	Apr'09 to Mar'14	CESTAT Kolkata

Managements' Reply : *Noted. The necessary disclosure has been made under 2.27.X.a of the Notes on Accounts.*

c. According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Managements' Reply : *Noted.*

viii. The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.

Managements' Reply : *Noted.*

ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.



Managements' Reply : *Noted.*

x. In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;

Managements' Reply : *Noted.*

xi. The company has not obtained any term loan during the year, so this para of order is not applicable.

Managements' Reply : *Noted.*

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

Managements' Reply : *Noted.*



ANNEXURE-II 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, 2015

1. INVENTORIES - Rs.16,07,85,426/- (Note 2.15):

a. Stock of stores and spare parts includes various old and non moving items, for which necessary action for write off/disposal to be taken by the management.

Managements' Reply : *Though many of the old and non moving stores items are comprising of Compressor spares and pipeline materials, are being reviewed periodically - once in five years for its suitability or disposal otherwise. However, the observation of the auditor will be looked into through a fresh assessment of the old and non moving stores and spares for.*

b. Attention is invited to the Note. No. 2.27 (iv)(i) to the financial statements, regarding reconciliation of stores price ledger and physical stock. An unreconciled balance of ₹ 3833/- has been adjusted in the books.

Managements' Reply : *Noted. Adjustment of the discrepancies in physical verification of stock have been done as per the accounting policy (1.2.viii(2ii) of the significant Accounting Policies) with necessary disclosure in 2.27.vi.ii - of Notes on Accounts.*

2. TRADE RECEIVABLE- ₹ 83,79,18,201/- (Note 2.16)

Attention is invited to Note No. 2.27(v)(a) regarding Trade Receivable which includes an amount of ₹ 32,46,941/- (out of the total amount of ₹ 63,77,935/-) from ASEB Namrup. An equal amount under suspense receivable account included in Other long term liabilities (Note No. 2.5(v)). In our opinion adjustment required to be made at the earliest.

Managements' Reply : *The proposal has already been placed to the Audit Committee and is under serious consideration. The Audit Committee in its last meeting held on 23rd June 2015, has instructed for producing of some more documents in its next meeting for a suitable decision.*

3. FIXED ASSETS - ₹ 108,62,12,647/- (Note 2.10)

i. Depreciation on revalued assets is charged as per the provisions prescribed in "Guidance Note on treatment of reserve created out of Revaluation of Fixed Assets", issued by the Institute of Chartered Accountants of India. Due to change in the method of depreciation from WDV to SLM with effect from the year 2014-15 and further following the change in the depreciation rates under Schedule II of the Companies Act, 2013, during the year under review the Company has charged depreciation on revalued assets amounting to ₹ 7,16,328/-The remaining value of the revalued asset - ₹ 38,87,252/- being the



value of the revalued Land, and being a non depreciable asset, the amount has been transferred to the Land under Fixed Assets.

Managements' Reply : *Noted.*

ii. The company has yet to formulate its policy regarding measurement of 'Impairment of Loss of Assets' as per Accounting Standard 28. It is suggested that the company should review the possibility of impairment loss at each Balance Sheet date.

Managements' Reply : *Formulation of policy regarding measurement of 'Impairment of Loss of Assets' as per Accounting Standard 28 have been taken up with the updation of the Fixed Asset Register so as to comply with review of impairment of loss at each Balance Sheet date and expected to be implemented from the current Financial year 2015-16.*



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 2015

The preparation of financial statements of Assam Gas Company Limited for the year ended 31st March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(b) 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 there Audit Report dated 25 August 2015.

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



A. COMMENTS ON PROFITABILITY

Profit and Loss Account

Expenses

Other Expenses (Notes No. 2.25) - ₹ 18.84 Crore

The above is understated by ₹ 0.32 crore due to the non provisioning towards compensation payable for death of persons in a fire accident. This has, resulted in understatement of 'Current liabilities' by Rs. 0.32 crore with corresponding overstatement of profit for the year to the same extent.

B. COMMENTS ON AUDITORS REPORT

The Assam Gas Company Ltd has 51 per cent shares in its subsidiary company DNP Ltd as on 31st March, 2015. Hence, the company is required to prepare Consolidated Financial Statement as per section 129(3) of the Companies Act 2013 (Act) in addition to its Standalone Financial Statement in the same form and manner as the Standalone Financial Statement. Further, as per section 129(4) of the Act, the Consolidated Financial Statements are required to be audited and certified by the Statutory Auditors in the same form and manner as the Standalone Financial Statement.

However, the company has not prepared the Consolidated Financial Statement as prescribed in Schedule III of the Companies Act 2013. Neither, it has disclosed the non compliance of Section 129(3) of the Companies Act 2013. The fact was not reported by the Statutory Auditors in their Audit Report dated 25th August, 2015.



S. K. Mallick & Co

Chartered Accountants

BIKANER BUILDINGS, 1st FLOOR, ROOM No. 2
8 - B, LALBAZAR STREET, **KOLKATA - 700001.**

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Phone : (033) 6526 2939 / 4005 3787, E-mail : [skmco.ca@gmail.com](mailto:skmco.ca@gmail.com)

## **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 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 & II 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 31<sup>st</sup> March, 2015, and its profit/loss 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 :

Note 2.27(i) to the financial statements regarding change of method of depreciation on Fixed assets from WDV method to SLM.

i. Consequent to the effect of such changes an amount of ₹ 54,98,47,536/- upto the financial year 2013-14 has been adjusted against the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation account and the WDV of the assets. For calculating the impact of such changes on the written down value of the assets, 1<sup>st</sup> April, 2006 has been considered as the cut off date and for additions to the assets made after 1<sup>st</sup> April, 2006, 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 1<sup>st</sup> April, 2006, the WDV of the assets on 1<sup>st</sup> April, 2006 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.

ii. Depreciation for the Financial Year 2014-15 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. In case of the assets acquired prior to 1<sup>st</sup> April, 2006 (where the WDV of the assets on 1<sup>st</sup> April, 2006 has been considered for calculating depreciation for the subsequent years) the remaining life span of the assets have been considered on an average basis as determined by the management of the Company. Accordingly depreciation amounting to ₹ 8,14,77,768/- has been charged to Profit & Loss account for the current Financial Year and an amount of ₹ 1,73,13,798/- has been adjusted to the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation and the WDV of the Assets on account of excess depreciation charged on those assets outlived their life under Schedule II of the Companies Act, 2013.

iii. In our opinion while calculating such depreciation, the Company has estimated the remaining life of the assets without technical appraisal. However our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

10. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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 :

- 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 & 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 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of section 164 (2) of the Act;



f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit And Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2.16 '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 written off ₹ 35,50,361/- during the year towards bad 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 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 does not have any unprotected vacant land and hence no physical survey has been conducted during the year.



## 2. Trade and Other Receivables

- i. The amount receivable from various parties as reflected under Trade Receivables amounting to ₹ 83,82,83,907/- remains mostly unreconciled and unconfirmed. The above amount includes ₹ 63,77,935/- and ₹ 20,32,26,549/- being long outstanding dues from ASEB Namrup and DLF Project (EIPL) respectively.
- 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)

Place : GUWAHATI (Camp)

Dated : 25<sup>th</sup> August, 2015.

Sd/-  
**[CA Pradip Baksi]**  
*Partner*  
Membership No. 054264





## ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraphs 7 and 10 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, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

### **i. In respect of its fixed assets:**

Fixed Asset Register in compliance with CARO requirements are still under compilation. Physical Verification of all the fixed assets has not been conducted by the management during the year, but there is a regular programme of verification in a phased manner at periodical intervals, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.

The reconciliation of book records with the physical counts could not be undertaken. Pending such physical verification and reconciliation, we are unable to state whether there is any material discrepancy between physical count and fixed assets records.

### **ii. In respect of its inventory**

a. As explained to us, the inventories of store items and spares were physically verified at regular intervals by the Management.

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The 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, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets. During the course of our audit, we have observed continuing failure to correct major weaknesses relating to sale of gas to domestic consumers. The weaknesses pertain to invoicing and accounting for collections. We are informed by the management that steps are being taken to correct these weaknesses.



v. The company has not received any public deposits during the year.

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. In respect of statutory dues:

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 (Rs) | Period To Which The Amount Relates | Forum Where The Dispute Is Pending   |
|-----------------|----------------|-------------|------------------------------------|--------------------------------------|
| Income Tax Act  | Tax            | 393305      | A.Y 2006-07                        | Assessing Officer                    |
| Income Tax Act  | Tax            | 54479       | A.Y 2007-08                        | Assessing Officer                    |
| Income Tax Act  | Tax            | 4687        | A.Y 2008-09                        | CPC Bengaluru                        |
| Income Tax Act  | Tax            | 4382510     | A.Y 2009-10                        | Assessing Officer                    |
| Income Tax Act  | Tax            | 6383200     | A.Y 2010-11                        | Assessing Officer                    |
| Income Tax Act  | Tax            | 1456630     | A.Y 2011-12                        | Assessing Officer                    |
| Income Tax Act  | Tax            | 467900      | A.Y 2012-13                        | Assessing Officer                    |
| Assam VAT       | Tax            | 14404879    | 2006-07                            | Additional Commissioner<br>Assam VAT |
| Assam VAT       | Tax            | 23154048    | 2007-08                            | Additional Commissioner<br>Assam VAT |
| Assam VAT       | Tax            | 402060720   | 2008-09                            | Additional Commissioner<br>Assam VAT |
| Service Tax     | Tax            | 40228701    | 2007 to 2012                       | CESTAT Kolkata                       |
| Service Tax     | Tax            | 5098965     | 2012-2013                          | CESTAT Kolkata                       |
| Service Tax     | Tax            | 8772606     | Oct'12 to Sep'13                   | CESTAT Kolkata                       |
| Service Tax     | Tax            | 15256361    | Apr'09 to Mar'14                   | CESTAT Kolkata                       |



c. According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

viii. The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.

ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

x. In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;

xi. The company has not obtained any term loan during the year, so this para of order is not applicable.

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

**For S. K. Mallick & Co.**

*Chartered Accountants*

(Firm Registration No. 324892E)

Place : GUWAHATI (Camp)

Dated : 25<sup>th</sup> August, 2015.

*Sd/-*

**[CA Pradip Baksi]**

*Partner*

Membership No. 054264



## ANNEXURE-II 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, 2015

### 1. INVENTORIES - ₹ 16,07,85,426/- (Note 2.15):

- a. Stock of stores and spare parts includes various old and non moving items, for which necessary action for write off/disposal to be taken by the management.
- b. Attention is invited to the Note. No. 2.27 (iv)(i) to the financial statements, regarding reconciliation of stores price ledger and physical stock. An unreconciled balance of ₹ 3833/- has been adjusted in the books.

### 2. TRADE RECEIVABLE- ₹ 83,79,18,201/- (Note 2.16)

Attention is invited to Note No. 2.27(v)(a) regarding Trade Receivable which includes an amount of ₹ 32,46,941/- (out of the total amount of ₹ 63,77,935/-) from ASEB Namrup. An equal amount under suspense receivable account included in Other long term liabilities (Note No. 2.5(v)). In our opinion adjustment required to be made at the earliest.

### 3. FIXED ASSETS - ₹ 108,62,12,647/- (Note 2.10)

- i. Depreciation on revalued assets is charged as per the provisions prescribed in "Guidance Note on treatment of reserve created out of Revaluation of Fixed Assets", issued by the Institute of Chartered Accountants of India. Due to change in the method of depreciation from WDV to SLM with effect from the year 2014-15 and further following the change in the depreciation rates under Schedule II of the Companies Act, 2013, during the year under review the Company has charged depreciation on revalued assets amounting to ₹ 7,16,328/- The remaining value of the revalued asset - ₹ 38,87,252/- being the value of the revalued Land, and being a non depreciable asset, the amount has been transferred to the Land under Fixed Assets.
- ii. The company has yet to formulate its policy regarding measurement of 'Impairment of Loss of Assets' as per Accounting Standard 28. It is suggested that the company should review the possibility of impairment loss at each Balance Sheet date.

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

Place : GUWAHATI (Camp)

Dated : 25<sup>th</sup> August, 2015.

Sd/-  
**[CA Pradip Baksi]**  
Partner  
Membership No. 054264





# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### BALANCE SHEET AS AT 31st MARCH 2015

(Amount in Rupees)

| Particulars                                  | Note<br>No.  | AS AT<br>31-03-2015  | AS AT<br>31-03-2014  |
|----------------------------------------------|--------------|----------------------|----------------------|
| <b>A. EQUITY AND LIABILITIES</b>             |              |                      |                      |
| 1. Share Holders Fund:                       |              |                      |                      |
| a. Share Capital                             | 2.1          | 16 91 44 900         | 16 91 44 900         |
| b. Reserves & Surplus                        | 2.2          | 519 49 84 012        | 408 72 54 930        |
| c. Money received against share warrant      |              | 0                    | 0                    |
|                                              |              | <b>536 41 28 912</b> | <b>425 63 99 830</b> |
| 2. Share Application Money pending allotment |              | 0                    | 0                    |
| 3. Non Current Liabilities                   |              |                      |                      |
| a. Long term borrowings                      | 2.3          | 0                    | 0                    |
| b. Deferred tax liability ( net)             | 2.4          | 5 73 40 345          | 5 79 65 641          |
| c. Other long term liabilities               | 2.5          | 39 09 90 708         | 36 32 31 293         |
| d. Long term provisions                      | 2.6          | 1 79 00 000          | 1 79 46 487          |
|                                              |              | <b>46 62 31 053</b>  | <b>43 91 43 421</b>  |
| 4. Current Liabilities                       |              |                      |                      |
| a. Short term borrowings                     |              | 0                    | 0                    |
| b. Trade payables                            | 2.7          | 26 97 13 663         | 22 44 14 032         |
| c. Other current liabilities                 | 2.8          | 8 68 44 064          | 9 99 51 596          |
| d. Short term provisions                     | 2.9          | 32 75 77 604         | 37 10 01 688         |
|                                              |              | <b>68 41 35 331</b>  | <b>69 53 67 316</b>  |
|                                              | <b>TOTAL</b> | <b>651 44 95 296</b> | <b>539 09 10 567</b> |
| <b>B. ASSETS</b>                             |              |                      |                      |
| 1) Non-current assets                        |              |                      |                      |
| (a) Fixed assets                             |              |                      |                      |
| (i) Tangible assets                          | 2.10         |                      |                      |
| a. Gross Block                               |              | 296 09 85 511        | 290 34 19 103        |
| b. <u>Less</u> : Depreciation                |              | 187 47 72 864        | 232 58 28 834        |
| c. Net Block                                 |              | 108 62 12 647        | 57 75 90 269         |
| d. Revalued Fixed Assets                     |              | 0                    | 46 03 580            |
|                                              |              | <b>108 62 12 647</b> | <b>58 21 93 849</b>  |
| (b) Capital Work in progress                 | 2.11         | 4 94 83 084          | 4 13 02 252          |
| (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         | 10 50 881            | 11 06 013            |
| (f) Other non-current assets                 | 2.14         | 18 30 497            | 9 51 107             |
|                                              |              | <b>91 53 64 462</b>  | <b>90 63 59 372</b>  |

(continued)



# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### BALANCE SHEET AS AT 31st MARCH 2015

(Amount in Rupees)

| Particulars                                    | Note<br>No.  | AS AT<br>31-03-2015  | AS AT<br>31-03-2014  |
|------------------------------------------------|--------------|----------------------|----------------------|
| (continued)                                    |              |                      |                      |
| <b>2) Current assets</b>                       |              |                      |                      |
| (a) Current investments                        |              |                      |                      |
| (b) Inventories                                | 2.15         | 16 07 85 426         | 13 72 38 147         |
| (c) Trade receivables                          | 2.16         | 83 79 18 201         | 78 30 82 334         |
| (d) Cash and cash equivalents                  | 2.17         | 292 48 28 115        | 241 33 04 035        |
| (e) Short-term loans and advances              | 2.18         | 45 13 04 306         | 46 54 33 588         |
| (f) Other current assets                       | 2.19         | 13 80 82 139         | 10 32 99 242         |
|                                                |              | <b>451 29 18 187</b> | <b>390 23 57 346</b> |
|                                                | <b>TOTAL</b> | <b>651 44 95 296</b> | <b>539 09 10 567</b> |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO 1 |              | 1 & 2                |                      |

In terms of our report of even date attached to herewith.

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

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

Dated : 25<sup>th</sup> August, 2015  
Place : Guwahati (Camp)



# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### STATEMENT OF PROFIT & LOSS ON 31st MARCH 2015

(Amount in Rupees)

| Particulars                                                              | Note<br>No. | AS AT<br>31-03-2015  | AS AT<br>31-03-2014  |
|--------------------------------------------------------------------------|-------------|----------------------|----------------------|
| I. Revenue from operations                                               | 2.20        | 252 72 60 771        | 241 70 06 240        |
| II. Other income                                                         | 2.21        | 28 67 01 699         | 24 65 51 652         |
| III. Total Revenue ( I + II)                                             |             | <u>281 39 62 470</u> | <u>266 35 57 892</u> |
| IV. Expenses:                                                            |             |                      |                      |
| Purchases of stock in trade                                              | 2.22        | 125 27 73 787        | 102 97 59 959        |
| Employee benefit expenses                                                | 2.23        | 37 96 59 987         | 35 84 61 519         |
| Finance costs                                                            | 2.24        | 78 82 601            | 1 11 20 321          |
| Depreciation and amortization expenses                                   | 2.10        | 8 14 77 768          | 9 18 24 480          |
| Other expenses                                                           | 2.25        | 18 83 81 307         | 14 47 75 283         |
| <b>TOTAL</b>                                                             |             | <u>191 01 75 450</u> | <u>163 59 41 562</u> |
| V. Profit before exceptional and extraordinary items and tax ( III - IV) |             | <b>90 37 87 020</b>  | <b>102 76 16 330</b> |
| VI. Exceptional Items                                                    |             | 0                    | 0                    |
| VII. Profit before extraordinary items and tax ( V - VI )                |             | <b>90 37 87 020</b>  | <b>102 76 16 330</b> |
| VIII. Prior period & Extraordinary Items                                 |             | 0                    | 1 09 67 690          |
| IX. Profit before tax ( VII - VIII)                                      |             | <b>90 37 87 020</b>  | <b>103 85 84 020</b> |
| X. Tax expenses                                                          |             |                      |                      |
| 1) Current tax                                                           |             | <b>30 90 78 582</b>  | <b>35 99 70 218</b>  |
| 2) Deferred tax                                                          |             | <u>( 6 25 296 )</u>  | <u>( 27 43 675 )</u> |
|                                                                          |             | <u>30 84 53 286</u>  | <u>35 72 26 543</u>  |
| XI. Profit for the period from continuing operations ( IX - X)           |             | <b>59 53 33 734</b>  | <b>68 13 57 477</b>  |
| XII. Profit from discontinuing operations                                |             | 0                    | 0                    |
| XIII. Tax expenses of discontinuing operations                           |             | 0                    | 0                    |

(continued)



# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### STATEMENT OF PROFIT & LOSS ON 31st MARCH 2015

(Amount in Rupees)

| Particulars                                                          | Note<br>No. | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|----------------------------------------------------------------------|-------------|---------------------|---------------------|
| (continued)                                                          |             |                     |                     |
| XIV. Profit from Discontinuing operations ( after tax) ( XII - XIII) |             | 0                   | 0                   |
| XV. Profit for the period ( XI + XIV)                                |             | 59 53 33 734        | 68 13 57 477        |
| XVI. Balance of profit transferred to Reserve & surplus A/c          |             | 59 53 33 734        | 68 13 57 477        |
| XVII. Earnings per equity share:                                     |             |                     |                     |
| (1) Basic                                                            |             | <u>352</u>          | <u>403</u>          |
| (2) Diluted                                                          |             | <u>352</u>          | <u>403</u>          |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO 1                       |             | 1 & 2               |                     |

In terms of our report of even date attached to herewith.

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

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

Dated : 25<sup>th</sup> August, 2015  
Place : Guwahati (Camp)





# **ASSAM GAS COMPANY LTD.**

## **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 public 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. Change in Accounting Policy**

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 the impact of such change to the extent ascertained, has been incorporated in the Financial Statements for the year 2014-15.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

##### **iii. 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.

##### **iv. 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.

**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. Depreciation**

- a. Depreciation on Fixed Assets is provided on Straight Line Method as against Written Down Value (WDV) Method followed in the earlier period and the impact of such change has been incorporated in the accounts of the current year i.e. 2014-15.
- b. 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.
- c. Tools and Plants issued and utilised are charged off in the year of issue.
- d. No depreciation is provided on Capital Work-in-Progress.

**vii. 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.

**viii. 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.

**ix. 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).



**x. 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. The amount of Bills raised on customers on account of T.C., M.D.C. and Interest on delayed payments etc., which are disputed / doubtful of recovery are transferred to Suspense Receivable Account and income recognition of these bills / amount is taken in the year of receipt, as per policy.
- v. 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.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. 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.
- x. 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.



## NOTES ON ACCOUNTS.....(Continued)

(Amount in Rupees)

|                                                                           | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|---------------------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE:- 2.1 - SHARE CAPITAL</b>                                         |                     |                     |
| <b>AUTHORISED SHARE CAPITAL :</b>                                         |                     |                     |
| 20,00,000 Equity Shares of Rs. 100/- each                                 | 20 00 00 000        | 20 00 00 000        |
| <b>ISSUED, SUBSCRIBED, CALLED &amp; PAID-UP:</b>                          |                     |                     |
| 16,91,449 Equity shares of Rs. 100/- each, fully called and fully paid up | 16 91 44 900        | 16 91 44 900        |
| ( 1691449 Equity Shares of Rs. 100/- each held by Govt. of Assam)         | 16 91 44 900        | 16 91 44 900        |
| <b>NOTE:- 2.2 RESERVES &amp; SURPLUS</b>                                  |                     |                     |
| a) Revaluation Reserves                                                   |                     |                     |
| Opening balance                                                           | 46 03 580           | 47 01 205           |
| Add: Amount transferred from surplus                                      | 0                   | 0                   |
| Less: Adjustment during the year                                          | 7 16 328            | 97 625              |
| Closing balance                                                           | 38 87 252           | 46 03 580           |
| Capital Reserve                                                           |                     |                     |
| Opening balance                                                           | 69 10 823           | 69 10 823           |
| Add: Amount transferred from surplus                                      | 0                   | 0                   |
| Less: Adjustment during the year                                          | 0                   | 0                   |
| Closing balance                                                           | 69 10 823           | 69 10 823           |
| Profit & Loss A/C                                                         |                     |                     |
| Opening balance                                                           | 407 57 40 527       | 341 32 85 487       |
| Add: Adjust. of Def Tax excess provision in 2012-13                       | 0                   | ( 7 54 511 )        |
| Add: Depreciation written back due to change to SLM                       | 53 25 33 738        | 0                   |
| Add: Amount transferred from surplus                                      | 59 53 33 734        | 68 13 57 477        |
| Amount adjusted from others (Dividend Tax 2013-14)                        | ( 2 17 665 )        | 0                   |
| Amount available for appropriation                                        | 520 33 90 334       | 409 38 88 453       |
| Appropriations :                                                          |                     |                     |
| Provision for dividend                                                    | 1 69 14 490         | 1 69 14 490         |
| Dividend tax                                                              | 22,89,907           | 12,33,436           |
| Closing balance                                                           | 518 41 85 937       | 407 57 40 527       |
|                                                                           | 519 49 84 012       | 408 72 54 930       |
| <b>NOTE :- 2.3 LONG TERM BORROWINGS</b>                                   |                     |                     |
| Long term borrowings                                                      | 0                   | 0                   |
|                                                                           | 0                   | 0                   |





## NOTES ON ACCOUNTS....(Continued)

(Amount in Rupees)

|                                                      | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|------------------------------------------------------|---------------------|---------------------|
| <b>NOTE :- 2.4 DEFERRED TAX LIABILITY</b>            |                     |                     |
| Accumulated at the beginning of the year             | 5 79 65 641         | 5 99 54 805         |
| Adjustment of excess provision in 2012-13            | 0                   | 7 54 511            |
| Provided for the year                                | ( 6 25 296 )        | ( 27 43 675 )       |
|                                                      | <b>5 73 40 345</b>  | <b>5 79 65 641</b>  |
| <b>NOTE :- 2.5 OTHER LONG TERM LIABILITIES</b>       |                     |                     |
| <b>(i) SECURITY DEPOSIT FROM DOMESTIC CONSUMERS</b>  |                     |                     |
| Duliajan Gas Grid                                    | 77 02 850           | 70 98 350           |
| Sibsagar Gas Grid                                    | 63 64 526           | 62 01 526           |
| Moran Gas Grid                                       | 39 72 700           | 41 66 200           |
| Nazira/Simaluguri Gas Grid                           | 32 61 800           | 30 88 300           |
| Digboi Gas Grid                                      | 33 38 190           | 32 05 822           |
| Dibrugarh Gas Grid                                   | 1 19 92 727         | 1 09 17 427         |
| Naharkatia Domestic Grid                             | 11 04 500           | 10 82 500           |
| Margerita Domestic Grid                              | 23 47 700           | 22 08 500           |
| Jorhat Domestic Grid                                 | 19 04 000           | 13 49 300           |
| Ledo Domestic Grid                                   | 3 77 880            | 2 91 920            |
| Tinsukia Domestic Grid                               | 80 64 840           | 53 05 240           |
|                                                      | <b>5 04 31 713</b>  | <b>4 49 15 085</b>  |
| <b>(ii) SECURITY DEPOSIT FROM T.E. &amp; OTHERS:</b> |                     |                     |
| Tea Estates/Gardens.                                 | 2 43 68 710         | 2 57 98 710         |
| Duliajan College                                     | 1 000               | 1 000               |
| Contractors                                          | 1 31 47 489         | 1 04 78 871         |
| Earnest Money                                        | 71 48 063           | 54 87 166           |
|                                                      | <b>4 46 65 262</b>  | <b>4 17 65 747</b>  |
| <b>(iii) ADVANCE FROM T.E. AND OTHERS:</b>           |                     |                     |
| Tea Gardens                                          | 27 47 93 217        | 23 79 75 217        |
| T.E. (Capital Cost)                                  | 5 25 000            | 5 25 000            |
| T.E. (Gas Meter)                                     | 54 69 741           | 59 35 801           |
| NRPP diversion project - PWD Assam                   | 41 50 000           | 41 50 000           |
| Domestic Consumers                                   | 77 08 834           | 1 96 76 387         |
|                                                      | <b>29 26 46 792</b> | <b>26 82 62 405</b> |
| <b>(iv) Suspense Receivable</b>                      | <b>32 46 941</b>    | <b>82 88 056</b>    |
|                                                      | <b>32 46 941</b>    | <b>82 88 056</b>    |
|                                                      | <b>39 09 90 708</b> | <b>36 32 31 293</b> |
| <b>NOTE :-2.6 LONG TERM PROVISIONS</b>               |                     |                     |
| O L for Superannuation benefits of employees         | 1 79 00 000         | 1 79 46 487         |
|                                                      | <b>1 79 00 000</b>  | <b>1 79 46 487</b>  |



## NOTES ON ACCOUNTS....(Continued)

(Amount in Rupees)

### NOTE :- 2.7 TRADE PAYABLES

Oil India Ltd., Duliajan  
ONGC, Sibsagar

AS AT  
31-03-2015

AS AT  
31-03-2014

7 40 44 366  
19 56 69 297  
**26 97 13 663**

5 81 35 921  
16 62 78 111  
**22 44 14 032**

### NOTE :- 2.8 OTHER CURRENT LIABILITIES

#### (I) STATUTORY LIABILITIES:

Staff Professional Tax  
Employees Income Tax deducted at source  
Contractors' Income Tax  
Salary Savings Scheme  
Recurring Deposit (Staff)  
Group Savings Link Insurance  
Assam Sales Tax  
Provident Fund Recovery  
VAT (Value added tax)  
VAT on Natural Gas

85 401  
36 29 672  
13 31 190  
9 98 670  
26 000  
70 841  
69 702  
48 45 870  
7 16 300  
93 72 424  
**2 11 46 070**

87 123  
25 44 680  
9 26 302  
9 91 455  
23 000  
20 370  
69 702  
45 24 652  
12 15 233  
60 40 094  
**1 64 42 611**

#### (II) OTHER LIABILITY

AGCL Staff Co-op. Society  
AGCL Tea Canteen  
AGCL Executive Club  
AGCL Staff Recreation Centre  
KWH Pipes (India) Ltd.  
Outstanding Liabilities for expenses

3 45 806  
41 156  
36 337  
11 193  
1 20 100  
6 51 43 402  
**6 56 97 994**

69 661  
120  
0  
11 073  
1 20 100  
4 53 55 652  
**4 55 56 606**

#### (III) CURRENT MATURITIES OF LONG TERM LOAN

Canara Bank, Duliajan (JHT-GHT PROJECT)

**0**

**3 79 52 379**

**8 68 44 064**

**9 99 51 596**

### NOTE :- 2.9 SHORT TERM PROVISIONS

Provision for Dividend  
Provision for Tax on Dividend  
Provision for Income Tax/FBT  
Provision of Service Tax on TC/GM Maint bills

1 69 14 490  
22 89 907  
30 08 40 749  
75 32 458  
**32 75 77 604**

1 69 14 490  
12 33 436  
344092130  
87 61 632  
**37 10 01 688**

### NOTE NO: 2.11 CAPITAL WORK - IN - PROGRESS

Pipeline H.D.P.E.  
CNG/LNG Project  
Scada  
Power Project

4 45 31 259  
1 67 890  
37 07 785  
10 76 150  
**4 94 83 084**

4 13 02 252  
0  
0  
0  
**4 13 02 252**

# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

NOTE NO: 2.10 FIXED ASSETS

| PARTICULARS                       | GROSS BLOCK            |                          |                 |                         | DEPRECIATION                  |                                               |                       |                         | NET BLOCK<br>on SLM / WDV |                         |                         |
|-----------------------------------|------------------------|--------------------------|-----------------|-------------------------|-------------------------------|-----------------------------------------------|-----------------------|-------------------------|---------------------------|-------------------------|-------------------------|
|                                   | COST AS AT<br>01-04-14 | ADDITION FOR<br>THE YEAR | ADJUST-<br>MENT | COST AS AT<br>3/31/2015 | UP TO 01-04-14<br>(under WDV) | ADJUSTMENT<br>DUE TO CHANGE<br>IN DEP. METHOD | FOR THE<br>YEAR (SLM) | Adjustment<br>to Assets | TOTAL<br>(under SLM)      | AS AT 31-03-15<br>(SLM) | AS AT 31-03-14<br>(WDV) |
| A. Land                           | 1 57 59 383            | 52 41 551                |                 | 2 10 00 934             |                               |                                               |                       |                         |                           | 2 10 00 934             | 1 57 59 383             |
| B. Residential & Factory Building | 11 72 00 101           | 98 53 578                |                 | 12 70 53 679            | 6 34 87 229                   | ( 66 67 905 )                                 | 32 49 718             |                         | 6 00 69 042               | 6 69 84 638             | 5 37 12 872             |
| C. Pipe Lines & Plant & Machinery | 269 66 77 190          | 3 55 72 335              |                 | 273 22 49 525           | 220 49 99 937                 | (52 40 67 566 )                               | 7 33 35 216           |                         | 175 42 67 587             | 97 79 81 938            | 49 16 77 253            |
| D. Office Equipment               | 48 93 261              | 1 35 966                 |                 | 50 29 227               | 30 04 581                     | 10 174                                        | 5 40 297              |                         | 35 55 052                 | 14 74 175               | 18 88 680               |
| E. Hospital Equipments            | 12 93 718              |                          |                 | 12 93 718               | 11 80 560                     | 45 009                                        | 8 831                 |                         | 12 34 400                 | 59 318                  | 1 13 158                |
| F. Miscellaneous Fixed Assets     | 37 71 046              |                          |                 | 37 71 046               | 31 56 178                     | 3 55 843                                      | 1 35 103              |                         | 36 47 124                 | 1 23 922                | 6 14 868                |
| G. Electrical Installation        | 59 17 006              | 5 61 529                 |                 | 64 78 535               | 48 52 116                     | ( 6 22 656 )                                  | 5 14 492              |                         | 47 43 952                 | 17 34 584               | 10 64 890               |
| H. Roads, Drains and Water Works  | 1 88 98 067            | 34 03 247                |                 | 2 23 01 314             | 1 28 70 138                   | 10 11 096                                     | 14 81 610             |                         | 1 53 62 844               | 69 38 470               | 60 27 929               |
| I. Furniture & Fixture            | 86 91 490              | 1 65 841                 |                 | 88 57 331               | 65 69 204                     | ( 7 64 419 )                                  | 3 63 265              |                         | 61 68 050                 | 26 89 281               | 21 22 286               |
| J. Motor Vehicles                 | 85 86 430              | 19 65 390                |                 | 1 05 51 820             | 59 64 768                     | ( 19 89 947 )                                 | 13 08 802             |                         | 52 83 623                 | 52 68 197               | 26 21 662               |
| K. E.D.P System                   | 1 83 33 059            | 6 42 388                 |                 | 1 89 75 447             | 1 70 19 287                   | ( 89 665 )                                    | 4 93 454              |                         | 1 74 23 076               | 15 52 370               | 13 13 772               |
| L. Communication System           | 33 98 352              | 24 583                   |                 | 34 22 935               | 27 24 836                     | 2 46 298                                      | 46 980                |                         | 30 18 114                 | 4 04 820                | 6 73 516                |
| Total                             | 290 34 19 103          | 5 75 66 408              | 0               | 296 09 85 511           | 232 58 28 834                 | (53 25 33 738 )                               | 8 14 77 768           | 0                       | 187 47 72 864             | 108 62 12 647           | 57 75 90 269            |
| Previous Year's Figures           | 285 44 39 870          | 4 94 88 251              | 5 09 018        | 290 34 19 103           | 223 45 12 780                 | 5 08 406                                      | 91824480              |                         | 232 58 28 834             | 57 75 90 269            | 61 99 27 089            |



## NOTES ON ACCOUNTS.....(Continued)

(Amount in Rupees)

|                                                                                                             | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|-------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE :- 2.12 NON CURRENT INVESTMENTS</b>                                                                 |                     |                     |
| Equity contribution in Tripura Natural Gas Co. Ltd.<br>(27,000 nos. of Equity Shares @ 100/- fully paid up) | 1 00 00 000         | 1 00 00 000         |
| Adv.against Equity in Tripura Natural Gas Co. Ltd.                                                          |                     |                     |
| Equity Contriubion in DNP Limited<br>(85300000 nos. of Equity Shares @ 10/- fully paid up)                  | 85 30 00 000        | 85 30 00 000        |
|                                                                                                             | <b>86 30 00 000</b> | <b>86 30 00 000</b> |
| <b>NOTE :- 2.13 LONG TERM LOANS &amp; ADVANCES</b>                                                          |                     |                     |
| AGCL Gratuity Trust Account                                                                                 | 1 000               | 1 000               |
| Security Deposit                                                                                            | 11 00 225           | 11 72 959           |
| Assam Entry tax                                                                                             | ( 50 344 )          | ( 67 946 )          |
|                                                                                                             | <b>10 50 881</b>    | <b>11 06 013</b>    |
| <b>NOTE :- 2.14 OTHER NON-CURRENT ASSETS</b>                                                                |                     |                     |
| Misc. Expenditure ( to the extent not written off)                                                          |                     |                     |
| VRS Payments - Accumulated balance                                                                          | 9 51 107            | 38 856              |
| Add : Paid during the year                                                                                  | 13 96 459           | 11 88 884           |
|                                                                                                             | 23 47 566           | 12 27 740           |
| Less : Adjusted during the year                                                                             | 5 17 069            | 2 76 633            |
|                                                                                                             | <b>18 30 497</b>    | <b>9 51 107</b>     |
| <b>NOTE :- 2.15 INVENTORIES</b>                                                                             |                     |                     |
| (As taken , valued and certified by the Management at cost)                                                 |                     |                     |
| Stock of Stores and Spares                                                                                  | 12 21 73 792        | 9 77 60 675         |
| Stock of Stores( Project)                                                                                   | 1 91 90 186         | 1 89 21 457         |
| Stock with Instrument Deptt. & Crisis Mgmt.com.                                                             | 52 79 518           | 47 95 556           |
| Stock of Medical Stores                                                                                     | 2 67 406            | 2 35 142            |
| Stock of Stores at Site Office                                                                              | 1 38 74 524         | 1 55 25 317         |
|                                                                                                             | <b>16 07 85 426</b> | <b>13 72 38 147</b> |
| <b>NOTE :- 2.16 TRADE RECEIVABLES</b>                                                                       |                     |                     |
| (Unsecured and considered good)                                                                             |                     |                     |
| Brahmaputra Valley Fertiliser Corpn. Ltd. (Formerly<br>Hindustan Fertiliser Corpn Ltd., Namrup)             | 11 11 34 911        | 13 96 56 051        |
| Assam State Electricity Board, Namrup                                                                       | 8 61 81 917         | 8 20 09 525         |
| Assam State Electricity Board, Maibela                                                                      | 18 96 34 126        | 12 97 91 101        |
| Assam Petro Chemicals Ltd.                                                                                  | 20 53 502           | 19 77 253           |
| Sonari area T E                                                                                             | 1 14 17 673         | 60 65 756           |
| NEEPCO                                                                                                      | 90 47 678           | 88 34 801           |
| Oil India Limited, Duliajan                                                                                 | 2 59 189            | 4 18 949            |
| Domestic Consumers Receivable                                                                               | 10 44 73 117        | 8 70 39 794         |
| Moran Plantation line                                                                                       | 23 45 024           | 1 25 36 500         |
| Naharkatia/Duliajan Area gardens                                                                            | 1 55 75 620         | 1 43 98 139         |





# NOTES ON ACCOUNTS....(Continued)

(Amount in Rupees)

|                                                       | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|-------------------------------------------------------|---------------------|---------------------|
| <b>NOTE :- 2.16 TRADE RECEIVABLES.....(continued)</b> |                     |                     |
| <i>(Unsecured and considered good)</i>                |                     |                     |
| Dibrugarh area T.E.                                   | 2 10 61 645         | 1 58 29 476         |
| Doomdooma area T.E.                                   | 2 95 80 164         | 2 61 40 504         |
| Margherita Tea Gas Grid                               | 1 90 45 011         | 1 42 86 765         |
| Tinsukia Tea Gas Grid                                 | 4 66 12 894         | 4 40 51 898         |
| Jorhat-Golaghat Line T.E.                             | 1 94 73 940         | 1 73 23 791         |
| ONGC                                                  | 0                   | 35 39 997           |
| ASEB NRPP                                             | 59 99 581           | 52 97 985           |
| Suspense a/c                                          | ( 3 65 706 )        | 0                   |
|                                                       | <u>67 35 30 286</u> | <u>60 91 98 285</u> |
| <i>(Unsecured and considered doubtful)</i>            |                     |                     |
| ASEB Maibella                                         | 0                   | 50 41 115           |
| ASEB Namrup                                           | 63 77 935           | 63 77 935           |
| Service Charges Receivable (G.M.)                     | 0                   | 7 12 428            |
| Deputy Commissioner Of Dibrugarh                      | 0                   | 7 91 500            |
| Tea Gardens (Under Court Case)                        | 53 28 646           | 60 74 646           |
| DLF Project                                           | 20 32 26 549        | 20 32 26 549        |
|                                                       | <u>21 49 33 130</u> | <u>22 22 24 173</u> |
|                                                       | <u>88 84 63 416</u> | <u>83 14 22 458</u> |
| <b>Less : Provision for Bad and doubtful debts</b>    | 5 05 45 215         | 4 83 40 124         |
|                                                       | <u>83 79 18 201</u> | <u>78 30 82 334</u> |
| <u>Sundry debtors - Age Analysis</u>                  |                     |                     |
| Less than six months                                  | 48 59 51 723        | 44 53 24 551        |
| More than six months                                  | 35 19 66 478        | 33 77 57 783        |
|                                                       | <u>83 79 18 201</u> | <u>78 30 82 334</u> |
| <b>NOTE :- 2.17 CASH &amp; CASH EQUIVALENTS</b>       |                     |                     |
| <b>a) Cash in hand:</b>                               |                     |                     |
| With Head Office, Duliajan                            | 7 87 186            | 1 10 744            |
| With Officials (Imprest)                              | 1 84 933            | 1 74 780            |
| Cash at Guwahati Office                               | 1 196               | 2 545               |
| Cash at Silchar Office                                | 12 913              | 6 190               |
|                                                       | <u>9 86 228</u>     | <u>2 94 259</u>     |
| <b>b) Balances with Banks:</b>                        |                     |                     |
| State Bank of India, Mathurapur                       | 98 627              | 98 782              |
| State Bank of India, Moran                            | 7 92 650            | 33 02 023           |
| State Bank of India, Nazira                           | 3 99 026            | 8 45 891            |
| State Bank of India, Duliajan, A/C No. 124 (Gen)      | 2 22 432            | 33 89 012           |
| State Bank of India, Sibsagar                         | 12 56 152           | 4 94 533            |



# NOTES ON ACCOUNTS.....(Continued)

(Amount in Rupees)

## b) Balances with Banks : .....(continued)

|                                                     | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|-----------------------------------------------------|---------------------|---------------------|
| State Bank of India, Dibrugarh                      | 23 69 372           | 14 06 825           |
| State Bank of India, Digboi                         | 31 62 931           | 11 27 455           |
| State Bank of India, Gargaon                        | 29 04 320           | 6 23 625            |
| State Bank of India, Silchar                        | 4 893               | 5 257               |
| State Bank of India, Tinsukia                       | 5 30 163            | 10 26 160           |
| State Bank of India, Duliajan (Dividend A/C)        | 4 576               | 7 118               |
| United Bank of India, Duliajan                      | 45 41 413           | 38 627              |
| United Bank of India, Chawkidighi, Dibrugarh        | 1 33 351            | 24 18 863           |
| United Bank of India, Digboi                        | 66 75 265           | 11 92 949           |
| United Bank of India, Naharkatia                    | 3 06 727            | 7 11 470            |
| United Bank of India, Ledo                          | 4 61 304            | 3 05 081            |
| UCO Bank, Sibsagar                                  | 72 05 127           | 7 35 367            |
| UCO Bank, Duliajan (Lien A/C)                       | 6 74 548            | 4 67 213            |
| Assam Co-Op. Apex Bank Ltd. Duliajan (Non Schedule) | 67 93 842           | 52 26 396           |
| Allahabad Bank, Duliajan                            | 9 13 283            | 46 12 905           |
| Allahabad Bank, Dibrugarh (47)                      | 14 89 172           | 27 15 006           |
| Allahabad Bank, Sibsagar                            | 28 93 333           | 26 12 004           |
| Allahabad Bank, Tinsukia                            | 84 55 027           | 1 71 450            |
| Punjab National Bank, R.G. Baruah Rd, Guwahati      | 1 99 281            | 56 582              |
| Canara Bank, Duliajan                               | 5 09 242            | 33 44 766           |
| Indian Bank, Dibrugarh                              | 12 83 825           | 13 46 188           |
| Vijaya Bank, Jorhat                                 | 41 86 852           | 9 69 052            |
| Central Bank of India, Margherita                   | 63 58 790           | 13 63 575           |
|                                                     | <b>6 48 25 524</b>  | <b>4 06 14 175</b>  |

## Balances with banks in Deposit accounts :

|                                        |                      |                      |
|----------------------------------------|----------------------|----------------------|
| Fixed Deposit With Scheduled Banks     | 284 78 43 509        | 236 21 15 134        |
| Fixed Deposit With Non Scheduled Banks | 1 11 72 854          | 1 02 80 467          |
|                                        | <b>285 90 16 363</b> | <b>237 23 95 601</b> |
|                                        | <b>292 48 28 115</b> | <b>241 33 04 035</b> |

## NOTE :- 2.18 SHORT TERM LOANS & ADVANCES

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| a) Advances to related parties   |                    |                    |
| DNP Limied                       | 3 08 73 652        | 3 30 05 220        |
|                                  | <b>3 08 73 652</b> | <b>3 30 05 220</b> |
| b) Loans & advances to employees |                    |                    |
| Advance to staff                 | 2 77 02 091        | 2 91 94 344        |
|                                  | <b>2 77 02 091</b> | <b>2 91 94 344</b> |
| c) Prepaid expenses              |                    |                    |
| Pre-paid Insurance Premium       | 74 91 875          | 67 55 920          |
|                                  | <b>74 91 875</b>   | <b>67 55 920</b>   |



## NOTES ON ACCOUNTS.....(Continued)

(Amount in Rupees)

|                                                    | AS AT<br>31-03-2015  | AS AT<br>31-03-2014  |
|----------------------------------------------------|----------------------|----------------------|
| d) Balance with Government Authorities             |                      |                      |
| Advance Income Tax                                 | 32 45 63 113         | 34 00 00 000         |
| Tax deducted at source                             | 5 03 29 823          | 4 36 05 068          |
| Fringe Benefit Tax - Advance                       | 14 89 298            | 14 89 298            |
| Service Tax on Advances                            | 22 43 714            | 4 02 466             |
| CEN VAT (Service Tax)                              | 34 50 352            | 76 44 288            |
|                                                    | <b>38 20 76 300</b>  | <b>39 31 41 120</b>  |
| d) Other advances                                  |                      |                      |
| Advance to Contractors & Suppliers                 | 26 42 759            | 20 79 958            |
| (Less than 1 year - Rs. 26 42 315)                 |                      |                      |
| (More than 1 year Less than 3 years - Rs. 444)     |                      |                      |
| AGC Staff Recreation Centre                        | 65 000               | 0                    |
| Realisable from the Consumers of Duliajan Gas Grid | 0                    | 60 862               |
| Receivable from OIL                                | 4 52 629             | 11 96 164            |
|                                                    | <b>31 60 388</b>     | <b>33 36 984</b>     |
|                                                    | <b>45 13 04 306</b>  | <b>46 54 33 588</b>  |
| Unsecured and considered good                      | 45 13 04 306         | 46 35 21 403         |
| Unsecured and doubtful of recovery                 | 0                    | 19 12 185            |
|                                                    | <b>45 13 04 306</b>  | <b>46 54 33 588</b>  |
| <b>NOTE :- 2.19 OTHER CURRENT ASSETS</b>           |                      |                      |
| Interest accrued on Fixed Deposit                  | 13 80 82 139         | 10 32 99 242         |
|                                                    | <b>13 80 82 139</b>  | <b>10 32 99 242</b>  |
| <b>NOTE :- 2.20 REVENUE FROM OPERATIONS</b>        |                      |                      |
| a) Gas Sales 175009404 SCM                         | 142 72 70 652        | 136 19 85 738        |
| Minimum Demand Charges                             | 5 34 45 711          | 3 66 45 973          |
|                                                    | 148 07 16 363        | 139 86 31 711        |
| Less: VAT on Gas Sales                             | 15 83 55 053         | 14 81 59 600         |
|                                                    | <b>132 23 61 310</b> | <b>125 04 72 111</b> |
| b) Operating Income(Transmission 1606949585 SCM    | 131 27 58 009        | 126 78 01 072        |
| Minimum Demand Charges                             | 3 65 78 632          | 3 81 86 295          |
|                                                    | 134 93 36 641        | 130 59 87 367        |
| Less: Service Tax on TC                            | 14 44 37 180         | 13 94 53 238         |
|                                                    | <b>120 48 99 461</b> | <b>116 65 34 129</b> |
|                                                    | <b>252 72 60 771</b> | <b>241 70 06 240</b> |



## NOTES ON ACCOUNTS.....(Continued)

(Amount in Rupees)

### NOTE :- 2.21 OTHER INCOME

|                                     | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|-------------------------------------|---------------------|---------------------|
| Interest on Fixed Deposit           | 25 02 85 021        | 20 28 39 180        |
| Interest on Delay payment           | 64 70 547           | 66 16 765           |
| Interest from Employees on Loan     | 15 49 873           | 14 55 476           |
| Dividend Income from Investment     | 59 71 000           | 1 01 96 850         |
| Sale of Materials                   | 3 53 423            | 4 10 617            |
| Service charges                     | 7 15 200            | 7 10 700            |
| Compensation Charges                | 30 04 984           | 2 47 300            |
| Guest House Charge realised         | 1 85 335            | 2 01 488            |
| House rent realised from employees  | 8 42 323            | 9 13 764            |
| Gas Charges realised from employees | 87 730              | 89 120              |
| Miscellaneous receipts              | 1 65 21 913         | 1 63 15 540         |
| Income from works contracts         | 7 14 350            | 64 40 944           |
| Profit on Sale of Vehicles          | 0                   | 1 13 908            |
|                                     | <b>28 67 01 699</b> | <b>24 65 51 652</b> |

### NOTE :- 2.22 PURCHASES OF STOCK IN TRADE

|               |               |                      |                      |
|---------------|---------------|----------------------|----------------------|
| Gas Purchases | 175070705 SCM | 125 27 73 787        | 102 97 59 959        |
|               |               | <b>125 27 73 787</b> | <b>102 97 59 959</b> |

### NOTE :- 2.23 EMPLOYEES BENEFITS EXPENSE

#### (a) EMPLOYEES REMUNERATION & BENEFITS:

|                                            |                     |                     |
|--------------------------------------------|---------------------|---------------------|
| Salary & Wages                             | 28 60 49 683        | 25 95 55 393        |
| Providend Fund / Pension Fund Contribution | 2 87 94 771         | 2 63 67 331         |
| Arrear D.A.                                | 16 80 138           | 64 19 599           |
| Bonus & Exgratia to Employees              | 88 00 000           | 94 38 121           |
| Ex-Gratia on Death of Employees            | 60 000              | 1 00 000            |
| Employees Training Expenses                | 8 18 232            | 13 31 903           |
| Group Gratuity Scheme                      | 3 19 82 112         | 3 89 17 888         |
| Welfare Expenses for Employee              | 13 97 701           | 16 29 220           |
| Medical Expenses                           | 1 41 61 127         | 93 15 288           |
| Leave Travel Assistance                    | 9 24 942            | 8 92 266            |
| Leave Travel Concession                    | 3 20 380            | 4 14 748            |
| Retirement Journey Benefits                | 90 000              | 1 22 975            |
| Group Superannuation Scheme                | 23 00 519           | 21 08 334           |
| VRS & Prematured Settlement Scheme         | 5 17 069            | 2 76 633            |
|                                            | <b>37 78 96 674</b> | <b>35 68 89 699</b> |

#### (b) MD'S REMUNERATION & BENEFITS

|                        |                     |                     |
|------------------------|---------------------|---------------------|
| Remuneration           | 15 87 209           | 14 21 340           |
| Providend/Pension Fund | 1 76 104            | 1 50 480            |
|                        | <b>17 63 313</b>    | <b>15 71 820</b>    |
|                        | <b>37 96 59 987</b> | <b>35 84 61 519</b> |





## NOTES ON ACCOUNTS.....(Continued)

(Amount in Rupees)

|                                                  | AS AT<br>31-03-2015 | AS AT<br>31-03-2014 |
|--------------------------------------------------|---------------------|---------------------|
| <b>NOTE :- 2.24 FINANCE COSTS</b>                |                     |                     |
| Interest on Loan                                 | 10 40 917           | 49 87 576           |
| Interest on Deposit & Advance                    | 68 41 684           | 61 32 745           |
|                                                  | <b>78 82 601</b>    | <b>1 11 20 321</b>  |
| <b>NOTE :- 2.25 OTHER EXPENSES</b>               |                     |                     |
| <b>a) POWER &amp; FUEL / COMPRESSION CHARGES</b> |                     |                     |
| Electricity Charges                              | 40 09 519           | 34 29 448           |
| Compressor Gas Fuel Expenses                     | 2 07 46 493         | 1 55 12 402         |
| Gas Compression charges                          | 1 20 24 660         | 1 12 27 173         |
|                                                  | <b>3 67 80 672</b>  | <b>3 01 69 023</b>  |
| <b>(b) RATES &amp; TAXES:</b>                    |                     |                     |
| Fees & Fines                                     | 6 41 158            | 45 72 244           |
| Rent, Rates & Taxes                              | 14 19 969           | 1 90 537            |
| Company's Professional Tax                       | 2 500               | 2 500               |
| Interest on Service Tax                          | 1 46 164            | 0                   |
|                                                  | <b>22 09 791</b>    | <b>47 65 281</b>    |
| <b>(c) OTHER OPERATING EXPENSES:</b>             |                     |                     |
| P.F. Administrative Expenses                     | 25 25 743           | 24 52 806           |
| Deposit Linked Insurance                         | 10 67 287           | 4 53 717            |
| Stipend to Trainees                              | 4 62 544            | 3 68 524            |
| MD's office Expenses                             | 63 321              | 89 316              |
| Guwahati office expenses                         | 17 86 020           | 23 94 118           |
| Printing & Stationery                            | 15 96 367           | 11 36 553           |
| Postage & Telegrams                              | 1 08 310            | 68 235              |
| Telephone charges                                | 4 08 986            | 8 05 299            |
| Vehicle Hire charges                             | 71 06 894           | 64 32 440           |
| Vehicle running expenses                         | 40 97 305           | 39 31 011           |
| Liveries                                         | 6 79 412            | 9 90 521            |
| Advertisement                                    | 27 17 115           | 17 70 126           |
| Bank charges                                     | 7 55 346            | 7 13 945            |
| Legal expenses                                   | 22 70 312           | 26 57 968           |
| Insurance premium                                | 97 12 015           | 66 43 026           |
| House rent                                       | 11 62 565           | 11 73 945           |
| Books, Maps & periodicals                        | 1 87 907            | 1 47 228            |
| Carriage, Cartage & Freight                      | 81 965              | 1 95 367            |
| Meeting expenses                                 | 2 12 074            | 1 81 121            |
| Donation & Subscription                          | 40 31 633           | 62 78 411           |
| Exhibition & Business development expenses       | 1 91 961            | 4 98 312            |
| Miscellaneous Expenses                           | 41 73 455           | 31 16 064           |
| Guest House Expenses                             | 4 82 706            | 7 41 243            |
| Tools & Plants Consumed                          | 7 50 874            | 63 199              |
| Company's Celebration expenses                   | 2 45 686            | 6 42 267            |
| Sanitary Expenses                                | 78 802              | 1 21 420            |
| Land Survey Expenses                             | 85 345              | 9 487               |



## NOTES ON ACCOUNTS....(Continued)

|                                                       | AS AT<br>31-03-2015 | (Amount in Rupees)<br>AS AT<br>31-03-2014 |
|-------------------------------------------------------|---------------------|-------------------------------------------|
| <b>(c) OTHER OPERATING EXPENSES: .... (continued)</b> |                     |                                           |
| Compensation paid                                     | 2 14 030            | 66 35 590                                 |
| Gas loss on transmission                              | 2 64 06 370         | 0                                         |
| Meter reading expenses                                | 11 17 489           | 9 63 708                                  |
| Loss on accident                                      | 40 43 169           | 0                                         |
| Compensation paid on Fire Accident                    | 23 13 072           | 0                                         |
| Discount/ Rebate (net)                                | ( 12 47 208 )       | 11 84 230                                 |
| Bad debts - written off                               | 35 50 361           | 0                                         |
| Provision for bad and doubtful debts                  | 22 05 091           | 35 74 752                                 |
|                                                       | <b>8 56 44 324</b>  | <b>5 64 33 949</b>                        |
| <b>(d) TRAVELLING EXPENSES:</b>                       |                     |                                           |
| Employees                                             | 30 83 077           | 40 98 884                                 |
| Managing Director'                                    | 8 71 514            | 8 85 327                                  |
| Director's                                            | 3 61 316            | 18 38 022                                 |
| Candidates/others                                     | 59 470              | 57 684                                    |
|                                                       | <b>43 75 377</b>    | <b>68 79 917</b>                          |
| <b>(e) AUDIT FEE &amp; EXPENSES:</b>                  |                     |                                           |
| Statutory Audit Fee                                   | 80 000              | 80 000                                    |
| Statutory Auditor' Fees for other services            | 50 000              | 50 000                                    |
| Statutory Auditor' expenses                           | 53 774              | 60 230                                    |
| Cost Audit Fee                                        | 55 000              | 35 000                                    |
| Fees & expenses to Tax Consultant                     | 38 800              | 56 600                                    |
| Fees to oher Auditors (Other services)                | 25 750              | 50 800                                    |
| Audit expenses for others                             | 89 500              | 1 17 793                                  |
|                                                       | <b>3 92 824</b>     | <b>4 50 423</b>                           |
| <b>(f) CHAIRMAN'S EXPENSES:</b>                       |                     |                                           |
| Travelling expenses                                   | 2 41 031            | 4 46 901                                  |
| Office expenses                                       | 7 17 170            | 7 91 743                                  |
| Honorarium                                            | 31 000              | 12 000                                    |
|                                                       | <b>9 89 201</b>     | <b>12 50 644</b>                          |
| <b>(g) REPAIRS &amp; MAINTENANCE</b>                  |                     |                                           |
| Compressor                                            | 1 17 22 012         | 1 22 39 298                               |
| Pipelines                                             | 2 46 65 374         | 1 29 32 777                               |
| Gas Meter                                             | 11 13 122           | 12 02 013                                 |
| Building                                              | 92 36 331           | 61 57 477                                 |
| Vehicles                                              | 3 04 749            | 1 93 683                                  |
| Colony                                                | 3 50 687            | 4 17 277                                  |
| Compressor Station                                    | 9 61 137            | 5 19 892                                  |
| Electrical Installation                               | 14 58 650           | 9 56 654                                  |
| Roads & Drains                                        | 5 51 553            | 20 77 065                                 |
| Water Supply                                          | 35 64 305           | 17 26 636                                 |
| EDP System                                            | 18 78 954           | 15 31 155                                 |
| Plant & Machinery                                     | 4 97 544            | 14 48 252                                 |
| Domestic Gas Lines                                    | 10 57 717           | 15 74 116                                 |
| Odorisation plant                                     | 0                   | 16 59 058                                 |
| Other Assets                                          | 6 26 983            | 1 90 693                                  |
|                                                       | <b>5 79 89 118</b>  | <b>4 48 26 046</b>                        |
|                                                       | <b>18 83 81 307</b> | <b>14 47 75 283</b>                       |



## 2.26 1. Amount paid to Managing Director

Remuneration ₹ 15 87 209

P. F. Contribution & Pension Fund ₹ 1 76 104

2. Number of employees who are in receipt of emoluments

aggregating to ₹ 24 00 000/- or more or ₹ 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/- upto the financial year 2013-14 has been adjusted against the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation account and the WDV of the assets. For calculating the impact of such changes on the written down value of the assets, 1st April 2006 has been considered as the cut off date and for additions to the assets made after 1st April 2006, 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 2006, the WDV of the assets on 1st April 2006 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 2014-15 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. In case of the assets acquired prior to 1st April 2006 (where the WDV of the assets on 1st April 2006 has been considered for calculating depreciation for the subsequent years) the remaining life span of the assets have been considered on an average basis as determined by the management of the Company. Accordingly depreciation amounting to ₹ 8 14 77 768/- has been charged to Profit & Loss account for the current Financial Year and an amount of ₹ 1 73 13 798/- has been adjusted to the Accumulated Profit & Loss account with corresponding adjustment to the Accumulated Depreciation and the WDV of the Assets on account of excess depreciation charged on those assets outlived their life under Schedule II of the Companies Act, 2013.

### ii. Revalued Fixed Assets :

a. Depreciation on revalued assets is charged as per the provisions prescribed in "Guidance Note on treatment of reserve created out of Revaluation of Fixed Assets", issued by the Institute of Chartered Accountants of India. Due to change in the method of depreciation from WDV to SLM with effect from



the year 2014-15 and further following the change in the depreciation rates under Schedule II of the Companies Act, 2013, during the year under review the Company has charged depreciation on revalued assets amounting to ₹ 7 16 328/-.

b. The remaining value of the revalued asset - ₹ 38 87 252/- being the value of the revalued Land, and being a non depreciable asset, the amount has been transferred to the Land under Fixed Assets.

### iii. 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 ₹ 1 00 00 000/- (as against ₹ 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           |       |

A copy of the Financial statements of M/s. Tripura Natural Gas Company Limited for the year 2014-15 is annexed to herewith.

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 ₹ 150 00 00 000/-, divided into 15 00 00 000 equity shares of ₹ 10/- each and the pattern of Equity Share holding structure was agreed at (w.e.f. 17th March 2009) which has increased to ₹ 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 ₹ 1 67 25 00 000/- in total, including ₹ 85 30 00 000/- invested by M/s. Assam Gas Company Limited.

Dividend for the Financial year 2013-14 at the rate of 1.10% declared by the Board of 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 :   | 59 71 000   |
| Advance(others)     | 3 08 73 652  |            |             |
| Liability :         | N I L        | Expenses : | 3 08 73 652 |

A copy of the Financial statements of M/s.DNP Limited for the year 2014-15, along with Consolidated Financial Statements, as required under 'Accounting Standard - 21', are annexed to herewith.

#### iv. Stock of Stores

- i. During the year under review, an amount of ₹ 3 833/- 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 ₹ 52 79 518/- includes ₹ 15 64 245/- being the realizable value of 12 numbers of Gas meters returned from the site from 2007-08 to 2014-15.

#### v. Trade Receivables

- a. Trade Receivables (Note - 2.16) includes an amount of ₹ 32 46 941/- (included in ₹ 63 77 935/- from M/s.ASEB Namrup), representing an equal amount under Suspense Receivable account in Other Long Term Liabilities (Note - 2.5 (iv)), accumulated on account of disputed TC / MDC / Interest on delayed payments etc. (pertaining to the years prior to 2002-03) and being doubtful of recovery has not been adjusted in the books of accounts.
- 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'.
- c. 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 ₹ 5 05 45 215/- for the current year as per the Accounting Policies.



d. 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 ₹ 52 26 396/- as on 31-03-2014 and ₹ 67 93 842/- as on 31-03-2015. The maximum balance at any point of time during the year in the said account was ₹ 73 42 459/-.

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

**ix. Profit & Loss Account**

- a. During the year under audit neither any amount has been received nor any bill raised / amount, were transferred to Suspense Receivable Account, being disputed and doubtful of recovery.
- b. As required by the Accounting Standard on "Taxes on Income" (AS-22), the deferred tax provision amounting to ₹ 6 25 296/- 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 ₹ 30 08 40 749/- (Dr) being the provision made for the Financial year 2014-15, ₹ 82 37 833/- (Dr) being the short provision made for the Financial year 2014-15.
- d. Miscellaneous Expenses under other operating expenses (Note 2.25.c) amounting to ₹ 41 73 455/- includes amounts expended on purchase of curtain cloth, sanitary materials, periodical cleaning charges, miscellaneous township maintenance and other miscellaneous expenditures incurred for the corporate offices and all other site offices, are furnished below.

| Particulars                    | Amount         |
|--------------------------------|----------------|
| Security Expenses              | Dr ₹ 10 36 286 |
| Consumables                    | Dr ₹ 3 51 369  |
| Misc. Expenses at site offices | Dr ₹ 6 32 339  |
| Cleaning & Sweeping            | Dr ₹ 2 61 551  |



|                                        |           |          |                  |
|----------------------------------------|-----------|----------|------------------|
| Administrative Expenses                | Dr        | ₹        | 1 35 792         |
| Cost of Travel Tickets & meeting expns | Dr        | ₹        | 2 89 079         |
| Other expenses                         | Dr        | ₹        | 14 67 039        |
| <b>TOTAL</b>                           | <b>Dr</b> | <b>₹</b> | <b>41 73 455</b> |

- e. Miscellaneous Receipts under Other Income (Note - 2.21) - ₹ 1 65 21 913/- (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 2014-15 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        | ₹ 1 45 93 297        |
| Fines & Fees from Domestic | Cr        | ₹ 13 46 033          |
| Cost of Tender paper       | Cr        | ₹ 77 600             |
| Other Receipts             | Cr        | ₹ 1 41 639           |
| Reconnection Charge        | Cr        | ₹ 30 000             |
| Repair & Maintenance       | Cr        | ₹ 3 21 469           |
| Recovery from contractors  | Cr        | ₹ 11 875             |
| <b>TOTAL</b>               | <b>Cr</b> | <b>₹ 1 65 21 913</b> |

- f. During the year under review an amount of ₹ 13 96 459/- 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. 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 provisionally (on the basis of actuarial valuation for 2013-14) and an amount of ₹ 3 19 82 112/- has been charged under Gratuity, consisting of current year's and past service liability.
- h. 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.
- i. Interest on delayed payments due from ASEB (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.
- j. 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.



- m. Provision for Tax on Dividend - ₹ 22 89 907/- has been calculated on ₹ 1 09 43 490/-, after deducting the dividend received from domestic subsidiary companies amounting to ₹ 59 71 000/- 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, Assam Value Added Tax, dated 31-03-2012, 25-03-2013 and 18-01-2014, amounting to ₹ 1 44 04 879/- for the Assessment Year 2006-07 and ₹ 2 31 54 048/- for the Assessment Year 2007-08, ₹ 40 20 60 720/- for the Assessment Year 2008-09 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 and 27-03-2015 regarding payment of service Tax on Minimum Demand Charges on TC and Marketing Margin and other miscellaneous issues amounting to ₹ 6 93 56 633/- exclusive of interest and penalty, for the period November 2006 to March 2015. The Contingent liability arising on this remains unascertained and therefore has not been provided for.

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

During the year under review, Contingent Liabilities have been estimated for an amount of ₹ 9 85 02 303/- (previous year ₹ 8 06 15 742/-) 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 Comapny. 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.

**xi. GENERAL**

- a. Service Tax on Transmission charges amounting to ₹ 74 35 884/- & service tax on other services amounting to ₹ 96 574/-, which are outstanding for collection during the year under consideration (bills raised in 2015-16) 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 the supplier M/s. OIL and a few (26 nos.) 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 - 61 301 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 Rajeev Ch. Joshi | 4. Shri S K Khare             |
| 5. Shri B.Borpatragohain | 6. Shri R C Jain              |
| 7. Shri P K Das          | 8. Shri Pradyut Buzarbaruah   |
| 9. Shri G K Pegu         | 10. Shri Deven Singh          |
| 11. Shri Bipin Gogoi     | 12. Shri Dilip Kr. Sarma      |
| 13. Shri Amitabh Barooa  | 14. Shri Avijit Mazumdar      |
| 15. Shri Masood Khan     | 16. Shri Gautam Baruah Nangia |
  - 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 :-

| <b>Nature of transaction</b>    | <b>Directors / Key Managerial Personnel</b> | <b>Joint venture</b> |
|---------------------------------|---------------------------------------------|----------------------|
| Remuneration, T.A.              | 39 85 344                                   |                      |
| and other benefits              | (55 45 813)                                 |                      |
| Balance as at 31.03.2015        |                                             |                      |
| Receivables                     | NIL                                         | N I L                |
| (NIL)                           | (N I L)                                     |                      |
| Advance against issue of Shares |                                             | NIL                  |
|                                 |                                             | (NIL)                |
| Advance (Project works)         |                                             | 3 08 73 652          |
|                                 |                                             | (3 30 05 220)        |

(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.



# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### Cash Flow Statement for the year 2014 - 15

(Amount in Rupees)

|               |                                                                |                        |                        |
|---------------|----------------------------------------------------------------|------------------------|------------------------|
| <b>I.</b>     | <b><u>CASH FLOW FROM "OPERATING ACTIVITIES"</u></b>            |                        |                        |
| a)            | Net Profit before Tax                                          | 90 37 87 020           |                        |
| b)            | <b>Adjustments for :</b>                                       |                        |                        |
| i)            | Depreciation                                                   | 8 14 77 768            |                        |
| ii)           | Interest on Loans                                              | 10 40 917              |                        |
| iii)          | Misc. Expenditure                                              | 5 17 069               |                        |
| v)            | Interest on Fixed Deposit                                      | (25 02 85 021 )        |                        |
| vi)           | Dividend received                                              | ( 59 71 000 )          |                        |
| vii)          | Bad debts written off                                          | 35 50 361              |                        |
|               | Operating Profit before working capital changes                | <b>73 41 17 114</b>    |                        |
| c)            | <b>Working capital changes :</b>                               |                        |                        |
| i)            | Increase in inventories                                        | (2 35 47 279 )         |                        |
| ii)           | Increase in Sundry Debtors                                     | (5 48 35 867 )         |                        |
| iii)          | Decrease in S Term Loans & Advances                            | 54 17 150              |                        |
| v)            | Decrease in other Current Liabilities                          | (1 32 80 235 )         |                        |
| vi)           | Increase in Trade payable                                      | 3 43 31 941            |                        |
|               | Increase in Other non current assets                           | ( 13 96 459 )          |                        |
| viii)         |                                                                |                        |                        |
|               | <b>Cash generated from operations</b>                          | <b>68 08 06 365</b>    |                        |
| <u>Less :</u> | Income-tax / FBT/Cenvat paid                                   | (33 40 86 049 )        |                        |
|               | <b>Cash Flow before extra ordinary items</b>                   | <b>34 67 20 316</b>    |                        |
| <u>Add :</u>  | Earlier year adjustment                                        | 0                      |                        |
|               | <b>Net Cash from operating activities</b>                      | <b>34 67 20 316</b>    | <b>34 67 20 316</b>    |
| <b>II.</b>    | <b><u>CASH FLOW FROM "INVESTING ACTIVITIES"</u></b>            |                        |                        |
| i)            | Purchase of Fixed Assets                                       | (6 50 30 912 )         |                        |
| ii)           | Sale of Fixed Assets                                           | 0                      |                        |
| iii)          | Fixed Deposits                                                 | (48 66 20 762 )        |                        |
| iv)           | Dividend received                                              | 59 71 000              |                        |
| v)            | Interest received on Fixed Deposits                            | 21 55 02 124           |                        |
|               | <b>Net Cash used in investing activities</b>                   | <b>(33 01 78 550 )</b> | <b>(33 01 78 550 )</b> |
| <b>III.</b>   | <b><u>CASH FLOW FROM "FINANCING ACTIVITIES"</u></b>            |                        |                        |
| i)            | Interest on Loans                                              | ( 10 40 917 )          |                        |
| i)            | Dividend & Tax paid                                            | (1 83 65 591 )         |                        |
| iii)          | Increase in Long term Liabilities                              | 2 77 59 415            |                        |
| iv)           | Increase in Long Term term Loans & Advances                    | 55 132                 |                        |
| v)            | Increase in Long term provisions                               | ( 46 487 )             |                        |
|               | <b>Net Cash used in financing activities</b>                   | <b>83 61 552</b>       | <b>83 61 552</b>       |
|               | <b>Net Increase in Cash &amp; Cash equivalents</b>             |                        | <b>2 49 03 318</b>     |
|               | <b>Cash &amp; Cash equivalents at the begining of the year</b> |                        | <b>4 09 08 434</b>     |
|               | <b>Cash &amp; Cash equivalents at the end of the year</b>      |                        | <b>6 58 11 752</b>     |

#### **Notes to the Cash Flow Statement for the year ended 31st March, 2015 :**

- 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.
- No Borrowing costs were capitalised during the period under review.

# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2015

(With DNP Limited)

(Extracts of the Financial Statements)

| Particulars                                  | AS AT<br>31-03-2015  | AS AT<br>31-03-2014  |
|----------------------------------------------|----------------------|----------------------|
| <b>A EQUITY AND LIABILITIES</b>              |                      |                      |
| 1. Share Holders Fund:                       |                      |                      |
| a. Share Capital                             | 16 91 44 900         | 16 91 44 900         |
| b. Reserves & Surplus                        | 527 43 82 119        | 414 37 61 400        |
| c. Minority Interest                         | 89 57 79 893         | 87 37 90 530         |
|                                              | <b>633 93 06 912</b> | <b>518 66 96 830</b> |
| 2. Share Application Money pending allotment |                      |                      |
| 3. Non Current Liabilities                   |                      |                      |
| a. Long term borrowings                      | 64 80 00 000         | 106 73 12 000        |
| b. Deferred tax liability ( net)             | 24 38 97 345         | 16 25 27 641         |
| c. Other long term liabilities               | 42 09 90 708         | 39 32 31 293         |
| d. Long term provisions                      | 1 79 00 000          | 1 79 46 487          |
|                                              | <b>133 07 88 053</b> | <b>164 10 17 421</b> |
| 4. Current Liabilities                       |                      |                      |
| a. Short term borrowings                     |                      |                      |
| b. Trade payables                            | 32 24 61 663         | 27 14 19 032         |
| c. Other current liabilities                 | 34 84 44 064         | 26 46 76 596         |
| d. Short term provisions                     | 39 72 02 604         | 40 33 18 688         |
|                                              | <b>106 81 08 331</b> | <b>93 94 14 316</b>  |
| <b>TOTAL</b>                                 | <b>873 82 03 296</b> | <b>776 71 28 567</b> |
| <b>B. ASSETS</b>                             |                      |                      |
| 1) Non-current assets                        |                      |                      |
| (a) Fixed assets                             |                      |                      |
| (i) Tangible assets                          |                      |                      |
| a. Gross Block                               | 640 82 04 511        | 633 09 05 334        |
| b. Less: Depreciation                        | 252 27 44 864        | 282 10 01 065        |
| c. Net Block                                 | 388 54 59 647        | 350 99 04 269        |
| d. Revalued Fixed Assets                     |                      | 46 03 580            |
|                                              | <b>388 54 59 647</b> | <b>351 45 07 849</b> |
| (b) Capital Work in progress                 | 4 95 73 084          | 5 72 38 252          |
| (b) Non-current investments                  | 1 00 00 000          | 1 00 00 000          |
| (c) Deferred tax assets (net)                |                      |                      |
| (d) Long-term loans and advances             | 19 22 881            | 19 78 013            |
| (e) Other non-current assets                 | 18 30 497            | 9 51 107             |
|                                              | <b>6 33 26 462</b>   | <b>7 01 67 372</b>   |
| 2) Current assets                            |                      |                      |
| (a) Current investments                      |                      |                      |
| (b) Inventories                              | 20 11 39 426         | 20 95 15 147         |
| (c) Trade receivables                        | 95 52 19 201         | 88 72 33 334         |
| (d) Cash and cash equivalents                | 296 83 08 115        | 244 39 95 035        |
| (e) Short-term loans and advances            | 50 86 60 306         | 53 06 75 588         |
| (f) Other current assets                     | 15 60 90 139         | 11 10 34 242         |
|                                              | <b>478 94 17 187</b> | <b>418 24 53 346</b> |
| <b>TOTAL</b>                                 | <b>873 82 03 296</b> | <b>776 71 28 567</b> |





# ASSAM GAS COMPANY LTD.

## DULIAJAN, ASSAM

### CONSOLIDATED PROFIT & LOSS ACCOUNT ON 31<sup>ST</sup> MARCH, 2015

(With DNP Limited)

(Extracts of the Financial Statements)

| Particulars                                                               | AS AT         | AS AT         |
|---------------------------------------------------------------------------|---------------|---------------|
|                                                                           | 31-03-2015    | 31-03-2014    |
| I. Revenue from operations                                                | 318 75 93 771 | 300 85 55 240 |
| II. Other income                                                          | 29 19 75 699  | 25 53 62 652  |
| III. Total Revenue ( I + II )                                             | 347 95 69 470 | 326 39 17 892 |
| IV. Expenses:                                                             |               |               |
| Purchases of stock in trade                                               | 125 27 73 787 | 102 97 59 959 |
| Employee benefit expenses                                                 | 40 88 46 987  | 38 86 25 519  |
| Finance costs                                                             | 12 75 75 601  | 17 19 62 321  |
| Depreciation and amortization expenses                                    | 23 43 18 768  | 26 10 77 480  |
| Other expenses                                                            | 35 57 69 307  | 29 18 97 283  |
| Total expenses                                                            | 237 92 84 450 | 214 33 22 562 |
| V. Profit before exceptional and extraordinary items and tax ( III - IV ) | 110 02 85 020 | 112 05 95 330 |
| VI. Exceptional Items                                                     | 0             | 0             |
| VII. Profit before extraordinary items and tax ( V - VI )                 | 110 02 85 020 | 112 05 95 330 |
| VIII. Prior period & Extraordinary Items                                  |               | 1 09 67 690   |
| IX. Profit before tax ( VII - VIII )                                      | 110 02 85 020 | 113 15 63 020 |
| X. Tax expenses                                                           |               |               |
| 1) Current tax                                                            | 35 65 57 582  | 37 85 89 218  |
| 2) Deferred tax                                                           | 8 13 69 704   | 2 74 23 325   |
|                                                                           | 43 79 27 286  | 40 60 12 543  |
| XI. Profit for the period from continuing operations ( IX - X )           | 66 23 57 734  | 72 55 50 477  |
| 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 )                                    | 66 23 57 734  | 72 55 50 477  |
| XVII. Balance of profit transferred to Reserve & surplus A/c              | 66 23 57 734  | 72 55 50 477  |
| XVIII. Earnings per equity share:                                         |               |               |
| (1) Basic                                                                 | 392           | 429           |
| (2) Diluted                                                               | 392           | 429           |



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

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

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



## COMMENTS ON DISCLOSURE

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

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

**(C H KHARSHING)**

Accountant General (Audit), Assam

Place : Guwahati  
Date : 30/07/2015



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

### Addendum to the Directors Report

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





## KANOI ASSOCIATES

**CHARTERED ACCOUNTANTS**  
**CENTRAL CHOWKIDINGHEE**  
**DIBRUGARH 786 001, ASSAM**  
Phone: 2324408 & 2328951  
Fax: 91-0373-2320531  
kanoi\_jp@hotmail.com

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

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

We have audited the accompanying financial statements of **DNP Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

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

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



Contd..2



## KANOI ASSOCIATES

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#### **Opinion**

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

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


#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to the extent applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company has made provision, as required under the applicable Law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



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

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

  
(AAKASH AGARWALLA)  
Partner  
M. No: 058427





## KANOI ASSOCIATES

**CHARTERED ACCOUNTANTS**  
**CENTRAL CHOWKIDINGHEE**  
**DIBRUGARH 786 001, ASSAM**  
Phone: 2324408 & 2328951  
Fax: 91-0373-2320531  
kanoi\_jp@hotmail.com

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

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





## KANOI ASSOCIATES

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- (b) According to the information and explanations given to us and the records examined by us, there are no dues outstanding in respect of income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax on account of any dispute other than a Service Tax demand of Rs.11.14 lac (excluding penalty and interest) received from the office of the Commissioner of Central Excise & Service Tax, Dibrugarh vide their Order dated 31/03/2015 which has been disclosed under Note No. 33 of Financial Statement as Contingent Liability.
- (c) According to the information and explanations given to us and the records examined by us, no amount was required to be transferred to investor education and protection fund in accordance with the provisions of the Companies Act.
- (viii) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us and the records examined by us, the term loans were applied for the purpose for which the loans were obtained.
- (xii) Based on the audit procedures performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year.



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

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

*Aakash Agarwalla*

(AAKASH AGARWALLA)  
Partner  
M. No: 058427



## BALANCE SHEET AS AT MARCH 31, 2015

₹ In thousands

| Particulars                       | Note No | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|-----------------------------------|---------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>  |         |                         |                         |
| <b>1 Shareholders' Funds</b>      |         |                         |                         |
| a. Share Capital                  | 3       | 1,672,500               | 1,672,500               |
| b. Reserves and Surplus           | 4       | 155,678                 | 110,797                 |
|                                   |         | 1,828,178               | 1,783,297               |
| <b>2 Non-current Liabilities</b>  |         |                         |                         |
| a. Long-term Borrowings           | 5       | 648,000                 | 1,067,312               |
| b. Deferred Tax Liabilities (Net) | 6       | 186,557                 | 104,562                 |
| c. Other Long-term Liabilities    | 7       | 30,000                  | 30,000                  |
|                                   |         | 864,557                 | 1,201,874               |
| <b>3 Current Liabilities</b>      |         |                         |                         |
| a. Trade Payables                 | 8       | 52,748                  | 47,005                  |
| b. Other Current Liabilities      | 9       | 261,600                 | 164,725                 |
| c. Short-term Provisions          | 10      | 69,625                  | 32,317                  |
|                                   |         | 383,973                 | 244,047                 |
| <b>TOTAL</b>                      |         | <b>3,076,708</b>        | <b>3,229,218</b>        |
| <b>II. ASSETS</b>                 |         |                         |                         |
| <b>1 Non-current Assets</b>       |         |                         |                         |
| a. Fixed Assets                   |         |                         |                         |
| i. Tangible Assets                | 11      | 2,799,247               | 2,932,305               |
| ii. Intangible Assets             | 12      | -                       | 9                       |
| iii. Capital Work-In-Progress     | 13      | 90                      | 15,936                  |
| b. Long-term Loans and Advances   | 14      | 872                     | 872                     |
|                                   |         | 2,800,209               | 2,949,122               |
| <b>2 Current Assets</b>           |         |                         |                         |
| a. Inventories                    | 15      | 40,354                  | 72,277                  |
| b. Trade Receivables              | 16      | 117,301                 | 104,151                 |
| c. Cash and Cash Equivalents      | 17      | 43,480                  | 30,691                  |
| d. Short-term Loans and Advances  | 18      | 57,356                  | 65,242                  |
| e. Other Current Assets           | 19      | 18,008                  | 7,735                   |
|                                   |         | 276,499                 | 280,096                 |
| <b>TOTAL</b>                      |         | <b>3,076,708</b>        | <b>3,229,218</b>        |

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

Notes to Financial Statement **3 - 34**

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

In terms of our Report of even date attached



For and on behalf of Kanoi Associates  
Chartered Accountants  
Firm Reg. No. 309101E  
*Aakash Agarwalla*  
(CA. Aakash Agarwalla)  
Membership No. 058427

Place: Dibrugarh

Date : 19-05-2015

For and on behalf of the Board of Directors

*B. Borpatragohain*  
B. Borpatragohain  
Director

Place: Guwahati

Date : 16/05/2015

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

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

₹ In thousands

| Particulars                                                                 | Note No | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 |
|-----------------------------------------------------------------------------|---------|------------------------------|------------------------------|
| <b>I Revenues from Operations</b>                                           | 20      | 660,333                      | 591,549                      |
| Less : Excise Duty                                                          |         | -                            | -                            |
| Revenues from Operations (Net)                                              |         | 660,333                      | 591,549                      |
| <b>II Other Income</b>                                                      | 21      | 5,274                        | 8,811                        |
| <b>III Total Revenue (I+II)</b>                                             |         | <b>665,607</b>               | <b>600,360</b>               |
| <b>IV Expenses :</b>                                                        |         |                              |                              |
| Employee Benefits                                                           | 22      | 29,187                       | 30,164                       |
| Finance Costs                                                               | 23      | 119,693                      | 160,842                      |
| Depreciation and Amortisation                                               | 11 & 12 | 152,841                      | 169,253                      |
| Other Expenses                                                              | 24      | 167,388                      | 147,122                      |
| <b>Total Expenses</b>                                                       |         | <b>469,109</b>               | <b>507,381</b>               |
| <b>V Profit before exceptional and extraordinary items and tax (III-IV)</b> |         | 196,498                      | 92,979                       |
| <b>VI Exceptional items</b>                                                 |         | -                            | -                            |
| <b>VII Profit before extraordinary items and tax (V - VI)</b>               |         | 196,498                      | 92,979                       |
| <b>VIII Extraordinary Items</b>                                             |         | -                            | -                            |
| <b>IX Profit before tax (VII- VIII)</b>                                     |         | 196,498                      | 92,979                       |
| <b>X Tax Expense:</b>                                                       |         |                              |                              |
| 1 Current tax (MAT Payable)                                                 |         | 47,479                       | 18,619                       |
| 2 Deferred tax                                                              | 6       | 81,995                       | 30,167                       |
| <b>XI Profit (Loss) for the period (IX - X)</b>                             |         | <b>67,024</b>                | <b>44,193</b>                |
| <b>XII Earnings per equity share (EPS) - Rs.</b>                            | 26      |                              |                              |
| [Equity Shares of Rs. 10/- each]                                            |         |                              |                              |
| 1 Basic                                                                     |         | 0.40                         | 0.26                         |
| 2 Diluted                                                                   |         | 0.40                         | 0.26                         |

Corporate Information & Significant Accounting Policies

1 & 2

Notes to Financial Statement

3 - 34

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

In terms of our Report of even date attached



For and on behalf of Kanoi Associates

Chartered Accountants

Firm Reg. No. 309101E

*Aakash Agarwalla*

(CA. Aakash Agarwalla)

Membership No. 058427

Place: Dibrugarh

Date : 19-05-2015

For and on behalf of the Board of Directors

*B. Borpatragohain*

B. Borpatragohain

Director

*S. K. Barua*

S. K. Barua

Director

Place: Guwahati

Date : 16/05/2015

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

|                                                                          | ₹ In thousands   |                  |
|--------------------------------------------------------------------------|------------------|------------------|
|                                                                          | 31-Mar-15        | 31-Mar-14        |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                  |                  |
| NET PROFIT BEFORE TAX BEFORE EXTRA-ORDINARY ITEMS AND PRIOR PERIOD ITEMS | 196,498          | 92,979           |
| ADD ADJUSTMENTS FOR                                                      |                  |                  |
| Depreciation                                                             | 152,841          |                  |
| Provision for Project Surplus Material/ Inventory                        | 30,019           |                  |
| Interest expense                                                         | 119,693          |                  |
|                                                                          | 302,553          | 355,724          |
|                                                                          | 499,051          | 448,703          |
| <b>LESS ADJUSTMENTS FOR</b>                                              |                  |                  |
| Interest / Dividend / Brokerage Income                                   | 5,043            | 8,783            |
| Other Non Cash Items                                                     | -                | 28               |
| Operating profit before working capital changes                          | 494,008          | 439,892          |
| <b>ADJUSTMENTS FOR</b>                                                   |                  |                  |
| Trade and other receivables                                              | 5,465            |                  |
| Inventories                                                              | 1,904            |                  |
| Trade and other payables                                                 | (19,674)         |                  |
| Cash generated from operations (Before Extra Ordinary Items)             | (12,305)         | 155,679          |
| Direct taxes paid                                                        | (39,819)         | (21,475)         |
| <b>NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)</b>                    | <b>441,884</b>   | <b>574,096</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                  |                  |
| a) PURCHASE OF FIXED ASSETS                                              | (6,737)          | (74,992)         |
| b) INTEREST ON FIXED DEPOSITS                                            | 5,241            | 8,549            |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                                | <b>(1,496)</b>   | <b>(66,443)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                  |                  |
| a) INTEREST PAID                                                         | (120,599)        | (160,109)        |
| b) ISSUE OF SHARE CAPITAL                                                | -                | -                |
| c) SECURED LOAN                                                          | (90,000)         | -                |
| d) UNSECURED LOAN                                                        | (217,000)        | (407,500)        |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                                | <b>(427,599)</b> | <b>(567,609)</b> |

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~ (2) ~

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

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



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

Place: Dibrugarh

Date : 29-06-2015

For and on behalf of the Board of Directors

*B. Borpatragohain*

B. Borpatragohain  
Director

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

Place: Guwahati

Date : 16/05/2015





## D N P Limited

### 1. CORPORATE INFORMATION

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis for preparation

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

#### B. Change in Accounting Policy

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

#### C. Use of Estimates

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

#### D. Fixed Assets

##### a) Land

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





b) Fixed Asset other than Land

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

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

c) Intangible Assets:

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

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

d) Expenditure during construction period:

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

e) Pre-operative Expenditure

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

**E. Depreciation**

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

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

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





## F. Inventories

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

## G. Revenue Recognition

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

## H. Classification of Income/Expenses

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

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

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

## I. Borrowing Costs

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







#### **J. Foreign Currency Transaction**

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

#### **K. Capital Grants**

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

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

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

#### **M. Taxes on Income**

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

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

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







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

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

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

#### **O. Cenvat**

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





**3 Share Capital**

₹ In thousands

|                                                                            | 31-Mar-15        | 31-Mar-14        |
|----------------------------------------------------------------------------|------------------|------------------|
| <b>Equity Shares</b>                                                       |                  |                  |
| <b>Authorised</b>                                                          |                  |                  |
| 17,00,00,000 ( 31 March 2014 : 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> |
| <b>Issued, Subscribed and Paid up</b>                                      |                  |                  |
| 16,72,50,000 ( 31 March 2014 : 16,72,50,000 ) Equity Shares of ₹ 10/- each | 1,672,500        | 1,672,500        |
|                                                                            | <u>1,672,500</u> | <u>1,672,500</u> |

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

|                                                | 31-Mar-15   |           | 31-Mar-14   |           |
|------------------------------------------------|-------------|-----------|-------------|-----------|
|                                                | Number      | Amount    | Number      | Amount    |
| <b>Equity Shares</b>                           |             |           |             |           |
| Shares outstanding at the beginnig 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 2015, the amount of dividend per share recognised as distributions to equity shareholders is ₹ 0. paise (31st Macrh 2014: ₹ 0.07 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-15      | 31-Mar-14 |
| Assam Gas Company Limited (with nominees)                                           |                |           |
| 8,53,00,000 (31st March 2014 : 8,53,00,000) equity shares of ₹ 10/- each fully paid | 853,000        | 853,000   |

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

|                                           | 31-Mar-15  |              | 31-Mar-14  |              |
|-------------------------------------------|------------|--------------|------------|--------------|
| Name of Shareholders                      | 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%          |



*(Signature)*

*(Signature)*



**4 Reserves and Surplus**

₹ In thousands

|                                       | General Reserve | Profit & Loss Account | Total          |
|---------------------------------------|-----------------|-----------------------|----------------|
| As at 01-April- 2014                  | 110,297         | 500                   | 110,797        |
| Profit/(Loss) for the year            | -               | 67,024                | 67,024         |
| Dividend to Equity shareholders       | -               | (18,398)              | (18,398)       |
| Tax on Distribution Profits           | -               | (3,745)               | (3,745)        |
| Corporate Income Tax payment adjusted | -               | -                     | -              |
| Transfer (to)/from                    | 44,881          | (44,881)              | -              |
| <b>As at 31-Mar-15</b>                | <b>155,178</b>  | <b>500</b>            | <b>155,678</b> |
| <b>As at 31-Mar-14</b>                | <b>110,297</b>  | <b>500</b>            | <b>110,797</b> |





**5 Long-term Borrowings**

₹ In thousands

|                                                                     | Non-current portion |                  | Current Maturities |           |
|---------------------------------------------------------------------|---------------------|------------------|--------------------|-----------|
|                                                                     | 31-Mar-15           | 31-Mar-14        | 31-Mar-15          | 31-Mar-14 |
| <b>Term Loans</b>                                                   |                     |                  |                    |           |
| <b>From Oil India Limited</b>                                       |                     |                  |                    |           |
| Secured                                                             | -                   | -                | -                  | -         |
| Unsecured                                                           | 648,000             | 982,000          | 240,000            | 123,000   |
| <b>From State Bank of India</b>                                     |                     |                  |                    |           |
| Secured                                                             | -                   | 85,312           | -                  | 4,688     |
| Unsecured                                                           | -                   | -                | -                  | -         |
| <b>Amount disclosed under the head "Other Current Liabilities".</b> | -                   | -                | (240,000)          | (127,688) |
|                                                                     | <u>648,000</u>      | <u>1,067,312</u> | <u>-</u>           | <u>-</u>  |

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

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

**Detail of Securities and Terms of repayment**

Oil India Limited :

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





#### 6 Deferred Tax Liabilities (Net)

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

|                                                    | ₹ In thousands |                |
|----------------------------------------------------|----------------|----------------|
|                                                    | 31-Mar-15      | 31-Mar-14      |
| <b>Deferred Tax Liability</b>                      |                |                |
| Difference of Book Depreciation & Tax Depreciation | 334,212        | 267,633        |
| <b>Deferred Tax Assets</b>                         |                |                |
| Disallowed U/S 35D of Income Tax Act, 1961         | 807            | 1,542          |
| Unabsorbed Depreciation under Income Tax Act, 1961 | 146,848        | 161,529        |
| <b>Total</b>                                       | <b>147,655</b> | <b>163,071</b> |
| <b>Net Deferred Tax Liability</b>                  | <b>186,557</b> | <b>104,562</b> |

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

#### 7 Other Long-term Liabilities

|                        | ₹ In thousands |               |
|------------------------|----------------|---------------|
|                        | 31-Mar-15      | 31-Mar-14     |
| Trade Payables         | -              | -             |
| Deposits from Customer | 30,000         | 30,000        |
| Others                 | -              | -             |
|                        | <b>30,000</b>  | <b>30,000</b> |

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





**Notes to Accounts**

**8 Trade Payables**

₹ In thousands

|                | 31-Mar-15     | 31-Mar-14     |
|----------------|---------------|---------------|
| Trade Payables | 52,748        | 47,005        |
|                | <u>52,748</u> | <u>47,005</u> |

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

**9 Other Current Liabilities**

₹ In thousands

|                                        | 31-Mar-15      | 31-Mar-14      |
|----------------------------------------|----------------|----------------|
| Current maturities of long term debt   | 240,000        | 127,688        |
| Interest Accrued and due on borrowings | -              | 906            |
| EMD from Contractors & Suppliers       | 452            | 752            |
| Statutory Liabilities                  | 8,239          | 4,577          |
| Security Deposits from Contractors     | 1,174          | 2,129          |
| Retentions from Contractors            | 1,162          | 7,934          |
| Creditors for Capital Expenditure      | 4,812          | 7,621          |
| Other Payables                         | 5,761          | 13,118         |
|                                        | <u>261,600</u> | <u>164,725</u> |

**10 Short-Term Provisions**

₹ In thousands

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



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

1. Free hold land owned by the company as on 31.03.2015 stands at 54B-4K-15.43L (including 7B-3K-6.56L allotted by Govt. of Assam) out of which mutation is pending for 16B-4K-16.43L.

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



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**12 Intangible Assets**

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



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**Notes to Accounts**

**13 Capital Work in Progress** ₹ In thousands

|  | 31-Mar-15 | 31-Mar-14 |
|--|-----------|-----------|
|--|-----------|-----------|

**FIXED ASSETS (UNDER CONSTRUCTION)**

**A. BUILDING**

|                            |       |    |  |
|----------------------------|-------|----|--|
| a) Other Factory Buildings | -     | 59 |  |
|                            | (A) - | 59 |  |

**B. PIPELINES**

|                              |       |        |  |
|------------------------------|-------|--------|--|
| a) Pipeline (Materials)      | -     | 12,717 |  |
| b) Pipeline (Other Expenses) | -     | 3,079  |  |
| c) Right Of Way Expenses     | -     | 81     |  |
|                              | (B) - | 15,877 |  |

**C. SOFTWARE**

|                                  |        |   |  |
|----------------------------------|--------|---|--|
| a) Inventory Management Software | 90     | - |  |
|                                  | (C) 90 | - |  |

|             |    |        |  |
|-------------|----|--------|--|
|             | 90 | 15,936 |  |
| (A + B + C) |    |        |  |

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

|  | 31-Mar-15 | 31-Mar-14 |
|--|-----------|-----------|
|--|-----------|-----------|

|                                                   |     |     |  |
|---------------------------------------------------|-----|-----|--|
| Security Deposits<br>(Unsecured, considered good) | 872 | 872 |  |
|                                                   | 872 | 872 |  |

**15 Inventories** ₹ In thousands

|  | 31-Mar-15 | 31-Mar-14 |
|--|-----------|-----------|
|--|-----------|-----------|

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

**16 Trade Receivables** ₹ In thousands

|  | 31-Mar-15 | 31-Mar-14 |
|--|-----------|-----------|
|--|-----------|-----------|

**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     | 117,301 | 104,151 |  |
| Considered doubtful | -       | -       |  |
|                     | 117,301 | 104,151 |  |
|                     | 117,301 | 104,151 |  |



| 17 <b>Cash &amp; Cash Equivalents</b>                      | ₹ In thousands |               |
|------------------------------------------------------------|----------------|---------------|
|                                                            | 31-Mar-15      | 31-Mar-14     |
| Cash in Hand                                               | -              | -             |
| Balances with bank                                         |                |               |
| In current account                                         | 13,375         | 1,150         |
| Deposits with original maturity of less than three months  | 30,105         | 19,541        |
| Other Bank Balances                                        |                |               |
| Deposits with original maturity for more than three months | -              | 10,000        |
|                                                            | <u>43,480</u>  | <u>30,691</u> |

| 18 <b>Short-Term Loans and Advances</b>      | ₹ In thousands |               |
|----------------------------------------------|----------------|---------------|
|                                              | 31-Mar-15      | 31-Mar-14     |
| <b>Security Deposits</b>                     |                |               |
| (Unsecured, considered good)                 | -              | -             |
| <b>Loans and advances to related parties</b> |                |               |
| (Secured, considered good)                   | -              | -             |
| <b>Other Loans and advances</b>              |                |               |
| <b>To Employees</b>                          |                |               |
| (Secured, considered good)                   | -              | -             |
| <b>To Others</b>                             |                |               |
| (Unsecured, considered good)                 | 876            | 881           |
| (Unsecured, considered doubtful)             | -              | -             |
| Less : Provision for doubtful advances       | -              | -             |
| Prepaid Expenses                             | 824            | 735           |
| Deposit with Statutory Authorities           | 3,726          | 29,960        |
| Claimable CENVAT on Service Tax              | 1,819          | 4,755         |
| Advance Income Tax                           | 50,111         | 28,911        |
|                                              | <u>57,356</u>  | <u>65,242</u> |

Deposits with Statutory Authorities includes CENVAT credit on capital goods of ₹ 58 thousand (previous year ₹ 77 thousand) and CENVAT on Service Tax ₹ 3,668 thousand (previous year ₹ 29,183 thousand).

| 19 <b>Other Current Assets</b>                 | ₹ In thousands |              |
|------------------------------------------------|----------------|--------------|
|                                                | 31-Mar-15      | 31-Mar-14    |
| Interest accrued but not due on Fixed Deposits | 101            | 299          |
| Other Receivables                              | 17,907         | 7,436        |
|                                                | <u>18,008</u>  | <u>7,735</u> |





**Notes to Accounts**

| <b>20 Revenue from operations</b>    |  | ₹ In thousands   |                  |
|--------------------------------------|--|------------------|------------------|
|                                      |  | <b>31-Mar-15</b> | <b>31-Mar-14</b> |
| <b>Sale of Services</b>              |  |                  |                  |
| Transportation of Gas                |  | 660,333          | 591,549          |
|                                      |  | <u>660,333</u>   | <u>591,549</u>   |
|                                      |  |                  |                  |
| <b>21 Other Income</b>               |  | ₹ In thousands   |                  |
|                                      |  | <b>31-Mar-15</b> | <b>31-Mar-14</b> |
| <b>Interest Income</b>               |  |                  |                  |
| On Bank Deposits                     |  | 5,043            | 8,783            |
| <b>Other non-operating income</b>    |  | 231              | 28               |
|                                      |  | <u>5,274</u>     | <u>8,811</u>     |
|                                      |  |                  |                  |
| <b>22 Employee benefits expenses</b> |  | ₹ In thousands   |                  |
|                                      |  | <b>31-Mar-15</b> | <b>31-Mar-14</b> |
| <b>Salaries and wages</b>            |  | 29,187           | 30,164           |
|                                      |  | <u>29,187</u>    | <u>30,164</u>    |
|                                      |  |                  |                  |
| <b>23 Finance costs</b>              |  | ₹ In thousands   |                  |
|                                      |  | <b>31-Mar-15</b> | <b>31-Mar-14</b> |
| <b>Interest expenses on loans</b>    |  |                  |                  |
| Oil India Limited                    |  | 117,150          | 137,320          |
| Oil Industry Development Board       |  | -                | 12,807           |
| State Bank of India                  |  | 2,543            | 10,633           |
| Interest to Income Tax Department    |  | -                | 82               |
|                                      |  | <u>119,693</u>   | <u>160,842</u>   |





**Notes to Accounts**

**24 Other expenses**

₹ In thousands

|                                                              | 31-Mar-15      | 31-Mar-14      |
|--------------------------------------------------------------|----------------|----------------|
| Power & Fuel                                                 | 78,162         | 69,808         |
| Operation & Maintenance                                      |                |                |
| - Compressor                                                 | 15,453         | 13,757         |
| - Others                                                     | 9,949          | 9,409          |
| ROW Expenses                                                 |                |                |
| - ROW Rental Charges                                         | 3,921          | 3,844          |
| - ROW Supervision Charges                                    | 392            | 384            |
| Rent                                                         | 275            | 268            |
| Repair & Maintenance                                         |                |                |
| Plant & Machinery                                            | 10,894         | 5,928          |
| Building                                                     | 48             | 10             |
| Others                                                       | 614            | 290            |
| Insurance                                                    | 5,153          | 4,723          |
| Rates and Taxes-excluding taxes on income                    | 522            | 562            |
| Auditors' Remuneration                                       |                |                |
| Statutory Audit Fees                                         | 40             | 40             |
| Cost Audit Fee                                               | 15             | 30             |
| Tax Audit Fee                                                | 15             | 15             |
| For Other Matters                                            | 8              | 8              |
| Reimbursement of Out of Pocket Expenses ( Statutory Auditor) | 21             | 21             |
| Reimbursement of Out of Pocket Expenses ( Cost Auditor)      | 28             | 5              |
| Travelling and Conveyance                                    | 2,875          | 3,281          |
| Stationery, Postage, Telephone & Advertisement               | 581            | 480            |
| Security Expenses                                            | 5,776          | 5,347          |
| Accounting Service Charges                                   | 1,268          | 1,114          |
| Professional Charges                                         | 361            | 1,017          |
| Bank Charges & Other Misc. Expenses                          | 734            | 597            |
| Foreign Exchange Fluctuation                                 | -              | 555            |
| Provision for Project Surplus Material/ Inventory            | 30,019         | 25,629         |
| Discount on Sale of Inventory                                | 264            | -              |
|                                                              | <u>167,388</u> | <u>147,122</u> |



*[Handwritten Signature]*

*[Handwritten Signature]*



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

| 26 Earnings per equity share                                               | ₹ In thousands |             |
|----------------------------------------------------------------------------|----------------|-------------|
|                                                                            | 31-Mar-15      | 31-Mar-14   |
| Face value ₹ 10/- each                                                     |                |             |
| Net profit as per Profit and Loss account available to Equity Shareholders | 67,024         | 44,193      |
| Weighted average number of Equity Shares outstanding during the year       | 167,250,000    | 167,250,000 |
| Basic earnings per share (₹)                                               | 0.40           | 0.26        |
| Diluted earnings per share (₹)                                             | 0.40           | 0.26        |

- 27 The company is operating under a single segment. As such there is no other reportable segment as defined by the Accounting Standard-17 Segment Reporting issued by the Institute of Chartered Accountants of India.
- 28 Trade payable, Trade Receivable and Creditors for Capital Expenditure are subject to Confirmation.
- 29 The Company is not having any permanent employee on its rolls as on date. The Operations are managed through outsourced personnel in addition to the officers and employees of Assam Gas Company Limited ( The Holding Company) working on deputation.
- 30 Permanent manpower of the company including the post of Co. Secretary was approved by the Govt. of Assam in November 2014. The company has already taken steps to appoint a full time company secretary. However, pending appointment of the company secretary the job responsibilities of Company Secretary have been discharged by the Company Secretary of Assam Gas Company Limited, its holding company, on secondment basis.
- 31 There was no woman director on the Board of the Company as on 31/03/2015 as required U/s. 149 of Companies Act, 2013.
- 32 As per guidelines issued by the Institute of Chartered Accountants of India under AS-28 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2015.

| 33 Contingent Liabilities                                                                                        | ₹ In thousands |              |
|------------------------------------------------------------------------------------------------------------------|----------------|--------------|
|                                                                                                                  | 31-Mar-15      | 31-Mar-14    |
| <b>Contingent Liabilities :</b>                                                                                  |                |              |
| <u>Claims against the Company not acknowledged as debts :</u>                                                    | -              | -            |
| <u>In respect of Taxation matters</u>                                                                            |                |              |
| Service Tax                                                                                                      | 2,229          | 3,164        |
| <u>Guarantees :</u>                                                                                              | -              | -            |
| <u>Other Money for which the company is contingently liable :</u>                                                |                |              |
| Rental and Supervision Charges for ROW to Oil India Limited                                                      | 5,817          | -            |
| Money appeal pending before the Court of District Judge, Jorhat                                                  | 500            | -            |
|                                                                                                                  | <u>8,546</u>   | <u>3,164</u> |
| <b>Commitments :</b>                                                                                             |                |              |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance) | 2,787          | 4,000        |
|                                                                                                                  | <u>2,787</u>   | <u>4,000</u> |

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









