

# ANNUAL REPORT 2020-21



**DNP LIMITED**

(A Government of Assam Undertaking)

CIN: U51410AS2007SGC008410

# BOARD OF DIRECTORS



**Rupam Goswami**  
Chairman



**Gokul Chandra Swargiyari**  
Director & CEO



**Ashwini Pait**  
Director & Vice-Chairman



**Bhaskar Jyoti Phukan**  
Director



**Susanta Kumar Sarmah**  
Director



**Neera Daulagupu, ACS**  
Director

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**Bankers**

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

**Statutory Auditors**

M/s Rajendra C. Sharma & Co.  
Chartered Accountants  
BNP Path, New Market  
Dibrugarh- 786001  
Assam

**Secretarial Auditors**

M/s Amit Pareek & Associates  
Company Secretaries  
4<sup>th</sup> Floor, K C Choudhury Road  
Ram Prasad Complex  
Chatribari, Guwahati-781001  
Assam

**Cost Auditors**

M/s Musib & Co.  
Cost Accountants  
121, M. G. Road  
Mumbai - 400001

**Registered Office**

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

**Head Office**

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

## Notice to the Shareholders

Notice is hereby given that the 14th Annual General Meeting of the Shareholders of DNP Limited will be held through Video Conferencing or Other Audio-Visual Means (OAVM) on Wednesday, the 10th Day of November, 2021 at 04.30 PM 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, the Audited Balance Sheet as at 31st March, 2021 and Statement of Profit & Loss for the year ended 31st March, 2021 along with the Reports of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.
2. To declare Dividend for the financial year ended 31st March, 2021.

### B. Special Business

#### 3. Approval of Remuneration of the Cost Auditor for the financial year 2021-22:

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

**“RESOLVED THAT** pursuant to Section 148(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, appointment of M/s Musib & Co, Cost Accountants, as the Cost Auditor of the Company for the financial year 2021-22 for carrying out the audit of cost records maintained by the Company at a remuneration of Rs 50,000/- (Rupees Fifty Thousand Only) plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of GST at applicable rates etc. be and is hereby ratified and approved.”

**By Order of the Board of Directors**

Date: 28-09-2021

### Registered Office:

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

Sd/-

(Samujjal Borah)

Company Secretary, DNPL

## Note

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM') till 31st December, 2021. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the AGM of the Company will be held through VC/ OAVM . The deemed venue for the 14th AGM shall be the Registered Office of the Company.

that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.dnpl.co.in](http://www.dnpl.co.in).
2. Since the meeting will be held through VC or OAVM as per MCA circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of Proxies will not be available. Hence, Proxy Form, Attendance Slip are not annexed to the Notice.

In compliance with the MCA Circular dated 5th May, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note
3. Govt. representative / Corporate Members of the Company also can attend and vote at the AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 113 of the Act, as the case may be, are requested to send the signed copy of the nomination letter in advance.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. VC link for the AGM will be shared separately.
6. This notice is being sent pursuant to the provisions of Section 101(1) of the Companies Act, 2013.
7. Explanatory statements are annexed to the Notice of Annual General Meeting of the Company pursuant to Section 102 of the Companies Act, 2013 relating to the Business set out above hereto

## 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. 3 of the Special Business indicated in the Notice dated 28th, September, 2021

### **Item No. 3: Approval of Remuneration of the Cost Auditor for the financial year 2021-22:**

M/s Musib & Co., was appointed by the Board as the Cost Auditor of the Company for the financial year 2020-21 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus out of pocket expenses, reimbursement of travel and boarding expenses, and payment of GST 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 & Co., Cost Auditor of the Company for the year 2021-22.

None of Directors/Key Managerial Personnel or their relatives are in a way interested or concerned in the resolution

**By Order of the Board of Directors**

Date: 28-09-2021

### **Registered Office:**

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

Sd/-

(Samujjal Borah)

Company Secretary, DNPL

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Fourteenth Annual Report on the performance of your Company together with audited financial statement for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

The Company's financial performance for the year ended 31<sup>st</sup> March, 2021 as compared to those of the previous year are summarized below: -

Particulars	2020-21 (₹ In thousands)	2019-20 (₹ In thousands)
Gross Revenue from Operations	9,77,983	8,51,568
Other Income	32,503	27,985
<b>Total Revenue</b>	<b>10,10,485</b>	<b>8,79,553</b>
Profit before Depreciation & Amortization, Interest and Tax	6,50,700	5,80,056
Profit before prior period adjustments, extraordinary items and Tax	5,09,076	4,44,073
Extraordinary Items	-	-
<b>Profit before Tax</b>	<b>5,09,076</b>	<b>4,44,073</b>
Provision for Taxation	1,03,864	86,144
Provision for Taxation- Deferred	(1,655)	3,762
<b>Profit (Loss) after tax</b>	<b>4,06,867</b>	<b>3,54,167</b>
Earnings per Share in Rupees (Face value ₹10/- each)		
1. Basic	2.43	2.12
2. Diluted	2.43	2.12

Directors propose to appropriate this amount as under:

Appropriations:	2020-21 (₹ In thousands)	2019-20 (₹ in thousands)
Towards Dividend	1,00,350	1,57,215
Corporate Dividend Tax	NIL	40,386
Transfer to General Reserve	3,06,017	1,96,952
Balance at Profit & Loss Account	500	500
<b>Total Profit (after tax)</b>	<b>4,06,867</b>	<b>3,54,167</b>



## Summarized Cash Flow Statement:

Cash Flows :	2020-21 (₹ In thousands)	2019-20 (₹ in thousands)
Inflow/(Outflow) from operations	4,11,042	3,94,728
Inflow/(Outflow) from investing activities	(5,08,113)	(2,48,979)
Inflow/(Outflow) from financing activities	(13,951)	(2,30,805)
Net Increase/(decrease) in cash & cash equivalent	<b>(1,11,023)</b>	<b>(85,056)</b>

## PERFORMANCE HIGHLIGHTS

### 1. Physical Performance:

During the year 2020-21, your Company transported 300.14 MMSCM of natural gas to NRL as against 268.65 MMSCM transported in the previous year. Utilization of the pipeline was higher by 11.72 % compared to the 2019-20.

In terms of the gas supply agreement between DNPL and NRL, transportation charges for the year was last revised to ₹2980.36 per thousand standard cubic meters (TSCM) with effect from 01.04.2016.

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

### 2. Financial Performance:

DNPL's gross revenue from operations for the year 2020-21 was ₹97.80 crores, 14.84% higher than the previous year's revenue of ₹85.16 crores. The profit before tax for the year was ₹50.91 crores, which is 14.63% higher compared to ₹44.41 crores in 2019-20. The profit after tax for the year stood at ₹40.68 crores as against ₹35.42 crores recorded in 2019-20. The earnings per share achieved in 2020-21 was ₹2.43 compared to ₹2.12 in the previous year.

The total amount of Capital Expenditure incurred during the year was ₹8.56 crores as compared to ₹13.28 Crores in 2019-20. Value of total fixed assets as on 31st March, 2021 stood at ₹229.10 Crores.

### 2.1 Net Worth:

The net worth of the Company stood at the end of financial year 31st March, 2021 is ₹292.72 Crores as against ₹268.43 crore as on 31st March, 2020.

### 2.2 Dividend:

Your Directors, after taking into account financial results of the Company during the year and keeping in view the need to maintain strategic investments for a secure future, are pleased to recommend for your approval, a dividend of ₹0.60 (i.e. 6.00%) per equity share of ₹10.00 each for the financial year ended March 31, 2021 on the paid up share capital of ₹167.25 Crores, which would absorb a sum of ₹10.04 Crores (inclusive of taxes, if any) out of Company's PAT. After retaining an amount of ₹0.05 Crores in the statement of Profit & Loss for the year, your Directors proposed to transfer the remaining amount to the General Reserve Account. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

### 2.3 Treasury Operations

Total long term borrowings of your Company as on 31st March, 2021 stood at nil.

Debt equity ratio at the close of the financial year stood at nil due to repayment of term loans.

### 2.4 Contribution to Exchequer

Your Company has contributed a total of ₹13.67 crores to the Central Exchequer and ₹3.63 crores

to the State Exchequers in the form of taxes and duties compared to ₹19.52 Crores and ₹5.18 Crore respectively in the previous year.

## 2.5 Govt. Audit Review

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6)(b) of the Companies Act 2013 on accounts of the Company for the year ended 31st March, 2021 together with managements reply as an addendum thereto are placed before the shareholders for consideration.

## 2.6 Particulars of Contracts or Arrangements with Related Parties:

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

The contract / arrangement/ transaction with related parties which were entered during the year has also been provided in **Annexure-B** to the Directors' Report.

## 2.7 Post balance sheet events

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

## 2.8 Business Risk Management:

Although the company doesn't have any specific risk management policy as on date, the Board of Directors of the company deliberates on threats, risks and concerns which in the opinion of the Board

may threaten the continuation of its business or pose threat in its existence. The Board reviews the means adopted by the company to mitigate the risk from time to time. The details of risk and concerns of the company are discussed in the Management Discussion and Analysis forming part of this Report.

## 2.9 Internal financial controls

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

## 2.10 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.

## 2.11 Conservation of Energy, Technology Absorption

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

## 2.12 Foreign Exchange Earnings

There were no foreign exchange earnings during 2020-21 or in the previous year 2019-20.

## 2.13 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, 2021 are not furnished.

## 2.14 Remuneration

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

## 2.15 Corporate Governance

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

In accordance with the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE) in May 2013, a report on Corporate Governance together with a Certificate from a practicing Company Secretary on compliance with guidelines on Corporate Governance is annexed at **Annexure A** to the Directors' Report. The forward-looking statements made in the 'Management Discussion and Analysis' are based on certain assumptions and expectations of future events. The Directors do not guarantee that such expectations will eventually materialise.

## 2.16 Statutory Auditors

M/s Rajendra C Sharma, (SPA057) Chartered Accountants, BNP Path, New Market, Dibrugarh-786001 were appointed as Statutory Auditors of the Company for the financial year 2020-21 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.

## 2.17 Cost Auditors:

M/s Musib & Co., Cost Accountants, Mumbai were appointed as Cost Auditors of the Company, who also have their office in Guwahati, for the year 2020-21 in accordance with the provision of Section 148(3) of the Companies Act, 2013. The Cost Auditor, shall within a period of 180 days from the closure of the financial year, forward the Cost Audit Report and the Company is required to file the Cost Audit Report within 30 days of receipt of the same. Necessary action will be initiated to file the Cost Audit Report 2020-21 within stipulated time.

## 2.18 Secretarial Auditors:

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Amit Pareek & Associates, Practicing Company Secretaries, Guwahati were appointed by the Board as Secretarial Auditors for conducting the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year 2020-21 together with Managements' reply on the comments of the Secretarial auditors are annexed as part of **Annexure -A** to this report.

## 2.19 Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have considered such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at March 31, 2021 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 2.20 Board Evaluation

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

## 2.21 Extract of Annual Return

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as at 31st March, 2021 in the prescribed form MGT-9, has been uploaded in the website of the Company at [www.dnpl.co.in](http://www.dnpl.co.in).

## 2.22 Directors And Key Managerial Personnel

Since the date of last Annual General Meeting held on 18th December, 2020, there were no changes in the Directors and Key Managerial Personnel.

## 2.23 Declaration by Independent Directors:

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

## 2.24 CSR Committee

The Corporate Social Responsibility Committee as on 31st March, 2021 comprised of Directors, viz., Shri Ashwini Pait as Chairman, Shri Susanta Kumar Sarmah, Shri Bhaskar Jyoti Phukan and Shri Gokul Chandra Swargiyari as members.

## 2.25 Audit Committee

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

## 2.26 Nomination & Remuneration Committee Policy:

The details of the composition of the Committee as on 31<sup>st</sup> March, 2021 is as follows:

- iii. Shri Susanta Kumar Sarmah, as Chairman;
- iv. Shri Ashwini Pait, Director, DNPL as member
- v. Mrs. Neera Daulagupu, Director, DNPL as member

## 2.27 Disclosure on Establishment of a Vigil Mechanism

The Company does not have a Vigil Mechanism.

## **2.28 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 2020-21. Since, the Company has adopted the Sexual Harassment prevention policy of Assam Gas Company Limited, the Internal Complaint Committee of Assam Gas Company is also applicable to DNP Limited.

## **2.29 Disclosure of maintenance of Cost Records:**

The Company has maintained cost records as specified by the Central Govt. under sub-section (1) of section 148 of the Companies Act, 2013.

## **GENERAL**

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed

by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## **ACKNOWLEDGEMENT**

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

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

The Directors are grateful for all the assistance, guidance and support received from various Government Departments, particularly, from Industries and Commerce Dept. Govt. of Assam, Public Enterprises Deptt. Govt of Assam, Offices of Commissioner of Income Tax, Commissioner of Central Goods and Service Tax, Assam, Superintendent of Taxes, Naharkatia as well as other Central and State Government agencies.

Your Directors are also grateful to State Bank of India, Indian Bank and Canara Bank for providing their banking services to the Company.

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

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

Date: 28-09-2021  
Place: Guwahati

**Sd/-**  
**Rupam Goswami**  
**Chairman**

## Management's Discussion and Analysis

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

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

To grow, the company has to expand its operations. As per the Hydrocarbon Vision 2030 for North Eastern Region of the Govt of India, the company is likely to be part of the consortium engaged in the development of the trunk gas pipeline connecting the Duliajan Numaligarh Gas Transportation System to the proposed Barauni - Guwahati Numaligarh Pipeline system.

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

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

DNPL owns and operates a single dedicated gas transportation system delivering gas from a single source to a single customer. The major

weakness of the company is that any variation in supply of gas by the producer and / or variation of drawal of gas by the consumer may adversely affect your company's revenue.

Risks and associated concerns for 2020-21 mainly pertain to possible reduced availability of contracted quantity of natural gas from the producer due to changing field conditions.

### **Human Resource**

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

As on 31st March, 2021, there were total 29 employees on the roll of the Company of which 16 are executive cadre and remaining 13 are non executive cadre.

During the year, some of the key technical and managerial personnel drawn from AGCL during project execution stage continue to be engaged in your company's operations on full time as well as on part time basis. They were being supported by technical and non technical manpower of the Company together with manpower outsourced to manpower supply agencies.

### **Safety**

During the year 2020-21, there was no loss

time accident (LTA). Regular Mock drills and Safety meetings awareness programmes were organized during the year. The Safety Policy may be accessed at the Company's website at [www.dnpl.co.in](http://www.dnpl.co.in).

### **Industrial Relations**

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

### **Corporate Social Responsibility and Sustainability**

DNPL's initiatives towards CSR and Sustainability were pursued with increased emphasis during 2020-21. The CSR Policy is uploaded in the Company's website at [www.dnpl.co.in](http://www.dnpl.co.in)

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

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

Based on the average net profits of the Company for the last three financial years, total amount to be spent on CSR for the year 2020-21 was ₹97.80 lakhs. However, after considering the unspent amount of ₹08.52 lakhs earmarked for the year previous years, total mandatory expenditure for the year 2020-21 was ₹106.32 lakhs.

As against above, total amount spent on CSR activities during the financial year 2020-21 was ₹143.11 Lakhs. A detailed report on DNPL's CSR and Sustainability activities is enclosed at Annexure - C.

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

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## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a set of system and practices adopted by a Company to ensure that it is managed in a way to ensure accountability, transparency, fairness in all its transactions and also to meet the aspiration of the stake holders and expectation of the Society. Corporate Governance is crucial to integrate all components by carefully balancing the complex relationship amongst the Board of Directors, Audit Committee & other subcommittees. DNPL is adopting best governance practices, which are critical to ensure optimization of returns and satisfaction to all the shareholders. The Company has been sharing relevant information with the various shareholders from time to time through Annual Reports, Minutes etc. Being a non-listed entity it is not mandatory to disclose as per Regulation 27 of the SEBI (LODR) Regulations, 2015 & Companies Act, 2013. However, as good corporate governance practice and as per Guidelines on Corporate Governance for State Level Public Enterprises issued by Department of Public Enterprises (DPE), Govt. of Assam in May, 2013, the Company has been complying with the stipulations contained therein to the extent applicable.

Relevant information on areas covered under Corporate Governance disclosures during the financial year 2020-21 are furnished below:-

### 2. BOARD OF DIRECTORS

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

less than three and not more than fifteen.

As on 31st March, 2021, the Board of DNPL comprised of 5 (five) Part time (Ex-Officio) Directors from the promoters organizations, namely, Assam Gas Company Limited, Numaligarh Refinery Limited and Oil India Limited and 1 (one) Part time (Ex-Officio) Director from Government of Assam. The Composition of the Board of Directors as on 31st March, 2021 are as follows:

Sl. No.	Name of the Directors	Designation
1.	Shri Rupam Goswami	Chairman
2.	Shri Aswini Pait	Director & Vice-Chairman
3.	Shri Gokul Chandra Swargiyari	Director & CEO
4.	Shri Bhaskar Jyoti Phukan	Director
5.	Shri Susanta Kr. Sarmah	Director
6	Mrs. Neera Daulagupu, ACS	Director

\*\*None of the Director is related to any other Director on the Board.

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

### MEETINGS OF THE BOARD OF DIRECTORS:

The Board's actions and decisions are aligned with the Company's best interests. The Board has an effective mechanism to facilitate Post Meeting,



follow ups, Review and Reporting process for the decision taken by the Board or Sub-Committee of the Board.

During the financial year 2020-21, the Company convened 7 (seven) meetings of the Board of

Directors, the gap between two meetings never exceeded 120 (One Hundred and Twenty) days.

The details of the meetings of the Board of Directors held during the Financial Year 2020-21 are as follows:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	08.05.2020	5	5
2.	16.06.2020	5	4
3.	30.07.2020	5	5
4.	21.09.2020	6	4
5.	20.11.2020	6	4
6.	18.12.2020	6	5
7.	03.02.2021	6	4

**Particulars of Directors including those who ceased to be director in the company during the financial year and their attendance at meetings of Board of Directors and the Shareholders held during the Financial Year 2020-21:**

Sl. No	Name of Directors and their Category	Date of joining as Director of the Company	Attendance of the meeting of Board held during the year and percentage thereof			Attended in the last Annual General Meeting(Yes/No/NA)	No. of Membership/ Chairmanship of Board Committees in Other Companies	Name of the Companies/ firms/ association of individuals in which interested
			Nos. of Meetings Attended	Total Meetings held during the tenure of the director.	% of Attendance			
1	Shri Rupam Goswami Chairman, DNPL	17 <sup>th</sup> March, 2017	7	7	100	Y	NIL	DNPL
2	Shri Aswini Pait Vice-Chairman, DNPL	17 <sup>th</sup> March, 2017	5	7	71	Y	NIL	DNPL
3	Shri Gokul Chandra Swargiyari, Director & CEO, DNPL, and Managing Director, AGCL	11 <sup>th</sup> September, 2019	7	7	100	Y	NIL	APL, PBGPL, TNGCL, DNPL, AGCL
4	Shri Bhaskar Jyoti Phukan Director, DNPL, Director (Tech.), NRL and Chairman, ABRPL	01 <sup>st</sup> February, 2018	5	7	71	Y	Member of Audit Committ-ee, NRL, Chairman, ABRPL	DNPL, NRL, ABRPL
5	Shri. Susanta Kumar Sarmah CGM(Project),OIL	27 <sup>th</sup> July, 2018	6	7	86	Y	NIL	DNPL
6	Mrs. Neera Daulagupu, ACS, Secretary, Industries, Commerce, Public Ent. Dept.	18 <sup>th</sup> September, 2020	1	3	33	N	NIL	DNPL

**AGCL:** Assam Gas Company Limited; **ABRPL:** Assam Bio-Refinery Private Limited, **DNPL:** DNP Limited; **NRL:** Numaligarh Refinery Limited; **APL:** Assam Petro-Chemicals Limited; **PBGPL:** Purba Bharati Gas Pvt. Ltd. **TNGCL:** Tripura Natural Gas Co. Ltd.

### 1. Audit Committee

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

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

During the financial year 2020-21, the Company convened 4 (Four) meetings of the Audit Committee.

08/05/2020	16/06/2020	21/09/2020	20/11/2020
------------	------------	------------	------------

The attendance record of the members of the committee as on 31st March, 2021 are as follows:-

Sl. No.	Name of the Director	Status	No. of Meetings attended/ Out of	Attended in the last AGM (Y/N)
1.	Shri Bhaskar Jyoti Phukan (Director, DNPL)	Chairman	4/4	Y

2.	Shri Susanta Kumar Sarmah (Director, DNPL)	Member	4/4	Y
3.	Shri Aswini Pait (Director, DNPL)	Member	4/4	Y

Pursuant to Rule 4(2) of the Companies (Appointment and Qualification of Directors), 2014. Appointment of Independent Directors on the Board of the Company does not apply to the Company. The members possess the requisite knowledge of Finance and Accounts for effective functioning of the Audit Committee. The Company Secretary, DNPL acts as the Secretary of the Committee.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee, and also approval for payment for any other services.
- Reviewing with management the quarterly/ half yearly /annual financial statements before submission to the Board, focusing primarily on :  
Reviewing any Related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries, relatives etc. that may have potential conflict of the interest with the Company at large.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems and any significant findings and follow up thereon
- Reviewing the Company's financial and risk management policies.

## 2. Corporate Social Responsibility & Sustainability Committee:

DNPL took the initiative to contribute towards society in a transparent, responsible, accountable and fair manner. DNPL's CSR policy was approved by the Board on 12<sup>th</sup> February, 2015.

As on 31<sup>st</sup> March, 2020, the CSR and Sustainability Committee of the Board were comprised of following members: -

- i. Shri Aswini Pait, as the Chairman; and
- ii. Shri Bhaskar Jyoti Phukan
- iii. Shri Gokul Chandra Swargiyari
- iv. Shri Susanta Kr. Sarmah, as members.

During the financial year 2020-21, three meeting of the CSR Committee were held on 30<sup>th</sup> July, 2020, 18<sup>th</sup> December, 2020 and 08<sup>th</sup> March, 2021.

Attendance at the CSR Committee meeting during the financial year 2020-21:

Name of the members	No. of meetings attended/ Out of	Attended the last Annual General Meeting held on 18/12/2020 (Y/N)
Shri Aswini Pait	3/3	Y
Shri Bhaskar Jyoti Phukan	1/3	Y
Shri Susanta Kr. Sarmah	3/3	Y
Shri G.C. Swargiyari	3/3	Y

## 3. Nomination and Remuneration Committee:

The Details of the Committee has been provided in the Directors Report.

## 4. Investors Grievance Committee:

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

## Annual/Extra Ordinary General Meetings:

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

No. of AGM	Date and Time of the Meetings	Venue
11 <sup>th</sup> Annual General Meeting	26 <sup>th</sup> September, 2018 5.00 P.M	Flat No. 4, House No. 2 "Dinesh Mansion", Dr. R.P Road, Dispur, Guwahati-781006
12 <sup>th</sup> Annual General Meeting	23 <sup>rd</sup> September, 2019 5.00 P.M	Flat No. 4, House No. 2 "Dinesh Mansion", Dr. R.P Road, Dispur, Guwahati-781006
13 <sup>th</sup> Annual General Meeting	18 <sup>th</sup> December, 2020 4.45 P.M	Flat No. 4, House No. 2 "Dinesh Mansion", Dr. R.P Road, Dispur, Guwahati-781006

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

Business	Type of resolution	Type of meeting	Date of Meeting
Alteration of Articles of Association	Special Resolution	12 <sup>th</sup> Annual General Meeting	23 <sup>rd</sup> September, 2019
Alteration of Articles of Association	Special Resolution	13 <sup>th</sup> Annual General Meeting	18 <sup>th</sup> December, 2020

### c) Postal Ballot:

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

## 5. Disclosures and compliance

- a. There was no transaction of material nature with Directors or the Management or their relatives having potential conflict with the interest of the Company at large.
- b. There was no instances of non-compliance of any provisions of Law, guidelines issued by any regulatory authorities as well as no penalties was imposed on the Company during the last three years.
- c. During the year, no expenses was incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- d. There were no qualifications in the Auditors' Report on the financial statements to the shareholders of the Company.
- e. The Company has spent an amount of ₹143.11 lakhs towards CSR and Sustainability activities during the financial year 2020-21, accumulated mandatory 2% on average previous three years profit and unspent amount of the previous year was Rs. 106.32 Lakhs.
- f. During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Means of communication of financial performance

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

### Management Discussion & Analysis Report:

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

General information to shareholders:-

Number of AGM	14 <sup>th</sup> Annual General Meeting
Date and Time	10 <sup>th</sup> November 2021 at 04.30 PM
Venue	Via Video Conference and OAVM facility
Dividend payment	The Board has recommended Dividend of @ Rs. 0.60 per share (i.e., 6.00% of the paid-up share capital) for consideration of the shareholders at the ensuing Annual General Meeting. If approved by the shareholders, the same will be paid within 30 days from the date of declaration.

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

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

**Share Transfer system and Shareholding Pattern as on 31-03-2021:**

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

Shareholding Pattern as on 31-03-2020 is given below:

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

**Registered Office:**

DNP Limited

Flat No.-4, House No.2

“Dinesh Mansion”, 2<sup>nd</sup> Floor, Dr. R.P. Road,

Dispur, Guwahati-781006

**Head Office**

Madhuban

P.O. Kendriya Vidyalaya

Borpathar No 1, Duliajan

Dist: Dibrugarh, Pin-786602

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

## COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS

We have examined the compliance of conditions of Corporate Governance by **DNP Limited** (a Non-Listed State PSU) for the year ended **31<sup>st</sup> March, 2021** as stipulated in the Guidelines on Corporate Governance for State Level Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of Assam, 2012-13.

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.

During the course of our Audit, it was appraised in our opinion and to the best of our information and according to the explanations given to us, we certify that the Management of 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 3.1.4 relating to the number of Independent Directors on the Board of the Company which states that at least 1/3<sup>rd</sup> of the Board members should be independent Directors.
- c. 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.
- d. Clause 4.1.2 relating to the chairman of the Audit Committee shall be an Independent Director.

During the course of our audit it was appraised and informed by the management of the Company that, it being a State Level PSU, the

appointment of Directors are made by the State Government and the State Government has not appointed any Independent Director on its Board till date.

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

**For AMIT PAREEK & ASOCIATES  
Company Secretaries**

**Date: 25-09-2021  
Place: GUWAHATI  
UDIN: F005714C001006890**

**Sd/-  
(AMIT PAREEK)  
PROPRIETOR  
M. NO. F5714  
C.P. No.: 4289**

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**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

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,**  
**DNP LIMITED**  
**CIN: U51410AS2007SGC008410**  
**Flat No. 04, House No. 2, "Dinesh Mansion" 2<sup>nd</sup>**  
**Floor, Dr. R.P. Road,**  
**Dispur, Guwahati Kamrup AS 781006 IN**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DNP LIMITED** (hereinafter called "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**We report that:**

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- b. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of the financial statement of the Company.

- d. The compliance of the provisions of the Corporate and other applicable Laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verifications of procedures on test basis.
- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of **DNP LIMITED** 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, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>ST</sup> day of March, 2021 ("audit period")**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **DNP LIMITED**. ("The Company") for the financial year ended on **31<sup>st</sup> March, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Other Laws as may be applicable to the Company as provided by the Company.



We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations made in **Annexure-1**.

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**Date: 04-09-2021**

**Place: GUWAHATI**

**UDIN: F005714C000895339**

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We 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.

**We further report that** during the audit period the company had no specific events / actions which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.)

**We further report that** during the audit period there were no instances of:

- (i) Public/Right /Bonus /debentures/sweat equity except preferential issue of shares.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

**For AMIT PAREEK & ASSOCIATES  
Company Secretaries**

**Sd/-  
(AMIT PAREEK)  
PROPRIETOR  
FCS: 5714  
C.O.P.: 4289**

## ANNEXURE -I

During the course of our audit of the Company, following non-compliance/observations were made:-

- 1) *During the course of our audit it was observed that woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 was appointed on the Board 18/09/2020. The Company was in default of Compliance of the same till 18/09/2020.*
- 2) *It was also observed that Chief Financial Officer (CFO) pursuant to the provisions of Section 203 of the Companies Act, 2013 was appointed on the Board 08/05/2020. The Company was in default of Compliance of the same till 08/05/2020.*
- 3) *It was observed that agenda items and detailed notes for participation in the meeting by the Board of Directors of the Company were not sent seven days in advance.*
- 4) *The Company has not complied with the Information and Technology Act, 2000 as amended by Information Technology Amendment Act, 2008 with respect to safety and storage of data.*

**Date: 04-09-2021**

**Place: GUWAHATI**

**UDIN: F005714C000895339**

**For AMIT PAREEK & ASSOCIATES  
Company Secretaries**

**Sd/-  
(AMIT PAREEK)  
PROPRIETOR  
FCS: 5714  
C.O.P.: 4289**

## Management Reply to Secretarial Auditors Observations of DNPL for the year 2020-21

### Addendum to the Directors' Report

Sl. No	Secretarial Auditors Observations	Management Reply
1.	<i>During the course of our audit it was observed that woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 was appointed on the Board 18/09/2020. The Company was in default of Compliance of the same till 18/09/2020</i>	The Comment of the Auditor is self explanatory
2.	<i>It was also observed that Chief Financial Officer (CFO) pursuant to the provisions of Section 203 of the Companies Act, 2013 was appointed on the Board 08/05/2020. The Company was in default of Compliance of the same till 08/05/2020.</i>	The Comment of the Auditor is self explanatory
3.	<i>It was observed that agenda items and detailed notes for participation in the meeting by the Board of Directors of the Company were not sent seven days in advance</i>	Many a times, meetings are to be called at a shorter notice depending upon the availability and convenience of majority directors.
4.	<i>The Company has not complied with the Information and Technology Act, 2000 as amended by Information Technology Amendment Act, 2008 with respect to safety and storage of data.</i>	Noted for compliance.

**FORM NO. AOC -2**

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

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

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

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

Names of the related party and nature of relationship	Nature of Contracts/ arrangement/ transactions	Duration of Contracts/ arrangement/ transactions	Salient terms of contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advance, if any
Assam Gas Company Limited (AGCL)	Reimbursement of salary and other expenses incurred by AGCL for the persons deputed in DNPL and other expenses related to DNPL.	Ongoing transactions	DNPL will reimburse AGCL the manpower cost on Cost to the Company basis which comes to approximately 100% of the actual salary paid. (₹138.35 Lakhs)	2009	Nil
Assam Gas Company Limited (AGCL)	Payment of rental and electricity charges for office accommodation to AGCL	Ongoing transactions	₹ 4.68 Lakhs	Not applicable	Nil
Assam Gas Company Limited (AGCL)	Payment of Interest on Loan to AGCL	Ongoing transaction	₹8.76 Lakhs	February, 2016	Nil
Numaligarh Refinery Limited (NRL)	Reimbursement of expenses incurred by NRL in respect of DNPL.	Ongoing transactions	NIL	Not applicable	Nil
Numaligarh Refinery Limited (NRL)	Transportation charges from NRL.	Ongoing transactions	₹8647.64 Lakhs	Not applicable	Nil
Numaligarh Refinery Limited (NRL)	Project Management Consultancy Charges	Ongoing transactions	₹19.84 Lakhs	Not applicable	Nil
Oil India Limited (OIL)	Cost of gas purchased from OIL.	Ongoing transactions	₹768.64 lakhs	Not applicable	Nil
Oil India Limited (OIL)	Reimbursement of expenses if any incurred by OIL for DNPL.	Ongoing transactions	Nil	Not applicable	Nil
Oil India Limited (OIL)	Payment of ROW rental and supervision charges to OIL.	Ongoing transactions	₹46.68 Lakhs	Not applicable	Nil

## ANNEXURE-II

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2020-21

#### 1. Brief Outline on CSR Policy of the Company:

##### INTRODUCTION

DNP Limited is a Government of Assam Undertaking and a joint venture company of Assam Gas Company Limited (AGCL), Numaligarh Refinery Limited (NRL) & Oil India Limited (OIL). The Company is engaged in the transportation of natural gas from Duliajan to Numaligarh Refinery Limited through an underground pipeline. The Company started its commercial operation from 1 st April, 2011. Since commissioning the company has been performing well and started making profit from the 2nd year of its operation. Being a responsible corporate citizen, DNP Limited equally concentrates on its business policy as well as its socio-economic welfare policy so that it can create a positive impact on society. With the enactment of new Companies Act, 2013, and the formulation of CSR Rules 2014, DNPL has adopted its CSR (Corporate Social Responsibility) Policy.

##### VISION

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

##### MISSION

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

#### 2. Composition of CSR Committee:

SL No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri. Aswini Pait	Chairman CSR Committee / Non- Executive Director	3	3
2.	Shri. Sushant Kr Sarmah	Member/ Non-Executive Director	3	3
3.	Shri. Bhaskar Jyoti Phukan	Member/ Non-Executive Director	3	1
4.	Shri Gokul Chandra Swargiyari	Member/ Non-Executive Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [http://dnpl.co.in/pdf/CSR\\_Policy-10102017.pdf](http://dnpl.co.in/pdf/CSR_Policy-10102017.pdf), <http://dnpl.co.in/csr-activities.php>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact Assessment not applicable for DNP Limited

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No	Financial Year	Amount available for set-off from preceding financial years (₹In Crore)	Amount required to be set-off for the financial year, if any (₹in crore)
1	2021-22	0.37	0.37

6. Average Net Profit of the Company as per section 135 (5): **₹49.43 Crores**
7. a) Two-percent of Average net profit of the Company as per section 135(5): **₹0.98 Crores**  
 b) Surplus arising out of the CSR projects or programmes or activities of previous financial year: **NIL**  
 c) Amount required to be set-off for the financial year, if any: **₹0.37 Crore**  
 d) Amount required to be set-off for the financial year (7a+7b-7c): **₹0.37 Crore.**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
1.43	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR Amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11		
				Sl. No	Name of Project						Item from the list activities in schedule VII to ACT	Local Area (Yes/No)	State.
1	Silpalaya	Promotion of Education	No	Assam	Majuli	Within FY 2021-22	0.25	NIL	NIL, since total CSR expenditure exceed requisite two percent for the FY.	No	NA	NA	
2	Swaccha Bharat	Promotion of Health and Sanitation	Yes	Assam	Dibrugarh, Tinsukia, Jorhat, Kamrup	Within FY 2021-2	0.40	NIL	NIL, since total CSR expenditure exceed requisite two percent for the FY.	No	NA	NA	
3	Improving Educational Institution	Promotion of Education	Partially	Assam	Jorhat, Tinsukia and Dhemaji	Within FY 2021-2	0.18	NIL	NIL, since total CSR expenditure exceed requisite two percent for the FY.	No	NA	NA	

c) Details of CSR amount spent against **other than ongoing project** for the financial year:

1	2	3	4	5		6	7	8	
				Location of the Project				Mode of implementation - Through	Name
Sl No	Name of the project	Item from the list of activities in schedule VII to the Act	Local are (Yes/No)	State	District	Amount Spent for the project (₹ in Crore)	Mode of implementation on Direct (Yes/No)		
1	Construction of Toilets	Promoting sanitation	Yes	Assam	Dibrugarh, Sivsagar Jorhat, Golaghat	0.15	Yes	NA	NA
2	Financial Assistance to Educational Institution	Promotion of Education	Yes	Assam	Dibrugarh, Sivsagar Jorhat, Golaghat	0.35	Yes	NA	NA
3	Mother Orchid Station	Preservation of Flora and Fauna	Yes	Assam	Dibrugarh	0.01	Yes	NA	NA
4	Installation of Solar Powered Street Light	Ensuring environmental sustainability and ecological balance	Yes	Assam	Dibrugarh, Kamrup (M)	0.40	Yes	NA	NA
5	Construction of Hospice for Deepsikha Cancer Care Foundation	Promoting health care	No	Assam	Kamrup (Rural)	0.13	Yes	NA	NA
6	Swach Bharat Abhiyan	Promoting health and sanitation	Yes	Assam	Dibrugarh, Kamrup (M)	0.04	Yes	NA	NA
7	Covid-19 Relief	Promoting health care	Yes	Assam	Dibrugarh, Kamrup (M)	0.10	Yes	NA	NA
8	Silpalaya	Promotion of Education	No	Assam	Majuli	0.25	Yes	NA	NA



- d) Amount spent in Administrative Overheads: **NIL**
- e) Amount spent on impact assessment, if applicable: **NA**
- f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹1.43 Crore**
- g) Excess amount for set-off, if any: **₹0.37 Crore**

Sl No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0.97
(ii)	Total amount spent for the Financial Year	1.43
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.36
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial year, if any	NIL
(v)	Amount available for set-off in succeeding financial year [(iii)-(ii)]	0.36

9. (a) Details of Unspent CSR Amount for the preceding three financial year:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in Crore)	Amount Spent in the reporting Financial Year (₹ in Crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Crore)
				Name of the fund	Amount (in Rs)	Date of Transfer	
1	2017-18	NA	0.08	NA	NA	NA	Whole unspent amount was spent in the succeeding FY
2	2018-19	NA	0.25	NA	NA	NA	Whole unspent amount was spent in the succeeding FY
3	2019-20	NA	0.08	NA	NA	NA	Whole unspent amount was spent in the succeeding FY

- b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s):

1	2	3	4	5	6	7	8	9
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (In lakhs)	Amount spent on the project in the Financial Year (In lakhs)	Cumulative amount spent at the end of the reporting period (In lakhs)	Status of the project - Completed/ongoing
1.	2019-20	Construction of Toilets	2019-20	Within 20-21	60.00	36.62	60.00	Complete

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):
- (a) Date of creation or acquisition of the capital asset(s): **NIL**
  - (b) Amount of CSR spent for creation or acquisition of capital asset: **NIL**
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **NA**
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **NA**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

**Sd/-**  
**(Gokul Chandra Swargiyari)**  
**Director & CEO**

**Sd/-**  
**(Aswini Pait)**  
**Chairman, CSR Committee**

**INDEPENDENT  
AUDITORS'  
REPORT**



*Hon'ble Chief Minister of Assam visiting Despatch Station at Maduban, Duliajan*



*The Committee on Public Undertaking  
visited Despatch Station at Maduban, Duliajan*



## INDEPENDENT AUDITORS' REPORT

**To,  
The Members,  
DNP Limited.  
Registered Office: Duliajan,  
Report on the Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **DNP Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standard specified in the Companies ( Indian Accounting Standards ) Rules, 2015 as prescribed u/s. 133 of the Act , of the state of affairs of the Company as at **March 31, 2021**, its profit, changes in equity and cash flows for the year ended on that date.

### **Basis of Opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the

financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's responsibility for the financial statements**

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

With respect to the other matters to be included in the Auditors' Report in terms of the directions of the Comptroller and Auditor General of India (C&AG) under Section 143(5) of the Act, and on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the Annexure 'C', statements on the matters specified in the Directions and Sub-directions of C&AG respectively.

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 Ind AS standalone balance sheet, the standalone statement of profit and loss, changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid 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 **March 31, 2021** taken on record by the board of directors, none of the directors is disqualified as on **March 31, 2021** from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.; and
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**Date: 30-08-2021**  
**Place: DIBRUGARH**

**Sd/-**  
**For M/s Rajendra C. Sharma & Co.**  
**Chartered Accountants, FRN 315011E**

**Sd/-**  
**(CA. R.C. Sharma, FCA) Prop.**  
**Membership No. 052029**  
**UDIN: 21052029AAAAAU2929**



**THE ANNEXURE- A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF DNP LIMITED, DULIAJAN FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021. WE REPORT THAT:**

(i) (a) The company has maintained its Assets Register recording particulars, including quantitative details and situation of fixed assets which requires modification and further incorporation of DATA to be CARO compliant.

(b) The major items of fixed assets have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.

(c) Free hold land owned by the company as on 31.03.21 stands at 79B-2K-15.43L (including 7B-3K-6.56L allotted by Govt. Of Assam. During the year under audit, Agriculture land measuring 3B 2K 15L was purchased by the Company.) Out of the total land of 79B-2K-15.43L, mutation is pending for 15B-3K-11.43L on the date of the Balance Sheet.

(d) The Company has to comply with the land statutes for change in classification of land purchased prior to embarking on industrial activities on the said plot of land.

(ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a),(b) & (c) of clause

(iii) of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the companies Act, 2013 in respect of Loans, Investment, Guarantees and securities.

(v) The company has not accepted any deposits from the public, therefore the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, related to the manufacture of product/providing of service, to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income- tax, Sales- tax, Wealth- tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other statutory dues wherever applicable and no undisputed amounts payable in respect of above referred statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, there are no dues outstanding in respect of income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax on account of any dispute.

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year except loan against deposits from Indian Bank, AGCL branch, Duliajan.
- (ix) According to the information and explanations given to us and the records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and any other term loan during the year.
- (x) Based on the audit procedures performed and the representation obtained from the management, we report that no case of fraud on or by the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and the records examined by us the company's managerial remuneration has been paid and provide in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company as specified in the Nidhi Rules 2014 as such this clause is not applicable to the company.
- (xiii) According to the information and explanations given to us and the records examined by us, the Company's transaction's with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and the records examined by us, the company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as such this clause is not applicable to the company.
- (xv) According to the information and explanations given to us and the records examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as such this clause is not applicable to the company.

**Date: 30-08-2021**  
**Place: DIBRUGARH**

**Sd/-**  
**For M/s Rajendra C. Sharma & Co.**  
**Chartered Accountants, FRN 315011E**

**Sd/-**  
**(CA. R.C. Sharma, FCA) Prop.**  
**Membership No. 052029**  
**UDIN: 21052029AAAAAU2929**

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

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of DNP Limited ("the Company") as of **March 31, 2021** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on

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

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**Date: 30-08-2021**  
**Place: DIBRUGARH**

#### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, except the following aspects, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

i) The Company has not prepared annual budget as well as cash budgets during the year under audit. Hence absence of budgetary control has been observed.

ii) Recovery of 3% yearly enhancement of transportation charges from the single service receiver of the company's service i.e Numaligarh Refinery Ltd. has been pending for 3(Three) years since the financial year 2017-18.

Consequently applicable GST has been paid by the company as well as the consequent Income Tax has also been paid on the unrecovered amount.

iii) The company had borrowed by way of overdraft the sum of Rs. 15.00 crores from Indian Bank, AGCL Branch against pledging of its Fixed Deposits of same Bank and Branch. However, as on the date of Audit mandatory charge has not been registered with the ROC.

**Sd/-**

**For M/s Rajendra C. Sharma & Co.**  
**Chartered Accountants, FRN 315011E**

**Sd/-**

**(CA. R.C. Sharma, FCA) Prop.**  
**Membership No. 052029**  
**UDIN: 21052029AAAAAU2929**

**THE ANNEXURE-C: REPORT OF THE STATUTORY AUDITORS OF  
M/s. D.N.P. Limited, Duliajan, Dibrugarh for FY 2020-21 UNDER  
DIRECTIVES ISSUED BY THE COMPTROLLER & AUDITOR GENERAL  
OF INDIA u/s 143(5) of THE COMPANIES ACT, 2013**

1.	<p>Whether the company has system in place to process all the accounting transactions through IT system ?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p align="center">Yes</p> <p>DATA Transition from IT system into Returns under other Acts need improvement in view of the subsequent rectifications done during the year under audit.</p>
2.	<p>Whether there is any restructuring an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan ?</p> <p>If yes, the financial impact may be stated.</p>	<p align="center">None - not applicable</p>
3.	<p>Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilised as per its term and conditions ?</p> <p>List the cases of deviation.</p>	<p align="center">None - not applicable</p>

**Date: 30-08-2021**  
**Place: DIBRUGARH**

**Sd/-**  
**For M/s Rajendra C. Sharma & Co.**  
**Chartered Accountants, FRN 315011E**

**Sd/-**  
**(CA. R.C. Sharma, FCA) Prop.**  
**Membership No. 052029**  
**UDIN: 21052029AAAAAU2929**

**COMMENTS OF THE COMPTROLLER AND THE AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)  
(b) OF THE COMPANIES ACT 2013, ON THE FINANCIAL STATEMENTS OF THE DNP LIMITED FOR  
THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of DNP Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the company. The Statutory Auditor / Auditors appointed by the Comptroller and the Auditor general of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act, this is stated to have been done by them vide their Audit Report dated **30 August 2021**.

I on the behalf of the comptroller and Auditor General of India, have constructed a supplementary audit of the financial statements of DNP Limited for the year ended 31 March 2021 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 inquires of the statutory Auditors company personal and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 143(6) of the Act.

**Date: 07-10-2021**  
**Place: GUWAHATI**

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

**Sd/-**  
**Pr. Accountant General(Audit), Assam**

# **ANNUAL ACCOUNTS**



*Hon'ble Chariman, DNPL hoisting the 15th Foundation Day Flag on 15th June, 2021 at Despatch Station at Maduban, Duliajan*



*Inauguration of New Office Building by Hon'ble Chairman, DNPL Shri Rupam Goswami at Despatch Station at Maduban, Duliajan on 18-01-2021*





## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2021

In ₹

Particulars		Note No	As at 31-Mar-2021	As at 31-Mar-2020
<b>I. ASSETS</b>				
<b>1</b>	<b>Non-current Assets</b>			
a.	Property, Plant and Equipment	<b>3 (i)</b>	2,29,09,97,981	2,34,68,95,590
b.	Capital work-in-progress	<b>3 (ii)</b>	30,11,64,678	1,51,14,384
c.	Other Intangible assets	<b>3 (iii)</b>	7,03,432	2,75,150
d.	Intangible assets under development	<b>4</b>	-	-
e.	Other non-current assets	<b>5</b>	4,51,61,115	6,99,67,985
			2,63,80,27,206	2,43,22,53,109
<b>2</b>	<b>Current Assets</b>			
a.	Inventories	<b>6</b>	10,03,58,319	8,40,75,146
	Financial Assets			
(i)	Trade Receivables	<b>7</b>	9,12,87,592	8,30,19,235
(ii)	Cash and Cash Equivalents	<b>8</b>	4,76,28,451	15,86,51,041
(iii)	Bank Balances other than (ii) above	<b>9</b>	49,33,79,684	26,68,15,857
c.	Current Tax Assets (Net)	<b>10</b>	5,22,58,560	2,98,54,484
d.	Other current assets	<b>11</b>	16,87,14,205	10,22,51,063
			95,36,26,811	72,46,66,825
<b>TOTAL ASSETS</b>			<b>3,59,16,54,017</b>	<b>3,15,69,19,934</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>			
a.	Equity Share Capital	12	1,67,25,00,000	1,67,25,00,000
b.	Other Equity	13	1,25,47,00,947	1,01,17,85,612
			2,92,72,00,947	2,68,42,85,612
	<b>LIABILITIES</b>			
<b>2</b>	<b>Non-current Liabilities</b>			
a.	Financial Liabilities			
(i)	Borrowings	14	-	-
(ii)	Other financial liabilities	15	-	-
b.	Deferred Tax Liabilities (Net)	16	38,87,46,766	39,04,02,079
			38,87,46,766	39,04,02,079
<b>3</b>	<b>Current Liabilities</b>			
a.	Financial Liabilities			
(i)	Borrowings	17	15,01,80,411	-
(ii)	Trade payables	18	7,09,21,388	3,81,01,595
(iii)	Other financial liabilities	15	4,25,35,030	4,09,29,827
b.	Other Current Liabilities	19	1,20,66,974	31,98,321
c.	Provisions	20	2,500	2,500
			27,57,06,303	8,22,32,243
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>3,59,16,54,017</b>	<b>3,15,69,19,934</b>

Corporate Information & Significant Accounting Policies 1 & 2

Notes to Financial Statement 3 - 35

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 Rajendra C. Sharma & Co.**

Chartered Accountants  
Firm Reg. No. 315011E

Sd/-

**(CA. Rajendra Chandra Sharma)**

Membership No. 052029

Place: Dibrugarh

Date: 30-08-2021

UDIN: 21052029AAAAAU2929

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

Sd/-

**G. C. Swargiyari**

Director & Chief Executive Officer

DIN- 08545385

Place: Duliajan

Date: 16-08-2021

Sd/-

**Samujjal Borah**

Company Secretary

Place: Duliajan

Date: 16-08-2021

Sd/-

**B.J. Phukan**

Director

DIN- 07721895

Place: Duliajan

Date: 16-08-2021

Sd/-

**CA. Manoj Kr. Sinha**

Chief Financial Officer

DIN- 07721895

Place: Duliajan

Date: 16-08-2021

## STATEMENT OF PROFIT AND LOSS

In ₹

	Particulars	Note No	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>I</b>	<b>Revenues from Operations</b>	<b>21</b>	97,79,82,638	85,15,67,660
<b>II</b>	<b>Other Income</b>	<b>22</b>	3,25,02,706	2,79,85,192
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>1,01,04,85,344</b>	<b>87,95,52,852</b>
<b>IV</b>	Expenses :			
	Employee Benefits Expense	23	3,33,84,170	3,53,10,884
	Finance Costs	24	8,77,225	26,63,926
	Depreciation and Amortisation	3 (i)	14,16,24,830	13,59,82,681
	Other Expenses	25	32,55,23,381	26,15,21,610
	<b>Total Expenses</b>		<b>50,14,09,606</b>	<b>43,54,79,101</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>		50,90,75,739	44,40,73,750
<b>VI</b>	<b>Exceptional items</b>		-	-
<b>VII</b>	<b>Profit before tax (V - VI)</b>		50,90,75,739	44,40,73,750
<b>VIII</b>	<b>Tax Expense:</b>			
	1. Current tax	10	10,38,64,298	8,61,44,382
	2. Deferred tax	10/16	(16,55,313)	37,62,251
<b>IX</b>	<b>Profit (Loss) for the period from continuing operations (VII - VIII)</b>		40,68,66,754	35,41,67,117
<b>X</b>	<b>Profit/(loss) from discontinued operations</b>		-	-
<b>XI</b>	<b>Tax expense of discontinued operations</b>		-	-
<b>XII</b>	<b>Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		-	-
<b>XIII</b>	<b>Profit/(loss) for the period (IX+XII)</b>		40,68,66,754	35,41,67,117
<b>XIV</b>	<b>Other Comprehensive Income</b>			
	<b>A</b> (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV</b>	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		40,68,66,754	35,41,67,117
<b>XVI</b>	<b>Earnings per equity share (for continuing operations)</b>	<b>28</b>		
	[Equity Shares of ₹10/- each]			
	1. Basic		2.43	2.12
	2. Diluted		2.43	2.12

Corporate Information & Significant Accounting Policies 1 & 2  
 Notes to Financial Statement 3 - 36  
 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 Rajendra C. Sharma & Co.**  
 Chartered Accountants  
 Firm Reg. No. 315011E

Sd/-  
**(CA. Rajendra Chandra Sharma)**  
 Membership No. 052029

Place: Dibrugarh  
 Date: 30-08-2021  
 UDIN: 21052029AAAAAU2929

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

Sd/-  
**G. C. Swargiyari**  
 Director & Chief Executive Officer  
 DIN- 08545385  
 Place: Duliajan  
 Date: 16-08-2021

Sd/-  
**Samujjal Borah**  
 Company Secretary  
 Place: Duliajan  
 Date: 16-08-2021

Sd/-  
**B.J. Phukan**  
 Director  
 DIN- 07721895  
 Place: Duliajan  
 Date: 16-08-2021  
 Sd/-  
**CA. Manoj Kr. Sinha**  
 Chief Financial Officer  
 DIN- 07721895  
 Place: Duliajan  
 Date: 16-08-2021

## STATEMENT OF CHANGES IN EQUITY

In ₹		Other Equity														
Particulars	Equity Share Capital	Reserves and Surplus					Equity component of compound financial instruments	Share application money pending allotment	Debt instruments through Other	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Retained Earnings										
Balance at 01-April- 2019	1,67,25,00,000			42,82,13,324	46,02,10,171											88,84,23,495
Changes in accounting policy or prior period errors	-															-
Restated balance at the beginning of the reporting period	1,67,25,00,000			42,82,13,324	46,02,10,171											88,84,23,495
Total Comprehensive Income for the year					35,41,67,117											35,41,67,117
Dividends				-	(19,64,76,608)											(19,64,76,608)
Transfer to/from retained earnings				22,89,05,171	(22,89,05,171)											-
Tax on Distributed Profits					(3,43,28,392)											(3,43,28,392)
Balance at 31-Mar-20	1,67,25,00,000			65,71,18,495	35,46,67,117											1,01,17,85,612



## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2021

In ₹

	31-Mar-21	31-Mar-20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	50,90,75,739	44,40,73,750
ADD ADJUSTMENTS FOR		
Impact on Fair Valuation of Financial Instruments	1,74,496	5,45,630
Provision for Project Surplus Material/ Inventory	(26,00,380)	-
Depreciation and Amortisation	14,16,24,830	13,59,82,681
Interest paid	1,80,411	13,65,28,311
	64,84,55,095	58,06,02,061
<b>LESS ADJUSTMENTS FOR</b>		
Interest / Dividend / Brokerage Income	2,80,76,085	2,71,80,533
Other Non Cash Items	-	-
Operating profit before working capital changes	62,03,79,010	55,34,21,528
<b>ADJUSTMENTS FOR</b>		
Trade and other receivables	(6,49,02,844)	3,72,66,696
Inventories	(1,36,82,793)	(1,97,47,794)
Trade and other payables	(44,82,513)	64,985
Cash generated from operations (Before Exceptional Items)	(8,30,68,150)	1,75,83,887
Direct taxes paid	(12,62,68,374)	(10,71,83,907)
<b>NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)</b>	<b>41,10,42,486</b>	<b>46,38,21,508</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
a) INVESTMENT IN PROPERTY PLANT & EQUIPMENTS	(32,46,04,129)	(14,52,35,050)
b) INVESTMENT IN FIXED DEPOSITS	(22,65,63,827)	(12,68,15,857)
c) INTEREST ON FIXED DEPOSITS	1,82,47,429	2,30,72,120
d) CAPITAL ADVANCE	2,48,06,870	(6,90,93,899)
e) LONG TERM SECURITY DEPOSIT	-	-
<b>NNET CASH FROM INVESTING ACTIVITIES</b>	<b>(50,81,13,657)</b>	<b>(31,80,72,686)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
a) INTEREST PAID	(1,80,411)	-
b) ISSUE OF SHARE CAPITAL	-	-
c) SECURED LOAN	15,01,80,411	-
d) UNSECURED LOAN	-	-
e) PAYMENT OF DIVIDEND AND DIVIDEND TAX	(16,39,51,419)	(23,08,05,000)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(1,39,51,419)</b>	<b>(23,08,05,000)</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(11,10,22,590)</b>	<b>(8,50,56,177)</b>
<b>E. CASH AND CASH EQUIVALENT CONSISTS OF :</b>		
a) CLOSING CASH AND CASH EQUIVALENT		
i) Cash and Bank Balance	57,84,748	28,53,135
ii) Short Term Deposit with Banks	4,18,43,703	15,57,97,906
b) LESS : OPENING CASH AND CASH EQUIVALENT		
i) Cash and Bank Balance	28,53,135	93,62,301
ii) Short Term Deposit with Banks	15,57,97,906	23,43,44,917
<b>F. INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(11,10,22,590)</b>	<b>(8,50,56,177)</b>

In terms of our Report of even date attached

**For and on behalf of Rajendra C. Sharma & Co.**

Chartered Accountants  
Firm Reg. No. 315011E

Sd/-

**(CA. Rajendra Chandra Sharma)**

Membership No. 052029

Place: Dibrugarh

Date: 30-08-2021

UDIN: 21052029AAAAAU2929

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

Sd/-

**G. C. Swargiyari**

Director & Chief Executive Officer

DIN- 08545385

Place: Duliajan

Date: 16-08-2021

Sd/-

**Samujjal Borah**

Company Secretary

Place: Duliajan

Date: 16-08-2021

Sd/-

**B.J. Phukan**

Director

DIN- 07721895

Place: Duliajan

Date: 16-08-2021

Sd/-

**CA. Manoj Kr. Sinha**

Chief Financial Officer

DIN- 07721895

Place: Duliajan

Date: 16-08-2021

## 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 Flat No. 04, House No. 2, “Dinesh Mansion” 2nd Floor, Dr. R.P. Road, Dispur, Guwahati, Kamrup and the Operational Office is situated at AGCL Campus, Duliajan, Assam. The company is engaged in transportation of natural gas from Oil India Limited’s installation in Duliajan to Numaligarh.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### A. Basis for preparation

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

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

### B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of

revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### C. Property, Plant and Equipment

#### a) Land

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

#### b) Property, Plant & Equipment other than Land

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

#### c) Intangible Assets:

Intangible assets are recognized on the basis of recognition criteria as set out in Indian Accounting Standard Ind AS 38- Intangible Assets.

Expenditure incurred for creating / acquiring intangible assets from which future economic benefits will flow over a period of time, are amortised over the estimated useful life of the asset if such useful life is finite. Intangible asset with an indefinite useful life is not amortised, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate

net cash inflows for the entity. Intangible Assets with indefinite useful life is tested for impairment as per Ind AS 36-Impairment of Assets. Amortization methods and useful lives are reviewed periodically at each financial year end. On reviewing, if the useful life changes, the same is accounted for as changes in accounting estimates and if such a change has the effect of change of indefinite useful life to a finite useful life the same is treated in accordance with Ind AS 38.

d) Expenditure during construction period:

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

e) Pre-operative Expenditure

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

**D. Depreciation**

Depreciation on Property, Plant & Equipment, other than those mentioned below is provided on Straight Line Method, at rates prescribed under schedule II to the Companies Act, 2013. When any part of an item of property, plant and equipment, has different useful life and cost is significant in relation to the total cost of the asset, they are accounted for and depreciated separately. Additions to Property, Plant & Equipment 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.
- (c) The typical useful lives of other major property,

plant and equipment are as follows:

Buildings	30 to 60 yrs
Plant & Machinery	8 to 30 yrs
Computers & Data Processing Units	3 to 6 yrs
Furniture & Fixtures	10 yrs
Electrical Installation and Equipment	10 yrs
Roads & Drains	5 yrs

**E. Inventories**

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

**F. Revenue Recognition**

- i) Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue from services rendered is recognized net of Service Tax/ Goods and Services Tax on performance of service based on agreements/arrangements with the concerned parties.
- ii) Other claims are booked when there is a reasonable certainty of recovery. Claims are reviewed on a periodical basis and if recovery is uncertain, provision is made in the accounts.
- iii) Income from sale of scrap is accounted for on realisation.
- iv) Dividend income is recognised when the company's right to receive the dividend is established which can be reliably measured and it is probable that the economic benefits associated with the dividend will flow to the entity.
- v) Interest income is recognised using the effective interest method.
- vi) Liquidated damages, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled

after capitalisation of the assets and less than ₹ 500 thousand in each case are charged to revenue, otherwise adjusted against the cost of the relevant assets.

- vii) Insurance claim is accounted for on the basis of claims admitted by the insurers.

**G. Classification of Income/Expenses**

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

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

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

**H. Borrowing Costs**

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

**I. Foreign Currency Transaction**

- (a) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.
- (b) All exchange differences are dealt with as per Ind AS 21.
- (c) Monetary items carried at historical cost denominated in foreign currency are converted at exchange rates prevailing at the year end. Any gain/loss arising out of such conversion is recognized in the Profit & Loss Account.

**J. Capital Grants**

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

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

- (a) Provisions are recognized when there is present legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
- (b) Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ₹ 100 thousand in each case are disclosed by way of notes to accounts.
- (c) Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹ 100 thousand.

**L. Taxes on Income**

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

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

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



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

**M. Impairment of Assets**

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

**N. Cenvat / GST Input Credit**

Cenvat credit of Excise Duty/ Input GST Credit 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. Input GST Credit on Services is recognized on receipt of invoices from service providers and approval thereof.

**O. Financial Instruments**

**(a) *Initial Recognition***

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

**(b) *Subsequent Recognition***

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

**(c) *Fair Value of Financial instruments***

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

## Notes Forming Part of Financial Statements

## 3(i) Property, Plant and Equipment

Particulars	Gross Block/Cost			Depreciation					In ₹
	As at 01-Apr-19	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-20	
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(10) = (1 - 5)
<b>Land</b>	2,08,65,198	10,07,84,775	-	12,16,49,973	-	-	-	12,16,49,973	2,08,65,198
<b>Buildings</b>									
1) Building (Other than Factory Building) RCC Frame Structure	3,86,63,005	-	-	3,86,63,005	26,12,036	6,53,009	-	32,65,045	3,60,50,969
2) Factory Building	8,36,23,458	22,11,527	-	8,58,34,985	1,19,40,286	30,61,139	-	1,50,01,426	7,16,83,171
<b>Roads &amp; Drains</b>									
1) Carpeted Roads - Other than RCC	2,26,78,127	-	-	2,26,78,127	2,05,10,728	-	-	2,05,10,728	21,67,399
<b>Plant &amp; Machinery</b>									
1) Continuous Process Plant (Compressors)	38,94,06,204	2,64,03,989	-	41,58,10,193	6,53,82,611	2,47,61,030	-	9,01,43,642	32,40,23,593
2) Pipeline	2,00,55,48,082	-	-	2,00,55,48,082	28,62,90,893	7,24,18,675	-	35,87,09,568	1,64,68,38,514
3) Other Plant & Machinery	17,76,40,099	17,35,700	-	17,93,75,799	5,86,10,408	1,51,90,179	-	7,38,00,587	10,55,75,213
<b>Furniture &amp; Fixtures</b>									
1) Furniture General	21,78,655	2,64,436	-	24,43,091	5,87,891	2,35,732	-	8,23,624	15,90,764
<b>Computers &amp; Data Processing Units</b>									
1) Servers & Networks	3,21,00,984	-	-	3,21,00,984	2,71,08,359	4,70,475	-	2,75,78,833	49,92,626
2) End use devices - Desktops, Laptops etc.	13,54,281	5,15,874	-	18,70,155	6,75,462	4,13,146	-	10,88,609	6,78,819
<b>Electrical Installation and Equipment</b>									
1) Electrical Installation and Equipment	12,38,19,468	9,71,712	-	12,47,91,179	7,42,13,686	1,87,34,238	-	9,29,47,924	4,96,05,782
<b>Small Value Assets</b>									
1) Small Value Assets	1,08,979	9,402	-	1,18,381	1,08,979	9,402	-	1,18,381	0
<b>Total</b>	<b>2,89,79,86,542</b>	<b>13,28,97,414</b>	<b>-</b>	<b>3,03,08,83,956</b>	<b>54,80,41,341</b>	<b>13,59,47,026</b>	<b>-</b>	<b>68,39,88,367</b>	<b>2,34,68,95,590</b>
									<b>2,34,99,45,201</b>

1. Free hold land owned by the company as on 31.03.2020 stands at 76B-0K-0.43L (including 7B-3K-6.56L allotted by Govt. of Assam) out of which mutation is pending for 38B-0K-1.43L.

	As at 01-Apr-19	Addition	Deductions	As at 31-Mar-20	As at 31-Mar-19
<b>3 (ii) Capital work-in-progress</b>					
Building (Other than Factory Building) RCC Frame Structure - Office Building	3,02,080	-	-	3,02,080	3,02,080
Compressors	-	43,62,851		43,62,851	
Pipeline Pigging	-	1,04,49,454		1,04,49,454	
<b>Total</b>	<b>3,02,080</b>	<b>1,48,12,304</b>	<b>-</b>	<b>1,51,14,384</b>	<b>3,02,080</b>

### 3 (iii) Other Intangible assets

	Gross Block/Cost				Depreciation			Net Block	
	As at 01-Apr-19	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-20	As at 31-Mar-19
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(9) = (4 - 8)	(10) = (1 - 5)
Software	-	98,000	-	98,000	-	5,254	-	92,746	-
Way Leave Rights	3,34,408	-	-	3,34,408	1,21,603	30,401	-	1,82,404	2,12,805
<b>Total</b>	<b>3,34,408</b>	<b>98,000</b>	<b>-</b>	<b>4,32,408</b>	<b>1,21,603</b>	<b>35,655</b>	<b>-</b>	<b>2,75,150</b>	<b>2,12,805</b>

₹ in thousands

## Notes Forming Part of Financial Statements

## 3(i) Property, Plant and Equipment

Particulars	Gross Block/Cost				Depreciation						In ₹
	As at 01-Apr-20	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20	
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)	
<b>Land</b>	12,16,49,973	1,86,10,450	-	14,02,60,423	-	-	-	-	14,02,60,423	12,16,49,973	
<b>Buildings</b>											
1) Building (Other than Factory Building) RCC Frame Structure	3,86,63,005	-	-	3,86,63,005	32,65,045	6,53,009	-	39,18,054	3,47,44,951	3,53,97,960	
2) Factory Building	8,58,34,985	-	-	8,58,34,985	1,50,01,426	30,85,049	-	1,80,86,475	6,77,48,510	7,08,33,559	
<b>Roads &amp; Drains</b>											
1) Carpeted Roads - Other than RCC	2,26,78,127	67,07,600	-	2,93,85,728	2,05,10,728	2,54,475	-	2,07,65,203	86,20,525	21,67,399	
<b>Plant &amp; Machinery</b>											
1) Continuous Process Plant(Compressors)	41,58,10,193	3,85,28,325	-	45,43,38,519	9,01,43,642	2,96,33,281	-	11,97,76,923	33,45,61,596	32,56,66,552	
2) Pipeline	2,00,55,48,082	1,38,20,800	-	2,01,93,68,882	35,87,09,568	7,24,27,068	-	43,11,36,636	1,58,82,32,246	1,64,68,38,514	
3) Other Plant & Machinery	17,93,75,799	23,23,825	-	18,16,99,624	7,38,00,587	1,53,63,896	-	8,91,64,482	9,25,35,143	10,55,75,213	
<b>Furniture &amp; Fixtures</b>											
1) Furniture General	24,43,091	94,353	-	25,37,444	8,23,624	2,19,130	-	10,42,754	1,94,690	16,19,467	
<b>Computers &amp; Data Processing Units</b>											
1) Servers & Networks	3,21,00,984	8,20,000	-	3,29,20,984	2,75,78,833	4,14,570	-	2,79,93,404	49,27,580	45,22,151	
2) End use devices - Desktops, Laptops etc.	18,70,155	12,91,048	-	31,61,203	10,88,609	5,32,769	-	16,21,378	15,39,826	7,81,546	
<b>Electrical Installation and Equipment</b>											
1) Electrical Installation and Equipment	12,47,91,179	33,88,723	-	12,81,79,902	9,29,47,924	1,88,99,487	-	11,18,47,411	1,63,32,492	3,18,43,255	
<b>Small Value Assets</b>											
1) Small Value Assets	1,18,381	31,410	-	1,49,791	1,18,381	31,410	-	1,49,791	0	0	
<b>Total</b>	<b>3,03,08,83,956</b>	<b>8,56,16,535</b>	<b>-</b>	<b>3,11,65,00,491</b>	<b>68,39,88,367</b>	<b>14,15,14,144</b>	<b>-</b>	<b>82,55,02,511</b>	<b>2,29,09,97,981</b>	<b>2,34,68,95,590</b>	

1. Free hold land owned by the company as on 31.03.2021 stands at 79B-2K-15.43L (including 7B-3K-6.56L allotted by Govt. of Assam) out of which mutation is pending for 38B-0K-1.43L.

₹ in thousands

3 (ii) Capital work-in-progress	As at 01-Apr-20	Addition	Deductions	As at 31-Mar-21	As at 31-Mar-20
Building (Other than Factory Building) RCC Frame Structure - Office Building	3,02,080	1,39,95,873	-	1,42,97,953	3,02,080
Building (Other than Factory Building) Boundary Wall	-	35,74,240	-	35,74,240	-
Compressors	43,62,851	26,25,07,429	-	26,68,70,280	43,62,851
Compressors (Overhauling)	-	7,95,781	-	7,95,781	-
Pipeline Piggings	1,04,49,454	51,76,971	-	1,56,26,425	1,04,49,454
<b>Total</b>	<b>1,51,14,384</b>	<b>28,60,50,293</b>	<b>-</b>	<b>30,11,64,678</b>	<b>1,51,14,384</b>

### 3 (iii) Other Intangible assets

Particulars	Gross Block/Cost			Depreciation						
	As at 01-Apr-20	Addition	Deductions on account of Retirements/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Addition	Deductions on account of Retirements/ Adjustments	As at 31-Mar-21	As at 31-Mar-20	
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)
Software	98,000	42,450	-	1,40,450	5,254	25,117	0	30,371	1,10,079	92,746
Way Leave Rights	3,34,408	4,96,518	-	8,30,926	1,52,004	85,569	-	2,37,573	5,93,353	1,82,404
<b>Total</b>	<b>4,32,408</b>	<b>5,38,968</b>	<b>-</b>	<b>9,71,376</b>	<b>1,57,258</b>	<b>1,10,686</b>	<b>-</b>	<b>2,67,944</b>	<b>7,03,432</b>	<b>2,75,150</b>

## Notes Forming Part of Financial Statements

### 4 Intangible assets under development

In ₹

	31-Mar-21	31-Mar-20
<b>SOFTWARE</b>		
a) Inventory Management Software	-	-
	-	-

### 5 Other non-current assets

In ₹

	31-Mar-21	31-Mar-20
Capital Advance	4,42,87,029	6,90,93,899
Security Deposits		
(Unsecured, considered good)	8,74,086	8,74,086
	4,51,61,115	6,99,67,985

### 6 Inventories

In ₹

	31-Mar-21	31-Mar-20
Stores and spares valued at Weighted Average Cost	14,41,42,228	13,04,59,435
Less : Provision for Losses for Project surplus material	(4,37,83,909)	(4,63,84,289)
	10,03,58,319	8,40,75,146

### 7 Trade Receivables

In ₹

	31-Mar-21	31-Mar-20
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they are due for payment :		
Considered good	5,41,111	-
Considered doubtful	11,44,70,769	4,95,29,851
	11,50,11,880	4,95,29,851
Less: Provision for doubtful receivable	11,44,70,769	4,95,29,851
	(A) 5,41,111	-
<b>Not Exceeding Six Months :</b>		
Other receivables	-	-
Considered good.	9,07,46,481	8,30,19,235
Considered doubtful.	4,53,06,803	2,28,72,878
	13,60,53,284	10,58,92,113
Less: Provision for doubtful receivable.	4,53,06,803	2,28,72,878
	(B) 9,07,46,481	8,30,19,235
	(A+B) 9,12,87,592	8,30,19,235

## 8 Cash and Cash Equivalents

In ₹

	31-Mar-21	31-Mar-20
Cash in Hand	-	-
Balances with bank		
In current account	57,84,748	28,53,135
Deposits with original maturity of less than three months	4,18,43,703	15,57,97,906
	4,76,28,451	15,86,51,041

## 9 Other Bank Balances

In ₹

	31-Mar-21	31-Mar-20
Deposits with original maturity for more than three months	49,33,79,684	26,68,15,857
(Term deposit of ₹16,83,79,684 hypothecated with Indian Bank as security for Overdraft facility)		
	49,33,79,684	26,68,15,857

## 10 Current Tax Assets (Net)

In ₹

	31-Mar-21	31-Mar-20
Advance Income Tax	24,22,66,240	33,93,08,896
Provision for Income Tax	(19,00,07,680)	30,94,54,412)
	5,22,58,560	2,98,54,484

### Reconciliation of effective tax rate

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>50,90,75,739</b>	<b>44,40,73,750</b>
Tax using the Company's domestic tax rate at MAT (Current year 17.47% and 21.55 % Previous Year )	8,89,45,712	7,75,88,565
Increase in tax rate		
<b>Tax effect of:</b>		
Amount withdrawn from reserves or provisions	(3,48,547)	(29,650)
Provisions for uncertain liabilities	1,52,66,133	86,21,683
Tax-exempt income		
Interest expense not deductible for tax purposes		-
Others/Prior Years	1,000	(36,216)
<b>Current Tax (A)</b>	<b>10,38,64,298</b>	<b>8,61,44,382</b>
Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences (B)	(16,55,313)	37,62,251
<b>Tax expense as per Statement of Profit &amp; Loss (A+B)</b>	<b>10,22,08,985</b>	<b>8,99,06,633</b>

The applicable normal Indian statutory tax rate for fiscal 2021 is 29.12% and fiscal 2020 is 29.12%. However the company is provisioning taxes (MAT) as per section 115JB of the I T Act, 1961. MAT Credit has been recognised to the extent there is certainty of recovery of same within the specified period.

**11 Other current assets**

In ₹

	31-Mar-21	31-Mar-20
<b>Security Deposits</b>		
(Unsecured, considered good.)	4,66,087	4,66,087
<b>Loans and advances to related parties</b>		
(Secured, considered good)	-	-
<b>Other Loans and advances</b>		
<b>To Employees</b>		
(Secured, considered good.)	2,44,448	13,39,260
<b>To Others</b>		
(Unsecured, considered good)	13,97,066	11,27,697
(Unsecured, considered doubtful)	-	-
Less : Provision for doubtful advances	-	-
Prepaid Expenses	13,51,266	9,25,158
Unbilled Revenue	8,79,08,646	8,73,42,114
Deposit with Statutory Authorities	5,09,96,593	38,52,626
Claimable GST Tax credit	-	2,27,351
Interest accrued but not due on Fixed Deposits	1,66,96,188	68,67,532
Other Income Accrued but not due	1,02,958	1,02,958
Other Receivables	95,50,953	280
	16,87,14,205	10,22,51,063

**12 Equity Share Capital**

In ₹

	31-Mar-21	31-Mar-20
<b>Equity Shares Authorised</b>		
17,00,00,000 ( 31 March 2020 : 17,00,00,000 ) Equity Shares of ₹10 each	1,70,00,00,000	1,70,00,00,000
	1,70,00,00,000	1,70,00,00,000
<b>Issued, Subscribed and Paid up</b>		
16,72,50,000 ( 31 March 2020 : 16,72,50,000 ) Equity Shares of ₹ 10/- each	1,67,25,00,000	1,67,25,00,000
	1,67,25,00,000	1,67,25,00,000

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

	31-Mar-21		31-Mar-20	
	Number	In ₹	Number	In ₹
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	16,72,50,000	1,67,25,00,000	16,72,50,000	1,67,25,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,72,50,000	1,67,25,00,000	16,72,50,000	1,67,25,00,000



### b. Terms/right attached to equity shares

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

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

### c. Shares held by holding company

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

In ₹

	31-Mar-21	31-Mar-20
Assam Gas Company Limited (with nominees)		
8,53,00,000 (31 <sup>st</sup> March 2020 : 8,53,00,000) equity shares of ₹10/- each fully paid	85,30,00,000	85,30,00,000

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

	31-Mar-21		31-Mar-20	
	Number	% of Holding	Number	% of Holding
<b>Name of Shareholders</b>				
Assam Gas Company Limited (with nominees)	8,53,00,000	51%	8,53,00,000	51%
Numaligarh Refinery Limited	4,34,90,000	26%	4,34,90,000	26%
Oil India Limited.	3,84,60,000	23%	3,84,60,000	23%

### 13. Other Equity

In ₹

	General Reserve	Profit & Loss Account	Total
<b>As at 01-April- 2019</b>	42,82,13,324	46,02,10,171	88,84,23,495
Profit/(Loss) for the year	-	35,41,67,117	35,41,67,117
Dividend to Equity shareholders for the year ended 31-Mar-19	-	(19,64,76,608)	(19,64,76,608)
Tax on Distribution of Profits for the year ended 31-Mar-19	-	(3,43,28,392)	(3,43,28,392)
Transfer (to)/from	22,89,05,171	(22,89,05,171)	-
<b>As at 31-Mar-2020</b>	65,71,18,495	35,46,67,117	1,01,17,85,612
<b>As at 01-April- 2020</b>	65,71,18,495	35,46,67,117	1,01,17,85,612
Profit/(Loss) for the year	-	40,68,66,754	40,68,66,754
Dividend to Equity shareholders for the year ended 31-Mar-20	-	(15,72,15,000)	(15,72,15,000)
Tax on Distribution of Profits for the year ended 31-Mar-19	-	(67,36,419)	(67,36,419)
Transfer (to)/from	19,02,15,698	(19,02,15,698)	-
<b>As at 31-Mar-2021</b>	84,73,34,193	40,73,66,754	1,25,47,00,947

Proposed Dividend (including Dividend Distribution Tax on Proposed Dividend) on Equity Shares is accounted for on payment basis.

#### 14. Borrowings

In ₹

	Non-current portion		Current Maturities	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
<b>Term Loans</b>				
<b>From Assam Gas Company Limited</b>				
<b>Secured</b>	-	-	-	-
<b>Unsecured</b>	-	-	-	-
<b>Amount disclosed under the head "Other Financial Liabilities".</b>	-	-	-	-
	-	-	-	-

#### 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.

#### 15. Other financial liabilities

In ₹

	31-Mar-21	31-Mar-20
<b>Non-Current:</b>		
Deposits from Customer (Non Current)	-	-
Advance for Transportation Charge (Non Current)	-	-
	<b>(A)</b>	-
<b>Current:</b>		
Current maturities of long term debt	-	-
EMD from Contractors & Suppliers	33,06,590	28,81,090
Security Deposits from Contractors	89,08,972	79,03,765
Retentions from Contractors	3,19,468	3,19,468
Advance for transportation Charge (Current)	-	5,22,318
Deposits from Customer (Current)	3,00,00,000	2,93,03,186
	<b>(B)</b>	4,09,29,827
<b>Total</b>	<b>(A+B)</b>	<b>4,09,29,827</b>

(i) Deposits from Customer (Current/ Non-Current) pertains to the fair value of Security Deposit received from Numaligarh Refinery Limited.

## 16 Deferred Tax Liabilities (Net)

In ₹

	31-Mar-21	31-Mar-20
<b>Deferred Tax Liability</b>		
Deposits from Customer	-	50,813
Property, Plant and Equipment	38,87,46,766	39,03,51,266
<b>Total</b>	<b>38,87,46,766</b>	<b>39,04,02,079</b>
<b>Deferred Tax Assets</b>		
<b>Total</b>	-	-
<b>Net Deferred Tax Liability</b>	<b>38,87,46,766</b>	<b>39,04,02,079</b>

## 17 Borrowings

In ₹

	31-Mar-21	31-Mar-20
Secured Overdraft from Banks	15,01,80,411	-
	-	-
	15,01,80,411	-

Secured Overdraft facility from Indian Bank carries interest @ 5.95% p.a on ₹5,25,00,000/-, 5.75% on ₹5,76,00,000/- and 4.50% on ₹3,99,00,000/-. Term deposit of ₹16,83,79,684/- [Refer note no 9] hypothecated with Indian Bank as security for Overdraft facility

## 18 Trade payables

In ₹

	31-Mar-21	31-Mar-20
Creditors for Capital Expenditure	5,07,38,695	31,37,028
Other Trade Payables	2,01,82,693	3,49,64,567
	-	-
	<b>7,09,21,388</b>	<b>3,81,01,595</b>
The disclosing in respect of the amounts payable to Micro, Small and Medium Enterprises as at 31st March, 2021 has been made in the financial statements based on information received and available with the company. Accordingly disclosure has been made below:-	-	-
		In ₹
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Principal and interest amount remaining unpaid-		
Principal	-	-
Interest	-	-
The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year	-	-

The amount of the payments made to Micro and small suppliers beyond the appointed day during each accounting year:	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

### 19 Other Current Liabilities

In ₹

	31-Mar-21	31-Mar-20
Statutory Liabilities	1,19,64,838	29,41,631
Other Payables	1,02,136	2,56,690
	<b>1,20,66,974</b>	<b>31,98,321</b>

### 20 Provisions

In ₹

	31-Mar-21	31-Mar-20
Other Provisions		
Provision for Professional Tax	2,500	2,500
	<b>2,500</b>	<b>2,500</b>

### 21 Revenues from Operations

In ₹

	April - Mar 21	April - Mar 20
Sale of Services		
Transportation of Gas	97,79,82,638	85,15,67,660
	<b>97,79,82,638</b>	<b>85,15,67,660</b>

(i) Transportation of Gas includes ₹5,22,318 for the period Apr- Mar 21 and ₹21,18,296 for the period Apr- Mar 20 on account of adjustment towards fair valuation of Security Deposit from Numaligh Refinery Limited.

(ii) During the year an amount of ₹(2,56,46,581)/- (previous year ₹86,81,145/-) owing to fuel price adjustment to transportation charges of gas has not been accounted for owing to confirmation being awaited from Numaligarh Refinery Limited.

**22 Other Income**

In ₹

	April - Mar 21	April - Mar 20
Interest Income		
On Bank Deposits	2,80,76,085	2,71,80,533
Others	-	-
Sale of Material	18,11,027	-
Inventory Provision Written Back	26,00,380	-
Other non-operating income	15,214	8,04,659
	<b>3,25,02,706</b>	<b>2,79,85,192</b>

**23 Employee Benefits Expense**

In ₹

	April - Mar 21	April - Mar 20
Salaries and wages		
Employees	2,21,15,666	2,17,60,294
Deputed Employees (AGCL)	80,97,322	99,64,248
Stipend to Trainees	-	-
Contribution to Provident Fund	18,56,859	21,27,155
Contribution to Gratuity Fund	6,15,687	4,60,538
Welfare & Training Expenses	6,98,636	9,98,649
	<b>3,33,84,170</b>	<b>3,53,10,884</b>

**24 Finance Costs**

In ₹

	April - Mar 21	April - Mar 20
Interest expenses on loans		
Bank OD	1,80,411	-
Assam Gas Company Limited	-	-
Interest on Fair Valuation	6,96,814	26,63,926
	<b>8,77,225</b>	<b>26,63,926</b>

Interest on Fair Valuation pertains to the adjustments made to restate the carrying amount of

**25 Other Expenses**

In ₹

	April - Mar 21	April - Mar 20
Power & Fuel	6,48,89,186	8,80,08,051
Operation & Maintenance		
- Compressor	2,33,29,915	2,16,41,850
- Others	69,61,293	37,99,267
ROW Expenses		
- ROW Rental Charges	1,21,54,711	43,28,967
- ROW Supervision Charges	1,62,581	4,32,897
Rent	9,49,543	8,60,115
Repair & Maintenance		
Plant & Machinery	4,93,77,608	3,33,01,771
Building	27,68,321	28,45,749
Others	85,84,290	66,09,591
Insurance	1,68,69,588	68,01,624
Rates and Taxes-excluding taxes on income	11,95,656	20,87,531
Foundation Day Expenses	3,61,859	3,18,796
Auditors' Remuneration		
Statutory Audit Fees	50,000	50,000
Cost Audit Fee	50,000	40,000
Tax Audit Fee	40,000	22,000
Secretarial Audit Fee	30,000	25,000
GST Audit Fees	-	82,800
For Other Matters (Statutory Auditor)	11,800	-
For Other Matters (Cost Auditor)	-	15,000
For Other Matters (Secretarial Auditor)	-	15,000
Reimbursement of Out of Pocket Expenses ( Statutory Auditor)	44,250	32,789
Reimbursement of Out of Pocket Expenses ( Cost Auditor)	-	2,604
Reimbursement of Out of Pocket Expenses ( Secretarial Auditor)	-	18,348
Travelling and Conveyance	58,92,599	56,87,650
Printing & Stationery	10,39,422	3,56,022
Security Expenses	1,28,04,896	1,02,79,628
Consultancy Charges	40,20,000	13,80,000
CSR Expenses	1,43,11,368	1,05,75,173
Professional Charges	37,84,910	41,70,870
Cost of Material Sold	27,37,243	-
Communication Cost	2,58,158	2,44,260
Fire & Safety Expenses	-	2,20,160
Provision for Bad and Doubtful Debts	8,73,74,843	4,93,45,712
Advertisement & Publicity	8,81,426	29,39,179
Honorarium to Directors	8,32,500	10,80,000
Donation & Subscription	90,152	22,32,775
Bank Charges, Meeting Exp. & Other Misc. Expenses	36,65,261	16,70,433
	<b>32,55,23,381</b>	<b>26,15,21,610</b>

## 26 Financial instruments – Fair values and risk management

### A. Accounting classification and fair values

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

In ₹

March 31, 2021	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			4,76,28,451	4,76,28,451				
Other Bank Balances			49,33,79,684	49,33,79,684				
Trade receivables (including unbilled revenue)			17,91,96,238	17,91,96,238				-
	-	-	72,02,04,373	72,02,04,373	-	-	-	-
Financial liabilities								
Deposit from Customer	3,00,00,000			3,00,00,000		3,00,00,000		3,00,00,000
Borrowings - Current			15,01,80,411	15,01,80,411				-
Trade and other payables			7,09,21,388	7,09,21,388				-
Other current financial liabilities			1,25,35,030	1,25,35,030				-
	3,00,00,000	-	23,36,36,829	26,36,36,829	-	3,00,00,000	-	3,00,00,000

In ₹

March 31, 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			15,86,51,041	15,86,51,041				-
Other Bank Balances			26,68,15,857	26,68,15,857				
Trade receivables (including unbilled revenue)			17,03,61,349	17,03,61,349				-
	-	-	59,58,28,246	59,58,28,246	-	-	-	-
Financial liabilities								
Deposit from Customer	2,98,25,505			2,98,25,505		2,98,25,505		2,98,25,505
Term Loans			-	-				-
Trade and other payables			3,81,01,595	3,81,01,595				-
Other current financial liabilities			1,11,04,323	1,11,04,323				-
	2,98,25,505	-	4,92,05,918	7,90,31,422	-	2,98,25,505	-	2,98,25,505

## B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

### Financial instruments measured at fair value

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

## C. Financial risk management

### i. Risk management framework

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

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

- Credit risk ;
- Liquidity risk

### i. Market risk

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

### ii. Credit risk

“Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.”

### Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company assumes low credit risk on Trade Receivables which comprise of only one customer amounting to ₹2,42,764 thousand as at 31<sup>st</sup> March 2020 and ₹1,87,557 thousand as at 31<sup>st</sup> March 2019 ; as it does not expect its customer to fail in meeting its contractual obligations as the Company understands that the customer has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. However, since 1st April 2019 the customer has not been honouring the annual 3% increment in the dues amounting to ₹ 72,403 thousand, citing review of the tarriff rate for tranportaion of gas.



In ₹

31-Mar-21	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	17,65,18,116	0%	-
Past due 1-90 days	2,37,97,921	100%	2,37,97,921.00
More than 90 days	13,86,57,773	98%	13,59,79,651.00
	33,89,73,810	47.14%	15,97,77,572.00

In ₹

31-Mar-20	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	17,03,61,349	0%	-
Past due 1-90 days	81,87,128	100%	81,87,128.00
More than 90 days	6,42,15,601	100%	6,42,15,601.00
	24,27,64,078	29.82%	7,24,02,729.00

### Cash and cash equivalents

The Company held cash and cash equivalents of ₹4,76,28,451/-as at March 31, 2021 and ₹15,86,51,014/-as at March 31, 2020. The cash and cash equivalents are held with bank with good credit ratings. The Company also invests its short term surplus funds in bank fixed deposit, which carry no/low mark to market risks for short duration therefore does not expose the company to credit risk.

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

### iii. Liquidity risk

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

### Exposure to liquidity risk

In ₹

March 31, 2021	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Financial liabilities</b>						
Deposit from Customer	3,00,00,000	3,00,00,000	3,00,00,000	-		
Borrowings - Current	15,01,80,411	15,01,80,411	15,01,80,411			
Trade and other payables	7,09,21,388	7,09,21,388	7,09,21,388			
Other current liabilities	1,25,35,030	1,25,35,030	1,25,35,030			

In ₹

March 31, 2019	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Financial liabilities</b>						
Deposit from Customer	2,98,25,505	3,00,00,000	3,00,00,000	-	-	-
Trade and other payables	3,81,01,595	3,81,01,595	3,81,01,595			
Other current liabilities	1,11,04,323	1,11,04,323	1,11,04,323			

The Company has not carried any derivative financial liabilities as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020

- 27 Provision for taxation for the financial year 2020-21 amounting to ₹10,38,64,298/- ( Previous Year ₹8,61,44,382) has been arrived at after availing MAT Credit of ₹7,51,46,318/-u/s 115JAA of the Income Tax,1961 in the FY 2020-21 (Previous Year ₹5,68,88,173) due to certainty of recovery of the same.

**28 Earnings per equity share**

In ₹

	31-Mar-21	31-Mar-20
Face value ₹10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	40,68,66,754	35,41,67,117
Weighted average number of Equity Shares outstanding during the year	16,72,50,000	16,72,50,000
Basic earnings per share (₹)	2.43	2.12
Diluted earnings per share (₹)	2.43	2.12

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

- 30 Trade Receivables and Trade Payables including Creditors for Capital Expenditure are subject to Confirmation.

- 31 As per guidelines Ind AS 36 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2021 and 31st March 2020.

**32 Contingent Liabilities**

In ₹

	31-Mar-21	31-Mar-20
<b>Contingent Liabilities :</b>		
Claims against the Company not acknowledged as debts :	-	-
In respect of Taxation matters		
Service Tax	-	-
Guarantees :	-	-
Other Money for which the company is contingently liable :		
Rental and Supervision Charges for ROW to Oil India Limited	-	1,55,72,249
	-	<b>1,55,72,249</b>
<b>Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	38,30,85,309	30,57,90,051
	<b>38,30,85,309</b>	<b>30,57,90,051</b>

### 33 Related Party Transactions

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

List of Related Parties

Particulars	Nature of Relationship
1 Assam Gas Company Limited (AGCL)	Parent Company and under the control of the same Govt.
	Viz. Government of Assam
2 Numaligarh Refinery Limited (NRL)	Being Associate of NRL
3 Oil India Limited (OIL)	Being Associate of OIL
4 Shri Rupam Goswami	Being Director of the Company
5 Shri Ashwini Pait	Being Director of the Company

The details of amounts (due to) or due from related parties as at 31st March 2021 and 31st March 2020 are as follows:

In ₹

Particulars	31-Mar-21	31-Mar-20
Numaligarh Refinery Limited (NRL)	30,68,36,798	21,29,39,391
Oil India Limited (OIL)	(86,45,740)	(1,85,57,779)

#### Terms and Conditions and nature of consideration for settlement:

1 The balance of NRL includes amount trade receivables and amount of security deposit received under the terms and conditions of Gas Transportation Agreement and other advances for purchase of materials. The above amount is inclusive of provision for doubtful debts amounting to ₹15,97,77,572/- (previous year ₹7,24,02,729/-) and unbilled revenue ₹8,79,08,646/- (previous year ₹8,73,42,114/-)

2 The balance of OIL includes other trade payables against supply of Natural Gas at market rates, ROW rental and supervision charges and maintenance of cathodic protection system as per terms and conditions of respective agreements.

The details of the related parties transactions entered into by the Company for the year ended 31st March 2021 and 31st March 2020 are as follows:

In ₹

Particulars	Nature of Transactions	31-Mar-20	31-Mar-19
<b>Revenue Transactions:</b>			
1. Assam Gas Company Limited (AGCL) :	Key Management Personnel on Deputation	21,36,000	20,57,360
2. Numaligarh Refinery Limited (NRL) :	Tranportation of Natural Gas	97,74,60,320	85,15,67,660
	Project Management Consultancy Fees	-	4,57,875

3. Oil India Limited (OIL) :	Consumption of Natural Gas	5,78,42,453	8,00,88,772
	ROW rental & Supervision charges	1,23,17,292	47,61,864
	Maintenance of CPS	22,10,446	-
4. Shri Rupam Goswami	Honorarium	4,62,500	6,00,000
5. Shri Ashwini Pait	Honorarium	3,70,000	4,80,000

<b>Key management personnel</b>		
1. Monoj Kumar Singha, CFO		
2. Samujjal Borah, Company Secretary		

In ₹

Key management personnel compensation	31-Mar-21	31-Mar-20
(a) Short-term employee benefits	17,49,389	8,55,266
(b) Post-employment benefits	-	-
(c) Other long-term benefits	-	-
(d) Termination benefits	-	-
(e) Share-based payments	-	-

**34 Reconciliation of Expenditure on Corporate Social Responsibility (CSR) Activities are as follows:**

In ₹

	2020-21	2019-20
Amount unspent (for earlier years) at the beginning of the year	8,52,181	25,79,956
Amount earmarked during the financial year for CSR activities	97,80,288	88,47,397
Amount actually spent for CSR activities	1,43,11,368	1,05,75,173
Amount remaining unspent at the end of the year	<b>(36,78,900)</b>	<b>8,52,181</b>

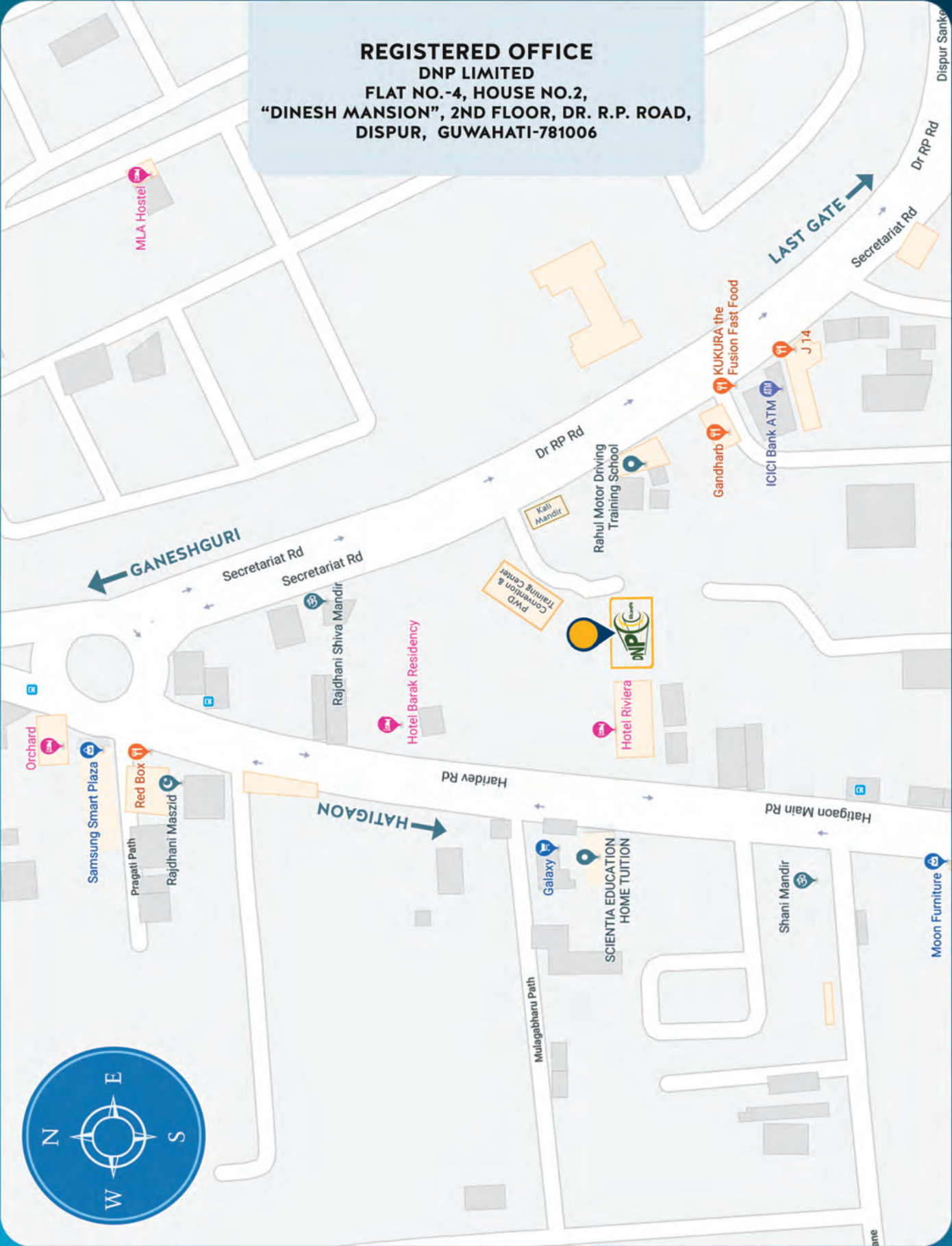
**35 Dividend**

The Board of Directors of the Company has proposed to declare a dividend @ 6% of Paid up Share Capital for the FY 2020-21 (previous year @ 9.40% of Paid up Share Capital)

**36 Previous year figures**

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

**REGISTERED OFFICE**  
**DNP LIMITED**  
**FLAT NO.-4, HOUSE NO.2,**  
**"DINESH MANSION", 2ND FLOOR, DR. R.P. ROAD,**  
**DISPUR, GUWAHATI-781006**



Dispur Sanke

Dr RP Rd

Secretariat Rd

LAST GATE

Dr RP Rd

GANESHGURI

Secretariat Rd

Secretariat Rd

HATIGAON

Hardev Rd

Hatigaon Main Rd

Mulagabharu Path

Moon Furniture

Shani Mandir

SCIENTIA EDUCATION  
HOME TUITION

Galaxy

Hotel Riviera

Hotel Barak Residency

Rajdhani Shiva Mandir

Samsung Smart Plaza

Rajdhani Masjid

Red Box

Orchard

KUKURA the  
Fusion Fast Food

Gandharb

ICICI Bank ATM

Rahul Motor Driving  
Training School

Kali Mandir

PWD  
Convention &  
Training Center

MLA Hostel

