

ANNUAL REPORT 2021-22



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



Girish Kumar Bora
Additional 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
- Indian Bank, AGCL Branch, P.O. Duliajan, Dist: Dibrugarh - 786602
- Canara Bank, Duliajan Branch, P.O.: Duliajan, 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
4th 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
6th Floor, Central Mall
Christian Basti, G. S. Road
Guwahati - 781005, Assam

Head Office & Plant Office

Madhuban
P. O. Kendriya Vidyalaya
Borpathar No. 1
Duliajan
Dist: Dibrugarh
PIN: 786602, Assam

Notice to the Shareholders

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of DNP Limited will be held through Video Conferencing or Other Audio-Visual Means (OAVM) on **Thursday, the 29th Day of September, 2022 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, 2022 and Statement of Profit & Loss for the year ended 31st March, 2022 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, 2022.

B. Special Business

3. Approval of Remuneration of the Cost Auditor for the financial year 2022-23:

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 2022-23 for carrying out the audit of cost records maintained by the Company at a remuneration of ₹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."

4. Appointment of Shri Girish Kumar Bora as Director:

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Girish Kumar Bora (DIN: 09525641), who was appointed by the Board as an Additional Director w.e.f. 03rd March, 2022 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation, if applicable."

Date: 26-09-2022

By Order of the Board of Directors

Registered Office:

6th Floor, Central Mall
Christian Basti, G. S. Road
Guwahati - 781005, Assam

Sd/-

(Samujjal Borah)
Company Secretary, DNPL

Note

1. 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 15th AGM shall be the Registered Office of the Company.
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 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website **www.dnpl.co.in**.
3. Govt. representative/ Corporate Members of the Company are to 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.
8. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed 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 24th September, 2022.

Item No. 3: Approval of Remuneration of the Cost Auditor for the financial year 2022-23:

M/s Musib & Co., was appointed by the Board as the Cost Auditor of the Company for the Financial Year 2022-23 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of ₹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 2022-23.

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

Item No. 4: Appointment of Shri Girish Kumar Bora as Director:

Shri Girish Kumar Bora (DIN: 09525641) CGM (Projects), Numaligarh Refinery Limited, was appointed as Additional Director on the Board of the Company w.e.f. 03rd of March, 2022 pursuant to Article 104(ii) of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013 in accordance to the nomination of Numaligarh Refinery Limited.

Shri Girish Kumar Bora, being appointed as Additional Director will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Girish Kumar Bora, as a Director of the Company. A brief profile of Shri Girish Kumar Bora is also attached for information of the members.

Shri Girish Kumar Bora, is interested in the Resolution to the extent as it concern his appointment. None of the Directors or Key Managerial Personnel or their relatives is, in any way, are interested or concerned in the Resolution.

Date: 26-09-2022

By Order of the Board of Directors

Registered Office:

6th Floor, Central Mall
Christian Basti, G. S. Road
Guwahati - 781005, Assam

Sd/-

(Samujjal Borah)
Company Secretary, DNPL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Fifteenth Annual Report on the performance of your Company together with audited financial statement for the year ended 31st March, 2022.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2022 as compared to those of the previous year are summarized below: -

Particulars	2021-22 (₹ in thousands)	2020-21 (₹ in thousands)
Gross Revenue from Operations	8,55,254	9,77,983
Other Income	28,448	32,503
Total Revenue	8,83,701	10,10,485
Profit before Depreciation & Amortization, Interest and Tax	5,98,121	6,50,700
Profit before prior period adjustments, extraordinary items and Tax	4,59,784	5,09,076
Extraordinary Items	-	-
Profit before Tax	4,59,784	5,09,076
Provision for Taxation	84,182	1,03,864
Provision for Taxation- Deferred	2,861	(1,655)
Profit (Loss) after tax	3,72,740	4,06,867
Earnings per Share in Rupees (Face value ₹10/- each)		
1. Basic	2.23	2.43
2. Diluted	2.23	2.43

Directors propose to appropriate this amount as under:

Appropriations:	2021-22 (₹ in thousands)	2020-21 (₹ in thousands)
Towards Dividend	75,262	1,00,350
Corporate Dividend Tax	NIL	NIL
Transfer to General Reserve	2,96,978	3,06,017
Balance at Profit & Loss Account	500	500
Total Profit (after tax)	3,72,740	4,06,867

Summarized Cash Flow Statement:

Cash Flows:	2021-22 (₹ in thousands)	2020-21 (₹ in thousands)
Inflow/(Outflow) from operations	5,09,950	4,11,042
Inflow/(Outflow) from investing activities	(3,05,396)	(5,08,113)
Inflow/(Outflow) from financing activities	(2,52,178)	(13,951)
Net Increase/(decrease) in cash & cash equivalent	(47,624)	(1,11,023)

PERFORMANCE HIGHLIGHTS

1. PHYSICAL PERFORMANCE

During the year 2021-22, your Company transported 286.04 MMSCM of natural gas to NRL as against 300.14 MMSCM transported in the previous year.

In terms of the gas supply agreement between DNPL and NRL, transportation charges for the year was last revised to ₹2990.00 per thousand standard cubic meters (TSCM) with effect from 01.04.2021.

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 2021-22 was ₹85.52 crores, 12.54% lower than the previous year's revenue of ₹97.79 crores. The profit before tax for the year was ₹45.98 crores, which is 9.68% lower compared to ₹50.91 crores in 2020-21. The profit after tax for the year stood at ₹37.27 crores as against ₹40.68 crores recorded in 2020-21. The earnings per share achieved in 2021-22 was ₹2.23 compared to ₹2.43 in the previous year.

The total amount of Capital Expenditure incurred during the year was ₹36.94 crores as compared to ₹08.96 crores in 2020-21. Value of total fixed assets as on 31st March, 2022 stood at ₹252.18 crores.

2.1 Net Worth

The net worth of the Company stood at the end of financial year 31st March, 2022 is ₹319.96 crores as against ₹292.72 crores as on 31st March, 2021.

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 ₹0.45 (i.e. 4.50%) per equity share of ₹10.00 each for the financial year ended March 31, 2022 on the paid up share capital of ₹167.25 crores, which would absorb a sum of ₹07.52 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, 2022 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 ₹13.08 crores to the Central Exchequer and ₹3.29 crores to the State Exchequers in the form of taxes and duties compared to ₹13.67 crores and ₹3.63 crores 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, 2022 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.

2.7 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.

2.8 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.

2.9 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.

2.10 Conservation of Energy, Technology Absorption

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

2.11 Foreign Exchange Earnings

There were no foreign exchange earnings during the year or in the previous year.

2.12 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, 2022 are not furnished.

2.13 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.

2.14 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), Govt. of Assam 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.

2.15 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 2021-22 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.

2.16 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 2021-22 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 2021-22 within stipulated time.

2.17 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 2021-22.

The Secretarial Audit Report for the financial year 2021-22 together with Managements' reply on the comments of the Secretarial auditors are annexed as part of **Annexure - A** to this report.

2.18 Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2022, 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, 2022 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.

2.19 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.

2.20 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 Annual Return as at 31st March, 2022 in the prescribed form MGT-7, will be uploaded in the website of the Company within 60 days from the date of AGM at www.dnpl.co.in.

2.21 Directors and Key Managerial Personnel

Since the date of last Annual General Meeting held on 10th November, 2021, the following changes have been made in the Directors;

Shri Bhaskar Jyoti Phukan, Managing Director, NRL, has ceased to be a Director of DNPL w.e.f. 15th February, 2022. The Board wishes good health for and success in all his endeavours.

Shri Girish Kumar Bora, CGM (Project-NREP), NRL has been appointed as an Additional Director w.e.f. 03rd March, 2022, pursuant to his nomination by NRL vide their letter no. 4275/NRL dated 15/02/2022. Being an Additional Director, he will hold office till the date of the ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received from a member proposing his name for appointment as Director at the ensuing Annual General Meeting.

2.22 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.

2.23 CSR Committee

The Corporate Social Responsibility Committee as on 31st March, 2022 comprised of Directors, viz., Shri Ashwini Pait as Chairman, Shri Susanta Kumar Sarmah, Shri Girish Kumar Bora and Shri Gokul Chandra Swargiyari as members.

2.24 Audit Committee

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

2.25 Nomination & Remuneration Committee Policy:

The details of the composition of the Committee as on 31st March, 2022 is as follows:

- (i) Shri Susanta Kumar Sarmah, as Chairman;
- (ii) Shri Ashwini Pait, Director, DNPL as member
- (iii) Mrs. Neera Daulagupu, Director, DNPL as member

2.26 Disclosure on Establishment of a Vigil Mechanism

The Company does not have a Vigil Mechanism.

2.27 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 2021-22. 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.

2.28 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

Sd/-

Rupam Goswami
Chairman, DNPL

Date: 24-09-2022
Place: Guwahati

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

Strengths, Weaknesses, Opportunities and Threats

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

DNPL owns and operates a single dedicated gas transportation system delivering gas from a single source to a single customer. The major weakness of the company is that any variation in supply of gas by the producer and / or variation of drawal of gas by the consumer may adversely affect your company's revenue.

Risks and associated concerns for 2021-22 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, 2022, there were total 30 employees on the roll of the Company of which 17 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 2021-22, there was no loss time accident (LTA). Regular Mock drills and Safety meetings awareness programmes were organized during the year. The Safety Policy may be accessed at the Company's website at www.dnpl.co.in.

Industrial Relations

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

Corporate Social Responsibility and Sustainability

DNPL's initiatives towards CSR and Sustainability were pursued with increased emphasis during 2021-22. The CSR Policy is uploaded in the Company's website at www.dnpl.co.in

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

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

Based on the average net profits of the Company for the last three financial years, total amount to be spent on CSR for the year 2021-22 was ₹98.87 lakhs. However, after setting off the amount spent in excess of 2% as prescribed in section 135(5) in the previous year of ₹36.79 lakhs, total mandatory expenditure for the year 2021-22 was ₹62.08 lakhs.

As against above, total amount spent on CSR activities during the financial year 2021-22 was ₹92.08 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.

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 2021-22 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, 2022, 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, 2022 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 Susanta Kr. Sarmah	Director
5.	Mrs. Neera Daulagupu, ACS	Director
6.	Shri Girish Kumar Bora	Additional 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 8 (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 2021-22 are as follows:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	18-05-2021	6	6
2.	08-07-2021	6	5
3.	16-08-2021	6	5
4.	28-09-2021	6	4
5.	19-10-2021	6	5
6.	10-11-2021	6	3
7.	27-01-2022	6	4
8.	24-03-2022	6	6

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 2021-22:

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 th March, 2017	8	8	100.00	YES	NIL	DNPL
2.	Shri Aswini Pait Vice-Chairman, DNPL	17 th March, 2017	8	8	100.00	YES	NIL	DNPL
3.	Shri Gokul Chandra Swargiyari , Director & CEO, DNPL, and MD, AGCL	11 th September, 2019	8	7	87.50	NO	NIL	DNPL AGCL APL PBGPL TNGCL

4.	Shri Bhaskar Jyoti Phukan Director, DNPL, MD, NRL and Chairman, ABRPL	01 st February, 2018 (*ceased to be Director w.e.f 15.02.2022)	7	5	71.43	YES	Member of Audit Committee, NRL, Chairman, ABRPL	DNPL NRL ABRPL
5.	Shri.Susanta Kumar Sarmah , CGM (Projects),OIL	27 th July, 2018	8	6	75.00	YES	NIL	DNPL
6.	Mrs. Neera Daulagupu , ACS, Addl. Secretary, Industries & Commerce Dept. GoA.	18 th September, 2020	8	4	50.00	YES	NIL	DNPL
7.	Shri Girish Kr. Borah CGM, Project (NREP) NRL	03 rd March, 2022	1	1	100.00	NA	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; **TNGCL:** Tripura Natural Gas Company Limited.

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 2021-22, the company convened 3 (three) meetings of the Audit Committee.

16-08-2021	10-11-2021	24-03-2022
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The attendance record of the members of the committee as on 31st March, 2022 are as follows:-

Sl. No.	Name of the Director	No. of Meetings attended/ Out of	Attended in the last AGM (Y/N/NA)
1.	Shri Bhaskar Jyoti Phukan (up to 15-02-2022)	1/2	Y
2.	Shri Susanta Kumar Sarmah	3/3	Y
3.	Shri Aswini Pait	3/3	Y
4.	Shri Girish Kr. Bora (from 03-03-2022)	0/1	NA

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 12th February, 2015.

As on 31st March, 2022, the CSR and Sustainability Committee of the Board were comprised of following members: -

- i. Shri Aswini Pait, as the Chairman; and
- ii. Shri Girish Kr. Bora
- iii. Shri Gokul Chandra Swargiyari
- iv. Shri Susanta Kr. Sarmah, as Members.

During the financial year 2021-22, the meeting of the CSR Committee was held on 24th March, 2022.

Attendance at the CSR Committee meeting during the financial year 2021-22:

Name of the members	No. of meetings attended/Out of	Attended the last Annual General Meeting held on 10-11-2021 (Y/N)
Shri Aswini Pait	1/1	Y
Shri Girish Kr. Borah	0/1	NA
Shri Susanta Kr. Sarmah	1/1	Y
Shri G.C. Swargiyari	1/1	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
12 th Annual General Meeting	23 rd September, 2019 5.00 P.M.	Flat No. 4, House No. 2 "Dinesh Mansion", Dr. R.P. Road, Dispur, Guwahati - 781006
13 th Annual General Meeting	18 th December, 2020 4.45 P.M.	Flat No. 4, House No. 2 "Dinesh Mansion", Dr. R.P. Road, Dispur, Guwahati - 781006
14 th Annual General Meeting	10 th November, 2021 4.30 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 th Annual General Meeting	23 rd September, 2019
Alteration of Articles of Association	Special Resolution	13 th Annual General Meeting	18 th 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.

d) Brief Resumes of the Director(s) seeking appointment:

Shri Girish Kr. Borah, presently holding the post of Chief General Manager (Projects) in Numaligarh Refinery Limited (NRL), Golaghat, Assam.

He did his initial schooling in Sivasagar District and higher secondary education from Cotton College, Guwahati. He pursued his bachelor's degree in engineering in Electronics & Telecommunication from Assam Engineering College, Guwahati University and later completed MBA in Operation Management.

Prior to joining NRL in 1997, Shri Borah served erstwhile Bongaingaon Refinery & Petrochemical Ltd (BRPL), presently with IOCL, for nearly 7 years. In NRL, Shri Borah served different departments viz Instrumentation Maintenance, Marketing Projects & Engineering at various capacities before taking the responsibility of Project Department. He was also the task force leader for SAP implementation and Wax Plant commissioning in NRL. Presently Shri Borah has taken over the responsibility of implementation of 03 mega projects namely Numaligarh Refinery Expansion Project (NREP), Paradeep Numaligarh Crude Oil Pipeline (PNCPL) and Indo-Banlga Friendship Pipeline (IBFPL).

With his rich experience of maintenance, mega project implementation and successful commissioning, his association with the company will immensely benefited in long run. Also, his forte to successful completion of goal-oriented tasks will help the company in achieving targeted performance in immediate future.

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 ₹92.08 lakhs towards CSR and Sustainability activities during the financial year 2021-22, accumulated mandatory 2% on average previous three years profit after setting off the over-spent amount of the previous year was ₹62.08 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/half yearly and annual financial statements are not mandatory. However, as a good corporate practice, the Company has been sharing relevant information with its shareholders as well as other stakeholders from time to time through its web site (www.dnpl.co.in), Annual Report, etc.

Management Discussion & Analysis Report:

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

General Information to Shareholders:-

a.

Number of AGM	15th Annual General Meeting
Date and Time	29 th September, 2022 at 04.30 PM
Venue	Via Video Conference and OAVM facility
Dividend payment	The Board has recommended Dividend of @ Rs. 0.45 per share (i.e., 4.50% 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.

- b. Financial year-** DNPL follows the financial year from 1st April to 31st March.
- c.** Since the Company's shares are not listed, market price of share is not available.
- d. Share Transfer system and Shareholding Pattern as on 31-03-2022:**
- The Board of Directors considers the request for transfer/transmission of shares etc.
 - Shareholding Pattern as on 31-03-2022 is given below:

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

Registered Office:

DNP Limited
 6th Floor, Central Mall
 Christian Basti
 Mahapurush Srimanta Shankardev Path
 (G.S Road), Guwahati - 781005, Assam

Head Office & Plant Office

DNP Limited
 Madhuban, P.O. Kendriya Vidyalaya
 Borpathar No 1, Duliajan
 Dist: Dibrugarh, PIN - 786602, Assam

COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS

To,
The Members
DNP Limited
CIN: U51410AS2007SGC008410
Central Mall, 6th Floor, Christian Basti
G. S. Road Guwahati Assam - 781005

We have examined the compliance of conditions of Corporate Governance by **DNP Limited** (a Non-Listed State PSU) for the year ended **31st March, 2022** 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 1/3rd 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 & ASSOCIATES
Company Secretaries

Sd/-

(Amit Pareek)
Proprietor

M. No. F5714
C.P. No.: 4289

Peer Review No.: 989/2020

Date: 20-09-2022
Place: Guwahati
UDIN: F005714D001005130



FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

*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

Central Mall, 6th Floor, Christian Basti

G. S. Road Guwahati Assam - 781005

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 **31st day of March, 2022** ("**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 **31st March, 2022** 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.

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
COP: 4289

Peer Review No.: 989/2020

Date: 20-09-2022

Place: Guwahati

UDIN: F005714D001004822

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 in few cases the agenda items and detailed notes for participation in the meeting by the Board of Directors of the Company were not sent within seven days in advance.*
- 2) *During the course of our audit it was observed that Fixed Assets registers requires to be updated.*
- 3) *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.*
- 4) *During the course of our audit, it was observed that constitution of board and its committees are not as per the Guidelines on Corporate Governance for State Level Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of Assam, 2012-13.*

For AMIT PAREEK & ASSOCIATES
Company Secretaries

Sd/-

(Amit Pareek)
Proprietor

FCS: 5714
COP: 4289

Peer Review No.: 989/2020

Date: 20-09-2022

Place: Guwahati

UDIN: F005714C000895339

Management Reply to Secretarial Auditors Observations of DNPL for the year 2021-22

Addendum to the Directors' Report

Sl. No	Secretarial Auditors Observations	Management Reply
1.	<i>During the course of our audit it was observed that in few cases the agenda items and detailed notes for participation in the meeting by the Board of Directors of the Company were not sent within seven days in advance.</i>	Sometimes meetings are to be called at a shorter notice depending upon the availability and convenience of majority Directors.
2.	<i>During the course of our audit it was observed that Fixed Assets registers requires to be updated.</i>	Fixed Asset Registers are being updated and it will be completed soon.
3.	<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.
4.	<i>During the course of our audit, it was observed that constitution of board and its committees are not as per the Guidelines on Corporate Governance for State Level Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of Assam, 2012-13.</i>	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. However, to ensure compliance of the Guidelines on Corporate Governance for SLPE issued by Industries, Commerce & Public Ent. Dept., Govt. of Assam, request will be made to the State Government for appointment of Independent Director in the Board.

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. (₹23.07 lakhs)	2009	Nil
Numaligarh Refinery Limited (NRL)	Transportation charges from NRL	Ongoing transactions	₹8552.54 lakhs	Not applicable	Nil
Oil India Limited (OIL)	Cost of gas purchased from OIL	Ongoing transactions	₹609.94 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	₹50.53 lakhs	Not applicable	Nil
Oil India Limited (OIL)	Cathodic Protection Charges	Ongoing Transaction	₹40.05 Lakhs	Not applicable	Nil

ANNUAL REPORT ON CSR ACTIVITIES OF DNP LIMITED FOR THE FINANCIAL YEAR 2021-22

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 1st April, 2011. Since commissioning the company has been performing well and started making profit from the 2nd year of its operation. Being a responsible corporate citizen, DNP Limited equally concentrates on its business policy as well as its socio-economic welfare policy so that it can create a positive impact on society. With the enactment of new Companies Act, 2013, and the formulation of CSR Rules 2014, DNPL has 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	1	1
2.	Shri Sushant Kr Sarmah	Member/ Non-Executive Director	1	1
3.	Shri Bhaskar Jyoti Phukan (up to 15-02-2022)	Member/ Non-Executive Director	0	0
4.	Shri Gokul Chandra Swargiyari	Member/ Non-Executive Director	1	1
5.	Shri Girish Kumar Bora (from 03-03-2022)	Member/ Non-Executive Director	0	1

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: www.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. a) Average Net Profit of the Company as per section 135 (5): **₹49.44 Crores**
 b) Two-percent of Average net profit of the Company as per section 135(5): **₹0.98 Crores**
 c) Surplus arising out of the CSR projects or programmes or activities of previous financial year: **NIL**
 d) Amount required to be set-off for the financial year, if any: **₹0.36 Crores**
 e) Total CSR obligation for the financial year (b+c-d): **₹0.62 Crores**
6. a) Amount spent on CSR projects (both ongoing projects and other than ongoing projects): **₹0.92 Crores**
 b) Amount spent in Administrative Overheads: **NIL**
 c) Amount spent on Impact Assessment: **NIL**
 d) Total amount spent for the Financial Year (a+b+c): **₹0.92 Crores**
 e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ 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
92.08	Not Applicable since no unspent amount remained		Not Applicable since no unspent amount remained		

- f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	0.62 **
(ii)	Total amount spent for the Financial Year	0.92
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.30
(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)]	0.30

** This is after setting off the amount of ₹0.37 crores as per third proviso to subsection 5 of section 135 spent in excess during the FY 2020-21.

7. (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)	Balance Amount in Unspent CSR Account under section 135(6)	Amount Spent in the 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)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2018-19	-	-	0.25	NA	NA	0.08	NIL
2	2019-20	-	-	0.08	NA	NA	NIL	NIL
3	2020-21	-	-	NIL (No Unspent Amount in 2019-20)	NA	NA	NA	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

There are no unspent amount for the Financial Year 2021-22.

Sd/-

(Gokul Chandra Swargiyari)

Director & Chief Executive Officer

Sd/-

(Aswini Pait)

Chairman, CSR Committee



**INDEPENDENT
AUDITORS'
REPORT**

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, 2022**, 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, 2022**, 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.

Emphasis of Matters :

We have noted that as per documents made available to us the Company is owner of land measuring 77B-4K-11.87L, however in the previous year (F.Y.2020-21) the company had inadvertently reported the same in the Note – 3(i) of Financial Statement as 79B-2K-15.43L, as explained to us

Change in classification of land from Agricultural to Industrial class in respect of land purchased during the period April 2017 to March 2021 is pending.

In most of the cases land revenue has not been paid by the Company due to non-separation of Original P.P.

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 financial 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 in the financial statements made by Board of Directors.
- 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.

From the matters communicated with those charged with governance, we determined those matters that were of most significant in the audit of the standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes/disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

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. Pursuant to Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Sub-Section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company, being a Government Company.
- 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;
- g. Pursuant to Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company.
- h. 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- i. (a) The management of the Company has represented that to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any

other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities (“intermediary”) with the understanding whether recorded in writing or otherwise that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the Company

(“Ultimate Beneficiaries”) or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented that to the best of it’s knowledge and belief no funds have been received by the Company from any person(s) or entity(ies) including foreign entities (“Funding Parties”) with the understanding whether recorded in writing or otherwise that the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any guarantee or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances ; nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) above contain any material misstatement.

v) As stated in Note No. 35 to the stand alone financial statements

a) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act as application.

Date: 29-08-2022

Place: Dibrugarh

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

Sd/-

(CA. R.C. Sharma, FCA) Prop.

Membership No. 052029

UDIN: 22052029AQGIFP5204

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 31ST MARCH, 2022. WE STATE THAT:

- (i) (a) (A) The company has maintained its Assets Register recording particulars, including quantitative details and situation of Property, Plant and Equipment which requires modification and further incorporation of DATA to be CARO compliant.
- (B) The Company has maintained proper records showing full particulars of intangible assets
- (b) The major items of fixed assets have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, The total area of land as per documents produced before us is 77B-4K-11.87L (However as explained before us the area was inadvertently reported as 79B-2K-15.43L in schedule 3(i) of financial statements of the company as on 31.03.2021. (Refer “Emphasis of matters” of our Independent Auditors Report)
- (d) The Company has not re valued its Property Plant and Equipment(including Right to use of Assets) or Intangible Assets or both during the year. Accordingly clause 3(i)(e) of the Order is not applicable.
- (e) No proceeding has been initiated or pending against the Company for holding benami property under the Benami Transaction (Prohibition) Act, 1988 and rules made hereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by management is appropriate and discrepancies, if any, noticed were suitably dealt with in the books of accounts.
- (b) The company has not been sanctioned any working capital loans in excess of ₹5.00 crores. Accordingly, reporting under clauses 3(ii)(b) of the Order is not applicable to the company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loan or advances in the nature of loans, secured or unsecured to any companies, funds and LLP’s
- (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, GST, 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 except in the case of unascertained land revenue pending separation of Land Patta from original PP of Seller of the Land to the Company.

- (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, GST, service tax, customs duty, excise duty, value added tax on account of any dispute.
- (viii) The Company has not surrendered or disclosed previously any undisclosed transactions as income during the year in the tax assessments under the Income Tax Act., 1961(43 of 1961). Accordingly clause 3(vIII) of the Order is not applicable to the Company.
- (ix) (a) 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 any lender.
 - (b) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender;
 - (c) The Company has not applied for or has not been sanctioned any term loan during the year.
 - (d) The Company has not used any short term funds for long term purpose
 - (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
 - (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies,
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
 - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and
- (xi) (a) 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.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - (c) As reported by the management, there are no whistle-blower complaints, received during the year by the company; Accordingly, the provisions stated in paragraph (xi)(c) of the order is not applicable to the Company.
- (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; Balance confirmation as on 31-03-2022 has not been produced durind the course of audit.

- (xiv) (a) In our opinion the company has an internal audit system commensurate with the size and nature of its business;
(b) The reports of the Internal Auditors for the period under audit were duly considered by us
- (xv) In our opinion the company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of section 192 of Companies Act is not applicable.
- (xvi) (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934;
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India,
(d) The Group does not have any Core Investment Company
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year,
- (xviii) There has not been any resignation of the statutory auditors of the Company during the year,
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) of other than ongoing projects, requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (xxi) The Company does not have any subsidiary Company and Clause 3(xxi) is not applicable.

4. Reasons to be stated for unfavourable or qualified answers - Not Applicable

Date: 29-08-2022
Place: Dibrugarh

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

Sd/-
(CA. R.C. Sharma, FCA) Prop.
Membership No. 052029
UDIN: 22052029AQGIFP5204

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, 2022** 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.

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, 2022, 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. However, a MOM has been signed with NRL wherein it has been agreed that the revision of transportation tariff shall be made effective from 1st April, 2021. (Refer No. 20.3) and regarding outstanding balance same same status quo as of 31-03-21 has been retained.

Date: 29-08-2022

Place: Dibrugarh

For M/s Rajendra C. Sharma & Co.

Chartered Accountants, FRN 315011E

Sd/-

(CA. R.C. Sharma, FCA) Prop.

Membership No. 052029

UDIN: 22052029AQGIFP5204

**REPORT OF THE STATUTORY AUDITORS OF M/S. D.N.P. LIMITED,
DULIAJAN, DIBRUGARH FOR FY 2021-22
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 transactionsthrough 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>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 of 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>	NONE - NOT APPLICABLE
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>	NONE - NOT APPLICABLE

Date: 29-08-2022

Place: Dibrugarh

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

Sd/-
(CA. R.C. Sharma, FCA) Prop.
Membership No. 052029
UDIN: 22052029AQGIFP5204

To

Dy. Accountant General (AB, C&LB)

Office of Principal Accountant General (Audit), Assam

Maidam Gaon

Beltola

Guwahati - 781029

Compliance Certificate

We have conducted the audit of accounts of DNP Limited, Duliajan for the year ended 31st March, 2022 in accordance with the directions/sub – directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub – directions issued to us.

Date: 29-08-2022

Place: Dibrugarh

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

Sd/-

(CA. R.C. Sharma, FCA) Prop.

Membership No. 052029

UDIN: 22052029AQGIFP5204

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DNP LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of **DNP Limited** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the company. The statutory Auditor/Auditors appointed by the comptroller and Auditor General of the India under section 139(5) of the Act is responsible for expressing an opinion on the Financial Statement 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 **29 August 2022**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **DNP Limited** for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and selective examination of some 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.

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

**Date: 21-09-2022
Place: Guwahati**

Sd/-
Principal Accountant General (Audit), Assam

The cover page features a background of a repeating diamond or checkerboard pattern. The diamonds are in various shades of blue, ranging from light sky blue to a deep, vibrant blue. In the center of the page is a large, solid white circle. Inside this circle, the words "ANNUAL" and "ACCOUNTS" are printed in a bold, black, serif font, stacked vertically and centered.

**ANNUAL
ACCOUNTS**

BALANCE SHEET AS AT 31ST MARCH 2022

₹ in thousand

Particulars		Note No.	As at 31-Mar-2022	As at 31-Mar-2021
I. ASSETS				
1	Non-current Assets			
a.	Property, Plant and Equipment	3 (i)	25,21,805	22,90,999
b.	Capital work-in-progress	3 (ii)	38,318	3,01,164
c.	Other Intangible assets	3 (iii)	639	703
d.	Other Financial Assets	4	1,00,874	70,874
e.	Other non-current assets	5	1,42,987	44,287
			28,04,623	27,08,027
2	Current Assets			
a.	Inventories	6	98,625	1,00,358
b.	Financial Assets			
(i)	Trade Receivables			
	Billed	7	89,028	91,287
	Unbilled Revenue		73,428	87,909
(ii)	Cash and Cash Equivalents	8	5	47,629
(iii)	Bank Balances other than (ii) above	9	4,85,810	4,23,380
c.	Current Tax Assets (Net)	10	84,632	52,258
d.	Other current assets	11	49,963	80,806
			8,81,491	8,83,627
TOTAL ASSETS			36,86,114	35,91,654
II. EQUITY AND LIABILITIES				
1	Equity			
a.	Equity Share Capital	12	16,72,500	16,72,500
b.	Other Equity	13	15,27,090	12,54,700
			31,99,590	29,27,200
LIABILITIES				
2	Non-current Liabilities			
a.	Financial Liabilities			
(i)	Other Financial Liabilities	14	-	-
b.	Deferred Tax Liabilities (Net)	15	3,91,608	3,88,747
			3,91,608	3,88,747
3	Current Liabilities			
a.	Financial Liabilities			
(i)	Borrowings	16	39	1,50,180
(ii)	Trade payables			
(a)	Total Outstanding dues of Micro Enterprises and Small Enterprises	17	4	
(b)	Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	17	21,970	20,183
(iii)	Other financial Liabilities	14	63,837	93,274
b.	Other Current Liabilities	18	2,907	12,067
c.	Provisions	19	6,159	3
			94,916	2,75,707
TOTAL EQUITY AND LIABILITIES			36,86,114	35,91,654
Corporate Information & Significant Accounting Policies		1 & 2		
Notes to Financial Statement		3 - 37		
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

UDIN: 2252029AQGIFP5204

Place: Guwahati

Date: 29-08-2022

For and on behalf of the Board of Directors

Sd/-

G. C. Swargiyari

Director & Chief Executive Officer

DIN- 08545385

Place: Guwahati

Date: 16-08-2022

Sd/-

Samujjal Borah

Company Secretary

Place: Guwahati

Date: 16-08-2022

Sd/-

S. K. Sarmah

Director

DIN- 08188214

Place: Guwahati

Date: 16-08-2022

Sd/-

CA. Manoj Kr. Singha

Chief Financial Officer

DIN- 07721895

Place: Guwahati

Date: 16-08-2022

STATEMENT OF PROFIT AND LOSS

₹ in thousand

Particulars		Note No.	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
I	Revenues from Operations	20	8,55,254	9,77,983
II	Other Income	21	28,448	32,502
III	Total Income (I+II)		8,83,702	10,10,485
IV	Expenses :			
	Employee Benefits Expense	22	48,244	33,385
	Finance Costs	23	1,686	877
	Depreciation and Amortisation	3 (i)	1,38,337	1,41,624
	Other Expenses	24	2,35,650	3,25,522
	Total Expenses		4,23,917	5,01,409
V	Profit before exceptional items and tax (III-IV)		4,59,785	5,09,077
VI	Exceptional items		-	-
VII	Profit before tax (V - VI)		4,59,784	5,09,077
VIII	Tax Expense:			
	1. Current tax	10	84,183	1,03,864
	2. Deferred tax	10/16	2,862	(1,655)
IX	Profit (Loss) for the period from continuing operations (VII - VIII)		3,72,740	4,06,868
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		3,72,740	4,06,868
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		3,72,740	4,06,868
XVI	Earnings per equity share (for continuing operations)	27		
	[Equity Shares of ₹10/- each]			
	1. Basic (In ₹)		2.23	2.43
	2. Diluted (In ₹)		2.23	2.43
Corporate Information & Significant Accounting Policies		1 & 2		
Notes to Financial Statement		3 - 37		
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
UDIN: 2252029AQGIFP5204

Place: Guwahati
Date: 29-08-2022

For and on behalf of the Board of Directors

Sd/-
G. C. Swargiyari
Director & Chief Executive Officer
DIN- 08545385
Place: Guwahati
Date: 16-08-2022

Sd/-
Samujjal Borah
Company Secretary
Place: Guwahati
Date: 16-08-2022

Sd/-
S. K. Sarmah
Director
DIN- 08188214
Place: Guwahati
Date: 16-08-2022
Sd/-
CA. Manoj Kr. Singha
Chief Financial Officer
DIN- 07721895
Place: Guwahati
Date: 16-08-2022

STATEMENT OF CHANGES IN EQUITY

₹ in thousand

Particulars	Equity Share Capital	Other Equity										Total				
		Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus		Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	
				Capital Reserve	Securities Premium Reserve	General Reserve										
Balance at 01-April- 2020	16,72,500					6,57,117		3,54,667								10,11,785
Changes in Equity Share Capital due to prior period errors	-															-
Changes in accounting policy or prior period errors																-
Restated balance at the beginning of the reporting period	16,72,500					6,57,117		3,54,667								10,11,785
Changes in Equity Share Capital during Current Year																-
Total Comprehensive Income for the year								4,06,867								4,06,867
Dividends								(1,57,215)								(1,57,215)
Transfer to/from retained earnings						1,90,216		(1,90,216)								-
Tax on Distributed Profits								(6,736)								(6,736)
Balance at 31-Mar-21	16,72,500					8,47,333		4,07,367								12,54,700

STATEMENT OF CHANGES IN EQUITY (Contd ...)

₹ in thousand

Particulars	Other Equity										Total			
	Equity Share Capital	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges		Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)
Balance at 01-April- 2021	16,72,500	-	-	-	-	8,47,334	4,07,367	-	-	-	-	-	-	12,54,701
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	16,72,500	-	-	-	-	8,47,334	4,07,367	-	-	-	-	-	-	12,54,701
Changes in Equity Share Capital during Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	3,72,740	-	-	-	-	-	-	3,72,740
Dividends	-	-	-	-	-	-	(1,00,350)	-	-	-	-	-	-	(1,00,350)
Transfer to/from retained earnings	-	-	-	-	-	3,06,517	(3,06,517)	-	-	-	-	-	-	-
Tax on Distributed Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31-Mar-22	16,72,500	-	-	-	-	11,53,851	3,73,240	-	-	-	-	-	-	15,27,091

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

₹ in thousand

		31-Mar-22	31-Mar-21
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	4,59,785	5,09,077
	ADD ADJUSTMENTS FOR		
	Impact on Fair Valuation of Financial Instruments	-	174
	Provision for Project Surplus Material/ Inventory	-	(2,600)
	Depreciation and Amortisation	1,38,337	1,41,624
	Interest paid	1,686	180
		5,99,807	6,48,454
	LESS ADJUSTMENTS FOR		
	Interest/ Dividend/ Brokerage Income	28,146	28,076
	Other Non Cash Items	-	-
	Operating profit before working capital changes	5,71,661	6,20,379
	ADJUSTMENTS FOR		
	Trade and other receivables	48,136	(64,903)
	Inventories	1,733	(13,683)
	Loss from Sale of Fixed Assets	355	-
	Trade and other payables	4,621	(4,482)
	Cash generated from operations (Before Exceptional Items)	54,845	(83,068)
	Direct taxes paid	(1,16,556)	(1,26,268)
	NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)	5,09,950	4,11,042
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	a) Investment in Property, Plant & Equipments	(1,41,505)	(3,24,604)
	b) Investment in Fixed Deposits	(92,430)	(2,26,564)
	c) Interest on Fixed Deposits	27,593	18,247
	d) Capital Advance	(98,700)	24,807
	e) Loss from sale of CAR	(355)	-
	NET CASH FROM INVESTING ACTIVITIES	(3,05,396)	(5,08,114)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	a) Interest Paid	(1,686)	(180)
	b) Issue of Share Capital	-	-
	c) Secured Loan	(1,50,142)	1,50,180
	d) Unsecured Loan	-	-
	e) Payment of Dividend and Dividend Tax	(1,00,350)	(1,63,951)
	NET CASH FROM FINANCING ACTIVITIES	(2,52,178)	(13,951)
D.	NET INCREASE IN CASH AND CASH EQUIVALENT	(47,624)	(1,11,022)
E.	CASH AND CASH EQUIVALENT CONSISTS OF :		
	a) CLOSING CASH AND CASH EQUIVALENT		
	i) Cash and Bank Balance	5	5,785
	ii) Short Term Deposit with Banks	-	41,844
	b) LESS : OPENING CASH AND CASH EQUIVALENT		
	i) Cash and Bank Balance	5,785	2,853
	ii) Short Term Deposit with Banks	41,844	1,55,798
F.	INCREASE IN CASH AND CASH EQUIVALENT	(47,624)	(1,11,022)

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
UDIN: 2252029AQGIFP5204

Place: Guwahati
Date: 29-08-2022

For and on behalf of the Board of Directors

Sd/-
G. C. Swargiyari
Director & Chief Executive Officer
DIN- 08545385
Place: Guwahati
Date: 16-08-2022

Sd/-
Samujjal Borah
Company Secretary
Place: Guwahati
Date: 16-08-2022

Sd/-
S. K. Sarmah
Director
DIN- 08188214
Place: Guwahati
Date: 16-08-2022

Sd/-
CA. Manoj Kr. Singha
Chief Financial Officer
DIN- 07721895
Place: Guwahati
Date: 16-08-2022

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 DNP Limited, 6th Floor, Central Mall, Christian Basti, G. S. Road, Guwahati - 781005, Assam and Plant Office is situated at Madhuban, P. O. Kendriya Vidyalaya, Borpathar No. 1, Duliajan, Dist: Dibrugarh, PIN: 786602, 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 up to ₹5 thousand are depreciated fully in the year of capitalization.
- (b) Cost of the leasehold land not exceeding 99 years is amortized over the lease period.
- (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

₹ in thousand

Particulars	Gross Block/Cost			Depreciation			As at 30-Mar-20 (10) = (1 - 5)		
	As at 31-Mar-20 (1)	Addition (2)	Deductions on account of Retirement/ Adjustments (3)	As at 31-Mar-21 (4) = (1 + 2 - 3)	As at 31-Mar-20 (5)	Addition (6)		Deductions on account of Retirement/ Adjustments (7)	As at 31-Mar-21 (8) = (5 + 6 - 7)
Land	1,21,650	18,610	-	1,40,260	-	-	-	1,40,260	1,21,650
Buildings									
1) Building (Other than Factory Building) RCC Frame Structure	38,663	-	-	38,663	3,265	653	-	3,918	34,745
2) Factory Building	85,835	-	-	85,835	15,001	3,085	-	18,087	67,748
Roads & Drains									
1) Carpeted Roads - Other than RCC	22,678	6,708	-	29,386	20,511	254	-	20,765	8,621
Plant & Machinery									
1) Continuous Process Plant (Compressors)	4,15,810	38,528	-	4,54,339	90,144	29,633	-	1,19,777	3,34,562
2) Pipeline	20,05,548	13,821	-	20,19,369	3,58,710	72,427	-	4,31,137	15,88,232
3) Other Plant & Machinery	1,79,376	2,324	-	1,81,700	73,801	15,364	-	89,164	92,535
Furniture & Fixtures									
1) Furniture General	2,443	94	-	2,537	824	219	-	1,043	1,495
Computers & Data Processing Units									
1) Servers & Networks	32,101	820	-	32,921	27,579	415	-	27,993	4,928
2) End use devices - Desktops, Laptops etc.	1,870	1,291	-	3,161	1,089	533	-	1,621	1,540
Electrical Installation and Equipment	1,24,791	3,389	-	1,28,180	92,948	18,899	-	1,11,847	16,333
Small Value Assets	118	31	-	150	118	31	-	150	-
Total	30,30,884	85,617	-	31,16,500	6,83,988	1,41,514	-	8,25,502	22,90,999

1. Free hold land owned by the company as on 31.03.2021 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.

₹ in thousand

3 (ii) Capital work-in-progress	As at 31-Mar-20	Addition	Deductions	As at 31-Mar-21	As at 30-Mar-20
Building (Other than Factory Building) RCC Frame Structure - Office Building	302	13,996	-	14,298	302
Building (Other than Factory Building) Boundary Wall	-	3,574	-	3,574	-
Compressors	4,363	2,66,870	4,363	2,66,870	4,363
Compressors (Overhauling)	-	796	-	796	-
Pipeline Piggging	10,449	5,177	-	15,626	10,449
Total	15,114	2,90,413	4,363	3,01,164	15,114

Ageing Schedule for Projects in progress as at 31st March, 2021 is as follows :-

CWIP	Amount in CWIP for a Period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress					
Building (Other than Factory Building) RCC Frame Structure - Office Building	13,996	-	-	302	14,298
Building (Other than Factory Building) Boundary Wall	3,574	-	-	-	3,574
Compressors	2,66,870	-	-	-	2,66,870
Compressors (Overhauling)	796	-	-	-	796
Pipeline Piggging	5,177	10,449	-	-	15,626
Total	2,90,413	10,449	-	302	3,01,165

3 (iii) Other Intangible assets

₹ in thousand

Net Block	Gross Block/Cost			Depreciation						
	As at 31-Mar-20	Addition	Deductions on account of Retirement/ Adjustments	As at 31-Mar-20	Addition	Deductions on account of Retirement/ Adjustments				
	(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)
Software	98	42	-	140	5	25	-	30	110	93
Way Leave Rights	334	497	-	831	152	86	-	238	593	182
Total	432	539	-	971	157	111	-	268	703	275

Notes Forming Part of Financial Statements

₹ in thousands

Particulars	Gross Block/Cost			Depreciation				As at 31-Mar-22 (9) = (4 - 8)	As at 31-Mar-21 (10) = (1 - 5)
	As at 01-Apr-21 (1)	Addition (2)	Deductions on account of Retirement/ Adjustments (3)	As at 31-Mar-22 (4) = (1 + 2 - 3)	As at 01-Apr-21 (5)	Addition (6)	Deductions on account of Retirement/ Adjustments (7)		
Land	1,40,260	-	-	1,40,260	-	-	-	1,40,260	1,40,260
Buildings									
1) Building (Other than Factory Building) RCC Frame Structure	38,663	26,853	-	65,516	3,918	915	4,833	60,683	34,745
2) Factory Building	85,835	-	-	85,835	18,087	3,085	21,172	64,663	67,748
Roads & Drains									
1) Carpeted Roads - Other than RCC	29,386	4,036	-	33,422	20,765	1,942	22,707	10,715	8,621
Plant & Machinery									
1) Continuous Process Plant (Compressors)	4,54,339	2,74,669	-	7,29,008	1,19,777	36,545	1,56,322	5,72,686	3,34,562
2) Pipeline	20,19,369	49,700	-	20,69,069	4,31,137	75,870	5,07,007	15,62,062	15,88,232
3) Other Plant & Machinery	1,81,700	32	653	1,81,079	89,164	15,473	1,04,456	76,623	92,535
Furniture & Fixtures									
1) Furniture General	2,537	95	-	2,632	1,043	199	1,242	1,390	1,494
Computers & Data Processing Units									
1) Servers & Networks	32,921	122	-	33,043	27,993	387	28,380	4,663	4,928
2) End use devices - Desktops, Laptops etc.	3,161	373	-	3,534	1,621	633	2,254	1,280	1,540
Electrical Installation and Equipment	1,28,180	13,612	-	1,41,792	1,11,847	3,165	1,15,013	26,780	16,332
Small Value Assets	150	-	-	150	150	-	150	-	-
Total	31,16,500	3,69,494	653	34,85,340	8,25,503	1,38,214	9,63,536	25,21,805	22,90,998

1. Freehold land owned by the company as on 31.03.2022 stands at 77B-4K-11.87L

Notes Forming Part of Financial Statements

4. Other financial assets

₹ in thousands

	31-Mar-22	31-Mar-21
Security Deposits (Unsecured, considered good)	874	874
Bank Deposit with more than 12 months maturity	1,00,000	70,000
	1,00,874	70,874

5. Other non-current assets

₹ in thousands

	31-Mar-22	31-Mar-21
Capital Advance	1,42,987	44,287
	1,42,987	44,287

6. Inventories

₹ in thousands

	31-Mar-22	31-Mar-21
Stores and spares valued at Weighted Average Cost	1,42,409	1,44,142
Less : Provision for Losses for Project surplus material	(43,784)	(43,784)
	98,625	1,00,358

7. Trade Receivables

₹ in thousands

	31-Mar-22	31-Mar-21
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment :		
Considered good	2,678	541
Considered doubtful	1,75,652	1,14,471
	1,78,330	1,15,012
Less: Provision for doubtful receivable	1,75,652	1,14,471
	(A) 2,678	541
Not Exceeding Six Months :		
Other receivables	-	-
Considered good.	86,350	90,746
Considered doubtful.	-	45,307
	86,350	1,36,053
Less: Provision for doubtful receivable.	-	45,307
	(B) 86,350	90,746
(Refer Note to Schedule 11)	(A+B) 89,028	91,287

A. Trade Receivables Ageing Schedule as follows:-

Particular	Outstanding for following periodss from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years	
For FY 2020-21							
(i) Undisputed trade receivables considered good	88,609	2,137	-	541	-	-	91,287
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables Considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables receivables credit impaired	-	45,307	42,068	49,346	23,057	-	1,59,778
	88,609	47,444	42,068	49,887	23,057	-	2,51,065
Less: Allowance for doubtful trade receivables - Billed							1,59,778
							91,287
Trade receivables - Unbilled							87,909
							1,79,196
For FY 2021-22							
(i) Undisputed trade receivables considered good	83,797	1,543	1,010	2,137	541	-	89,028
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables Considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables receivables credit impaired	-	-	15,874	87,375	49,346	23,057	1,75,652
	83,797	1,543	16,885	89,512	49,887	23,057	2,64,680
Less: Allowance for doubtful trade receivables - Billed							1,75,652
							89,028
Trade receivables - Unbilled							73,428
							1,62,456

8. Cash and Cash Equivalents

₹ in thousands

	31-Mar-22	31-Mar-21
Cash in Hand	-	-
Balances with bank		
In current account	5	5,785
Deposits with original maturity of less than three months	-	41,844
	5	47,629

9. Other Bank Balances

₹ in thousands

	31-Mar-22	31-Mar-21
Deposits with original maturity for more than three months	4,85,810	4,23,380
	4,85,810	4,23,380

10. Current Tax Assets (Net)

₹ in thousands

	31-Mar-22	31-Mar-21
Advance Income Tax	1,68,778	2,42,266
Provision for Income Tax	(84,146)	(1,90,008)
	84,632	52,258

Reconciliation of effective tax rate

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	4,59,784	5,09,077
Tax using the Company's domestic tax rate at MAT (Current year 17.47% and 17.47% Previous Year)	80,334	88,946
Increase in tax rate		
Tax effect of:		
Amount withdrawn from reserves or provisions	-	(349)
Provisions for uncertain liabilities	3,849	15,266
Tax-exempt income		
Interest expense not deductible for tax purposes		-
Others (Prior Years)	-	1
Current Tax (A)	84,183	1,03,864
Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences (B)	2,862	(1,655)
Tax expense as per Statement of Profit & Loss (A+B)	87,044	1,02,209

The applicable normal Indian statutory tax rate for fiscal 2022 is 29.12% and fiscal 2021 is 29.12%. However the company is provisioning taxes (MAT) as per section 115JB of the IT 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 thousands

	31-Mar-22	31-Mar-21
Security Deposits (Unsecured, considered good)	466	466
Loans and advances to related parties (Secured, considered good)	-	-
Other Loans and advances		
To Employees (Secured, considered good)	414	244
To Others		
(Unsecured, considered good)	4,642	1,397
(Unsecured, considered doubtful)	-	-
Less: Provision for doubtful advances	-	-
Prepaid Expenses	1,367	1,351
Deposit with Statutory Authorities	13,947	50,997
Claimable GST Tax credit	-	-
Interest accrued but not due on Fixed Deposits	17,249	16,696
Other Income Accrued but not due	103	103
Other Receivables	11,775	9,551
	49,963	80,806

12. Equity Share Capital

₹ in thousands

	31-Mar-22	31-Mar-21
Equity Shares		
Authorised		
17,00,00,000 (31 March 2021: 17,00,00,000) Equity Shares of ₹10 each	17,00,000	17,00,000
	17,00,000	17,00,000
Issued, Subscribed and Paid up		
16,72,50,000 (31 March 2021 : 16,72,50,000) Equity Shares of ₹10/- each	16,72,500	16,72,500
	16,72,500	16,72,500

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

Equity Shares	31-Mar-22		31-Mar-21	
	Number	₹ in thousands	Number	₹ in thousands
Shares outstanding at the beginning of the year	16,72,50,000	16,72,500	16,72,50,000	16,72,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,72,50,000	16,72,500	16,72,50,000	16,72,500

b. Terms/right attached to equity shares

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

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

c. Shares held by holding company

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

₹ in thousands

	31-Mar-22	31-Mar-21
Assam Gas Company Limited (with nominees)		
8,53,00,000 (31 st March 2021 : 8,53,00,000) equity shares of ₹10/- each fully paid	8,53,000	8,53,000

d. Details of Shares held by promoters at the end of the year.

Share held by promoters at the end of the year				% Change during the year
SL. No	Promoters Name	No. of Share	% of total Shares	
1.	Assam Gas Company Limited (with nominees)	8,53,00,000	51%	-
2.	Numaligarh Refinery Limited	4,34,90,000	26%	-
3.	Oil India Limited.	3,84,60,000	23%	-
Total		16,72,50,000	100%	

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

Name of Shareholders	31-Mar-22		31-Mar-21	
	Number	% of Holding	Number	% of Holding
Assam Gas Company Limited (with nominees)	8,53,00,000	51%	8,53,00,000	51%
Numaligarh Refinery Limited	4,34,90,000	26%	4,34,90,000	26%
Oil India Limited.	3,84,60,000	23%	3,84,60,000	23%

13. Other Equity

₹ in thousands

		General Reserve	Profit & Loss Account	Total
As at 01-April- 2020		6,57,118	3,54,667	10,11,786
Profit/(Loss) for the year		-	4,06,867	4,06,867
Dividend to Equity shareholders for the year ended	31-Mar-20	-	(1,57,215)	(1,57,215)
Tax on Distribution of Profits for the year ended	31-Mar-19	-	(6,736)	(6,736)
Transfer (to)/ from		1,90,216	(1,90,216)	-
As at 31-Mar-21		8,47,334	4,07,367	12,54,700
As at 01-April- 2021		8,47,334	4,07,367	12,54,700
Profit/ (Loss) for the year		-	3,72,740	3,72,740
Dividend to Equity shareholders for the year ended	31-Mar-21	-	(1,00,350)	(1,00,350)
Transfer (to)/from		3,06,517	(3,06,517)	-
As at 31-Mar-22		11,53,851	3,73,240	15,27,090

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

14. Other financial liabilities

₹ in thousands

	31-Mar-22	31-Mar-21
Non-Current:		
Deposits from Customer (Non Current)	-	-
Advance for Transportation Charge (Non Current)	-	-
	(A)	-
Current:		
Current maturities of long term debt	-	-
EMD from Contractors & Suppliers	2,696	3,307
Security Deposits from Contractors	15,353	8,909
Retentions from Contractors	319	319
Advance for transportation Charge (Current)	-	-
Deposits from Customer (Current)	30,000	30,000
Creditors for Capital Expenditure	15,469	50,739
	(B)	63,837
Total	(A+B)	93,274
		63,837

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

15. Deferred Tax Liabilities (Net)

₹ in thousands

	31-Mar-22	31-Mar-21
Deferred Tax Liability		
Deposits from Customer	-	-
Property,Plant and Equipment	3,91,608	3,88,747
Total	3,91,608	3,88,747
Deferred Tax Assets		
Total	-	-
Net Deferred Tax Liability	3,91,608	3,88,747

16. Borrowings

₹ in thousands

	31-Mar-22	31-Mar-21
Secured Overdraft from Banks	39	1,50,180
	39	1,50,180

(Term deposit of ₹17,61,98,899 (PY ₹16,83,79,684) hypothecated with Indian Bank as security for Overdraft facility)

17. Trade payables

₹ in thousands

	31-Mar-22	31-Mar-21
Trade Payables MSME	4	-
Other Trade Payables	21,970	20,183
	21,974	20,183

The disclosing in respect of the amounts payable to Micro, Small and Medium Enterprises as at 31st March, 2022 has been made in the financial statements based on information received and available with the company. Accordingly disclosure has been made below:-

₹ in thousands

	31-Mar-22	31-Mar-21
Principal and interest amount remaining unpaid-		
Principal	4	-
Interest	-	-
The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 along with 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	-	-

A. Trade Payable Ageing Schedule as follows:-

Particular	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
For FY 2020-21						
MSME*						-
Others	19,669	380	30	23	80	20,183
Disputed dues - MSME*						-
Disputed dues - Others						-
	19,669	380	30	23	80	20,183
Accrued Expenses						-
						20,183
*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.						
For FY 2021-22						
MSME*	4	-				4
Others	6,369	15,401	147	-	53	21,970
Disputed dues - MSME*						-
Disputed dues - Others						-
	6,373	15,401	147	-	53	21,974
Accrued Expenses						-

18. Other Current Liabilities

₹ in thousands

	31-Mar-22	31-Mar-21
Statutory Liabilities	2,794	11,965
Other Payables	113	102
	2,907	12,067

19. Provisions

₹ in thousands

	31-Mar-22	31-Mar-21
Other Provisions		
Provision for Professional Tax	3	3
Provision for Arrear Salary	6,156	-
	6,159	3

20. Revenues from Operations

₹ in thousands

	April - Mar 22	April - Mar 21
Sale of Services		
Transportation of Gas	8,55,254	9,77,983
	8,55,254	9,77,983

- (i) Transportation of Gas includes ₹NIL for the period Apr- Mar 22 and ₹522 thousands for the period Apr- Mar 21 on account of adjustment towards fair valuation of Security Deposit from Numaligarh Refinery Limited.
- (ii) During the year an amount of ₹(16,848 thousands)/- (previous year ₹25,647 thousands) owing to fuel price adjustment to transportation charges of gas has not been accounted for owing to confirmation being awaited from Numaligarh Refinery Limited.
- (iii) The company has entered into an agreement/MOU with NRL and accordingly revised TC rate has been finalised w.e.f 1st April 2021.

21. Other Income

₹ in thousands

	April - Mar 22	April - Mar 21
Interest Income		
On Bank Deposits	28,146	28,076
Sale of Material	-	1,811
Inventory Provision Written Back	-	2,600
Other non-operating income	302	15
	28,448	32,502

22. Employee Benefits Expense

₹ in thousands

	April - Mar 22	April - Mar 21
Salaries and wages		
Employees	37,403	22,116
Deputed Employees (AGCL)	5,428	8,097
Contribution to Provident Fund	2,846	1,857
Contribution to Gratuity Fund	686	616
Welfare & Training Expenses	1,646	699
Leave Encashment	186	-
LTA/LTC	49	-
	48,244	33,385

23. Finance Costs

₹ in thousands

	April - Mar 22	April - Mar 21
Interest expenses on loans		
Bank OD	1,686	180
Assam Gas Company Limited	-	-
Interest on Fair Valuation	-	697
	1,686	877

24. Other Expenses

₹ in thousands

	April - Mar 22	April - Mar 21
Power & Fuel	69,712	64,889
Operation & Maintenance		
- Compressor	24,657	23,330
- Others	10,979	6,961
ROW Expenses		
- ROW Rental Charges	5,053	12,155
- ROW Supervision Charges	-	163
Rent	788	950
Repair & Maintenance		
Plant & Machinery	42,186	49,378
Building	526	2,768
Others	4,163	8,584
Insurance	11,522	16,870
Rates and Taxes-excluding taxes on income	1,337	1,196
Foundation Day Expenses	-	362
Auditors' Remuneration		
Statutory Audit Fees	70	50
Cost Audit Fee	50	50
Tax Audit Fee	50	40
Secretarial Audit Fee	30	30
GST Audit Fee	46	-
Internal Audit Fees	120	79
For Other Matters (Statutory Auditor)	-	12
For Other Matters (Cost Auditor)	-	-
For Other Matters (Tax Auditor)	-	-
For Other Matters (Secretarial Auditor)	15	-
Reimbursement of Out of Pocket Expenses (Statutory Auditor)	50	23
Reimbursement of Out of Pocket Expenses (Cost Auditor)	15	-
Reimbursement of Out of Pocket Expenses (Tax Auditor)	17	21
Reimbursement of Out of Pocket Expenses (Internal Auditor)	51	-
Reimbursement of Out of Pocket Expenses (Secretarial Auditor)	-	-
Traveling and Conveyance	6,985	5,893
Printing & Stationery	563	1,039
Security Expenses	14,159	12,805
Consultancy Charges	1,000	4,020
CSR Expenses	9,208	14,311
Professional Charges	5,480	3,706
Cost of Material Sold	-	2,737
Communication Cost	244	258
Fire & Safety Expenses	623	-
Provision for Bad and Doubtful Debts	15,874	87,375
Advertisement & Publicity	866	881
Honorarium to Directors	810	833
Donation & Subscription	2,578	90
Bank Charges & Other Misc. Expenses	5,469	3,665
Loss on Sale of Car	355	-
	2,35,650	3,25,522

25. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

₹ in thousands

March 31, 2022	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	-	-	5	5	-	-	-	-
Other Bank Balances	-	-	4,85,810	4,85,810	-	-	-	-
Trade receivables (Including Unbilled Revenue)	-	-	1,62,456	1,62,456	-	-	-	-
Other financial assets FD with bank	-	-	1,00,000	1,00,000	-	-	-	-
Other financial assets Security Deposit	-	-	874	874	-	-	-	-
	-	-	7,49,145	7,49,145	-	-	-	-
Financial liabilities								
Deposit from Customer	30,000	-	-	30,000	-	30,000	-	30,000
Borrowings - Current	-	-	39	39	-	-	-	-
Trade and other payables	-	-	21,974	21,974	-	-	-	-
Other current financial liabilities	-	-	33,837	33,837	-	-	-	-
	30,000	-	55,850	85,850	-	30,000	-	30,000

₹ in thousands

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	-	-	47,628	47,628	-	-	-	-
Other Bank Balances	-	-	4,23,380	4,23,380	-	-	-	-
Trade receivables (Including Unbilled Revenue)	-	-	1,79,196	1,79,196	-	-	-	-
Other financial assets FD with bank	-	-	70,000	70,000	-	-	-	-
Other financial assets Security Deposit	-	-	874	874	-	-	-	-
	-	-	7,21,078	7,21,078	-	-	-	-
Financial liabilities								
Deposit from Customer	30,000	-	-	30,000	-	30,000	-	30,000
Term Loans	-	-	1,50,180	1,50,180	-	-	-	-
Trade and other payables	-	-	20,183	20,183	-	-	-	-
Other current financial liabilities	-	-	63,274	63,274	-	-	-	-
	30,000	-	2,33,637	2,63,637	-	30,000	-	30,000

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 instruments covered below is restricted to their respective carrying amount.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company assumes low credit risk on Trade Receivables which mainly comprises of only one customer amounting to ₹3,35,971 thousands as at 31st March 2022 and ₹3,36,837 thousands as at 31st March 2021 (including unbilled revenue); 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 fulfill its contractual cash flow obligations. However, since 1st April 2018 the customer has not been honouring the annual 3% increment in the dues amounting to ₹1,75,652 thousands, citing review of the tariff rate for transportation of gas.

₹ in thousands

31-Mar-22	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	1,57,225	0%	-
Past due 1-90 days	763	0%	-
More than 90 days	1,80,120	98%	1,75,652
	3,38,108	51.95%	1,75,652

₹ in thousands

31-Mar-21	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Neither past due not impaired	1,76,518	0%	-
Past due 1-90 days	23,798	100%	23,798
More than 90 days	1,38,658	98%	1,35,980
	3,38,974	47.14%	1,59,778

Cash and cash equivalents

The Company held cash and cash equivalents of ₹5 thousands as at March 31, 2022 and ₹47,628 thousands as at March 31, 2021. 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 thousands

March 31, 2022	Carrying amount	Contractual cash flows				
		Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	30,000	30,000	30,000	-	-	-
Borrowings - Current	39	39	39	-	-	-
Trade and other payables	21,974	21,974	21,974	-	-	-
Other current liabilities	33,837	33,837	33,837	-	-	-

₹ in thousands

March 31, 2021	Carrying amount	Contractual cash flows				
		Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Deposit from Customer	30,000	30,000	30,000	-	-	-
Borrowings - Current	1,50,180	1,50,180	1,50,180	-	-	-
Trade and other payables	20,183	20,183	20,183	-	-	-
Other current liabilities	63,274	63,274	63,274	-	-	-

The Company has not carried any derivative financial liabilities as on 31st March 2022 and 31st March 2021

26. Provision for taxation for the financial year 2021-22 amounting to ₹84,183 thousands/- (Previous Year ₹1,03,864 thousands/-) has been arrived at after availing MAT Credit of ₹55,961 thousands u/s 115JAA of the Income Tax, 1961 in the FY 2021-22 (Previous Year ₹75,146 thousands) due to certainty of recovery of the same.

27. Earnings per equity share

₹ in thousands

	31-Mar-22	31-Mar-21
Face value ₹10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	3,72,740	4,06,867
Weighted average number of Equity Shares outstanding during the year	16,72,50,000	16,72,50,000
Basic earnings per share (₹)	2.23	2.43
Diluted earnings per share (₹)	2.23	2.43

28. 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.

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

30. 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 2022 and 31st March 2021.

31. Contingent Liabilities

₹ in thousands

	31-Mar-22	31-Mar-21
Contingent Liabilities :		
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	-	-
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	3,26,282	3,83,085
	3,26,282	3,83,085

32. 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 2022 and 31st March 2021 are as follows:

₹ in thousands

<i>Particulars</i>	<i>31-Mar-22</i>	<i>31-Mar-21</i>
Numaligarh Refinery Limited (NRL)	3,05,971	3,06,837
Oil India Limited (OIL)	(11,102)	(8,646)

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 ₹1,75,652 thousands (previous year ₹1,59,778 thousands) and unbilled revenue ₹73,428 thousands (previous year ₹87,909 thousands).
- 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 2022 and 31st March 2021 are as follows:

₹ in thousands

<i>Particulars</i>	<i>Nature of Transactions</i>	<i>31-Mar-22</i>	<i>31-Mar-21</i>
Revenue Transactions:			
1	Assam Gas Company Limited (AGCL):		
	Key Management Personnel on Deputation	2,307	2,136
	Sale of project surplus material	-	1,811
2	Numaligarh Refinery Limited (NRL):		
	Transportation of Natural Gas	8,55,254	9,77,460
3	Oil India Limited (OIL):		
	Consumption of Natural Gas	60,995	57,842
	ROW rental & Supervision charges	5,053	12,317
	Maintenance of CPS	4,005	2,210
4	Shri Rupam Goswami		
	Honorarium	450	463
5	Shri Ashwini Pait		
	Honorarium	360	370

Key management personnel

- 1 Monoj Kumar Singha, CFO
- 2 Samujjal Borah, Company Secretary

₹ in thousands

Key management personnel compensation		<i>31-Mar-22</i>	<i>31-Mar-21</i>
(a)	Short-term employee benefits	2,441	1,749
(b)	Post-employment benefits	-	-
(c)	Other long-term benefits	-	-
(d)	Termination benefits	-	-
(e)	Share-based payments	-	-

33. Financial Ratios

Sl No	Ratios	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for Variance for excess of 25%
1	Current Ratio (in times)	Current Assets	Current Liabilities	9.29	3.20	189.77%	Variation is largely owing to decrease in current liability i.e. payment of Bank loans and creditors for capital expenses.
2	Return on equity ratio (%) (ROE)	Net Profit after Tax	Average Shareholder's Equity	12%	15%	-16.09%	
3	Inventory turnover (in times)	Sales for the year	Average inventory	5.97	7.12	-16.20%	
4	Trade receivables turnover (in times)	Revenue from operations	Average trade receivable	3.32	4.81	-31.08%	Variation is largely owing to decrease in revenue from operations
5	Trade payables turnover (in times)	Other expenses	Average trade payables	11.18	11.81	-5.29%	
6	Net capital turnover ratio (in times)	Revenue from operations	Working capital = Current assets - Current liabilities	1.09	1.61	-32.41%	Variation is largely owing to decrease in revenue from operations as well in current liabilities
7	Net profit ratio (%)	Net Profit after Tax	Revenue from operations	44%	42%	4.76%	
8	Return on capital employed (%) ROCE	Earning before interest and taxes	Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)"	13%	15%	-12.66%	
9	Return on investment (%) (ROI)	Interest income .	Average Fixed Deposits	6%	8%	-21.19%	Variation is largely owing to decrease in interest on deposits.

Note: Debt-equity ratio and Debt service coverage ratio have not been disclosed since the Company does not have any borrowings.

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

₹ in thousands

	2021-22	2020-21
Amount unspent (for earlier years) at the beginning of the year	(3,679)	852
Amount earmarked during the financial year for CSR activities	9,887	9,780
Amount actually spent for CSR activities	9,208	14,311
Amount remaining unspent at the end of the year	(3,000)	(3,679)

Nature of CSR Activities

Health Care and Sanitation, Environmental Sustainability and Ecological Balance, Promotion of Education.

35. Dividend

The Board of Directors of the Company has proposed to declare a dividend @4.5% of Paid up Share Capital for the FY 2021-22 (previous year @ 6 % of Paid up Share Capital)

36. Authorisation of Financial Statement: The Financial Statement were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 16-08-2022.

37. Previous year figures

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

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
UDIN: 2252029AQGIFP5204

Place: Guwahati
Date: 29-08-2022

For and on behalf of the Board of Directors

Sd/-
G. C. Swargiyari
Director & Chief Executive Officer
DIN- 08545385
Place: Guwahati
Date: 16-08-2022

Sd/-
Samujjal Borah
Company Secretary
Place: Guwahati
Date: 16-08-2022

Sd/-
S. K. Sarmah
Director
DIN- 08188214
Place: Guwahati
Date: 16-08-2022
Sd/-
CA. Manoj Kr. Singha
Chief Financial Officer
DIN- 07721895
Place: Guwahati
Date: 16-08-2022

