

ANNUAL REPORT 2023-24



(A Govt. of Assam Undertaking)
CIN:U51410AS2007SGC008410

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DNP LIMITED

Notice to the Shareholders

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of DNP Limited will be held through Video Conferencing or Other Audio-Visual Means (OAVM) on **Saturday, the 28th Day of December, 2024 at 12.00 PM (Noon)** 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, 2024 and Statement of Profit & Loss for the year ended 31st March, 2024 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, 2024.

B. Special Business

3. **Approval of Remuneration of the Cost Auditor for the financial year 2024-25:**

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 Monuj Gogoi & Co, Cost Accountants, as the Cost Auditor of the Company for the financial year 2024-25 for carrying out the audit of cost records maintained by the Company at a remuneration of Rs 50,000/- (Rupees Fifty Thousand Only) plus out of pocket expenses, reimbursement of travel and boarding expenses and payment of GST at applicable rates etc. be and is hereby ratified and approved.”

4. Appointment of Mrs. Jone Moni Chetia 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, Mrs. Jone Moni Chetia (DIN: 10771355), who was appointed by the Board as an Additional Director w.e.f. 07th September, 2024 and who holds office upto 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 her 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.”

By Order of the Board of Directors

Sd/-

Date: 12.12.2024

(Samujjal Borah)
Company Secretary

Registered Office:

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

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 16th 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.
3. In compliance with the respective MCA Circular, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company's website www.dnpl.co.in.
4. 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.
5. 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.
6. VC link for the AGM will be shared separately.
7. This notice is being sent pursuant to the provisions of Section 101(1) of the Companies Act, 2013.
8. 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.
9. 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 07th, December, 2023.

Item No. 3: Approval of Remuneration of the Cost Auditor for the financial year 2024-25:

M/s Monuj Gogoi & Co., was appointed by the Board as the Cost Auditor of the Company for the Financial Year 2024-25 in terms of section 148(3) of the Companies Act, 2013 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus out of pocket expenses, reimbursement of travel and boarding expenses, and payment of GST at applicable rates.

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

Accordingly, approval is sought from the shareholders for ratification of remuneration payable to M/s Monuj Gogoi & Co., Cost Auditor of the Company for the year 2024-25.

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

Item No. 4: Appointment of Mrs. Jone Moni Chetia as Director:

Mrs. Jone Moni Chetia (DIN: 10771355) was appointed as an Additional Director w.e.f. 07th September, 2024 pursuant to Article 104(iii) of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Mrs. Jone Moni Chetia (DIN: 10771355), 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 Mrs. Jone Moni Chetia, as a Director of the Company.

Mrs. Jone Moni Chetia, 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.

By Order of the Board of Directors

Sd/-
(Samujjal Borah)
Company Secretary

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

Date: 12.12.2024

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Seventeenth Annual Report on the performance of your Company together with audited financial statement for the year ended 31st March, 2024.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2024 as compared to those of the previous year are summarized below: -

Particulars	2023-24 (Rs. In Lakhs)	2022-23 (Rs. In lakhs)
Gross Revenue from Operations	8,645.73	9,232.13
Other Income	436.18	2,132.53
Total Revenue	9,081.90	11,364.66
Profit before Depreciation & Amortization, Interest and Tax	4,923.69	6,871.39
Profit before prior period adjustments, extraordinary items and Tax	3,162.25	5,345.60
Extraordinary Items	-	-
Profit before Tax	3,162.25	5,345.60
Provision for Taxation	765.25	880.92
Provision for Taxation- Deferred	87.51	(455.99)
Profit (Loss) after tax	2,309.48	4,920.67
Earnings per Share in Rupees (Face value Rs. 10/- each)		
1. Basic	1.38	2.94
2. Diluted	1.38	2.94

Directors propose to appropriate this amount as under:

Appropriations:	2023-24	2022-23
	<i>(Rs. In lakhs)</i>	<i>(Rs. In lakhs)</i>
Towards Dividend	167.25	752.62
Transfer to General Reserve	2137.23	4,163.05
Balance at Profit& Loss Account	5.00	5.00
Total Profit (after tax)	2,309.48	4,920.67

Summarized Cash Flow Statement:

Cash Flows:	2023-24	2022-23
	<i>(Rs. In lakhs)</i>	<i>(Rs. In lakhs)</i>
Inflow/(Outflow) from operations	3,774.96	5,248.59
Inflow/(Outflow) from investing activities	(4758.83)	(8,144.68)
Inflow/(Outflow) from financing activities	1297.78	3,006.96
Net Increase/(decrease) in cash & cash equivalent	313.91	110.86

PERFORMANCE HIGHLIGHTS

1. PHYSICAL PERFORMANCE:

During the year 2022-23, your Company transported 289.15 MMSCM of natural gas to NRL as against 308.76 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 Rs 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 2023-24 was Rs. 8,645.72 Lakhs, 6.35 % lower than the previous year's revenue of Rs 9,232.13 Lakhs. The profit before tax for the year is Rs. 3,162.25 Lakhs, which is 40.84 % lower compared to Rs 5,345.60 Lakhs in 2022-23. The profit after tax for the year stood at Rs. 2,309.49 Lakhs as against Rs. 4,920.67 Lakhs recorded in 2022-23. The earnings per share in 2023-24 was Rs 1.38 compared to Rs 2.94 in the previous year.

The total amount of Capital Expenditure incurred during the year was Rs. 1,852.49 Lakhs as compared to Rs. 3,537.15 Lakhs in 2022-23. Value of total fixed assets as on 31st March, 2024 stood at Rs. 27,460.33 Lakhs.

2.1 Net Worth

The net worth of the Company stood at the end of financial year 31st March, 2024 is Rs. 37,697.67 Lakhs as against Rs. 36,163.95 Lakhs as on 31st March, 2023.

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 Rs. 0.10 (i.e. 1.00%) per equity share of Rs. 10.00 each for the financial year ended March 31, 2024 on the paid up share capital of Rs. 16,725.00 Lakhs, which would absorb a sum of Rs 167.25 Lakhs (inclusive of taxes, if any) out of Company's PAT. After retaining an amount of R 5.00 Lakhs 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, 2024 stood at Rs. 5,865.97 Lakhs. Debt equity ratio at the close of the financial year stood at 0.16.

2.4 Contribution to Exchequer

Your Company has contributed a total of Rs 852.76 Lakhs to the Central and State Exchequers in the form of taxes and duties compared to Rs. 424.93 Lakhs 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, 2024 will be placed as an addendum 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:

A special resolution dated 13th July, 2024, was passed by the Shareholders of the Company in an Extra-Ordinary General Meeting to increase the Authorised Share Capital of the Company from Rs. 170.00 Crores to Rs. 270.00 Crores each ranking pari passu with the existing equity shares in

the Company as per the Memorandum and Articles of Association of the Company. On 25th October, 2024, the Company issued 40,000,000 Equity Share Capital at Rs. 10/- each share, on right basis to its shareholders on the proportion of their existing shareholding. Other than the aforementioned events there were 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 relates and 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, 2024 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 M.P Bagaria & Co., Chartered Accountants, Dibrugarh, Assam were appointed as Statutory Auditors of the Company for the financial year 2023-24 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 Monuj Gogoi & Co., Cost Accountants, Duliajan were appointed as Cost Auditors of the Company, for the year 2023-24 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 2023-24 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 2023-24.

The Secretarial Audit Report for the financial year 2023-24 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, 2024, 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, 2024 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, 2024 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 22nd September, 2023, the following changes have been made in the Board of Directors;

Shri. Arpan Saikia, ACS, has ceased to be a Director of DNPL w.e.f 31st March, 2024.

Mrs. Jone Moni Chetia, CGM (GMS& LPG), has been appointed as a Director by Oil India Limited in place of Shri Susanta

Kumar Sarmah, w.e.f. 07th September, 2024.

Being an Additional Director, Mrs. Jone Moni Chetia 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 her 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, 2024 comprised of Directors, viz., Shri Aswini 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, 2024 is as follows:

- (i) Shri Susanta Kumar Sarmah, as Chairman;
- (ii) Shri Aswini Pait, Director, DNPL as member
- (iii) Shri Arpan Kumar Saikia, Addl. Director, DNPL as member

2.26 Disclosure on Establishment of a Vigil Mechanism

The Company has adopted its Whistle Blower Policy w.e.f 02.12.2024.

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 2023-24. 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

Date: 07.12.2024

Place: Guwahati

**Sd/-
(Vijay Kumar Gupta)
Chairman, DNPL**

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.

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 2023-24 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, 2024, there were total 27 employees on the roll of the Company of which 15 are executive cadre and remaining 12 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 2023-24, 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.

Corporate Social Responsibility and Sustainability

DNPL's initiatives towards CSR and Sustainability were pursued with increased emphasis during 2023-24. 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 financial year 2023-24 was Rs. 100.92 lakhs. However, after setting off the amount spent in excess of 2% as prescribed in section 135(5) in the previous year of Rs. 42.79 lakhs, total mandatory expenditure for the year 2023-24 was Rs. 58.12 lakhs.

As against above, total amount spent on CSR activities during the financial year 2023-24 was Rs 91.70 Lakhs. A detailed report on DNPL's CSR and Sustainability activities is enclosed at **Annexure - C**.

Members of the CSR 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 2023-24 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 of Assam Company. The Board of Directors is the Apex Body constituted by the Shareholders for the 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, 2024, the Board of DNPL comprised of 6 (six) 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, 2024 are as follows:

Sl. No.	Name of the Directors	Designation
1.	Shri Vijay Kumar Gupta	Chairman
2.	Shri Aswini Pait	Director & Vice-Chairman
3.	Shri Gokul Chandra Swargiyari	Director & CEO
4.	Shri Susanta Kr. Sarmah	Director
5.	Shri Arpan Kumar Saikia, ACS	Director
6.	Shri Girish Kumar Bora	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 2023-24, the Company convened 7 (Seven) meetings of the Board of Directors, the gap between two meetings never exceeded 120 (One Hundred and Twenty) days.

The details of the meetings of the Board of Directors held during the Financial Year 2023-24 are as follows:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	06/05/2023	6	5
2.	12/06/2023	6	6
3.	29/07/2023	6	5
4.	29/08/2023	6	5
5.	27/09/2023	6	4
6.	02/12/2023	6	5
7.	05/03/2024	6	4

Particulars of Directors including those who ceased to be director in the company during the financial year and their attendance at meetings of Board of Directors and the Shareholders held during the Financial Year 2023-24:

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 /Chairmansh ip of Board Committees in Other Companies	Name of the Companie s/firms/ associatio n of individuals in which interested
			Nos. of Meetings Attende d	Total Meetings held during the tenure of the director.	% of Attend ance			
1.	Shri Rupam Goswami Chairman, DNPL <i>** (ceased to be Director wef 14.07.2023)</i>	17 th March, 2017	02	02	100.00	NA	NIL	DNPL
2.	Dr. Vijay Kr. Gupta Chaiman, DNPL	14 th July, 2023	05	05	100.00	YES	NIL	DNPL
3.	Shri Aswini Pait Vice-Chairman, DNPL	17 th March, 2017	07	07	100.00	YES	NIL	DNPL
4.	Shri Gokul Chandra Swargiyari , Director & CEO, DNPL, and MD, AGCL	11 th September, 2019	07	07	100.00	YES	NIL	DNPL AGCL APL PBGPL TNGCL NEGDCL
5.	Shri. Susanta Kumar Sarmah , CGM(Projects),OIL	27 th July, 2018	07	06	86.00	YES	NIL	DNPL
6.	Shri Girish Kr. Borah CGM, Project (NREP) NRL	03 rd March, 2022	07	06	86.00	NO	NIL	DNPL
7.	Shri Arpan Kr. Saikia ACS, Addl. Secretary, Govt. of Assam, Industries, Commerce and Public Ent. Dept.	20 th February, 2023	07	01	14.00	NO	NIL	DNPL AFCSCL

- **AGCL:** Assam Gas Company Limited; **PBGPL:** Purba Bharati Gas Private Limited, **DNPL:** DNP Limited; **APL:** Assam Petro-Chemicals Limited; **TNGCL:** Tripura Natural Gas Company Limited. **AFCSCCL:** Assam Food and Civil Supplies Corporation Limited. **NEGDCL:** North East Gas Distribution 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 2023-24, the company convened four meetings of the Audit Committee.

The attendance record of the members of the committee as on 31st March, 2024 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 Susanta Kumar Sarmah	3/4	Y
2.	Shri Aswini Pait	4/4	Y
3.	Shri Girish Kr. Bora	3/4	N

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, 2024, the CSR 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 2023-24, the meeting of the CSR Committee was held on 05th May, 2023.

Attendance at the CSR Committee meeting during the financial year 2023-24:

Name of the members	No. of meetings attended/ Out of	Attended the last Annual General Meeting (Y/N/NA)
Shri Aswini Pait	1/1	Y
Shri Girish Kr. Borah	1/1	N
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
14 th Annual General Meeting	10 th November, 2021 4.30 PM	VC/OAVM Deemed Venue: Flat No. 4, House No. 2 “Dinesh Mansion”, Dr. R.P Road, Dispur, Guwahati- 781006, Assam
15 th Annual General Meeting	29 th September, 2022 4.30 PM	VC/OAVM Deemed Venue: 6 th Floor, Central Mall, Christian Basti, G.S Road, Guwahati-781005, Assam
16 th Annual General Meeting	22 nd September, 2023	VC/OAVM Deemed Venue: 6 th Floor, Central Mall, Christian Basti, G.S Road, Guwahati-781005, Assam

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

c)

Business	Type of resolution	Type of meeting	Date of Meeting
Alteration of Memorandum of Association	Special Resolution	Extra-Ordinary General Meeting	13 th July, 2023

d) 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.

e) Director(s) seeking appointment:

Mrs. Jone Moni Chetia, CGM (GMS & LPG) has been appointed as an Additional Director w.e.f 07th September, 2024, pursuant to her nomination by OIL vide their letter dated 22nd August, 2024.

5. Disclosures and compliance

- 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 Rs. 91.70 lakhs towards CSR and Sustainability activities during the financial year 2023-24, accumulated mandatory 2% on average previous three years profit after setting off the over-spent amount of the previous year was Rs. 58.12 Lakhs.

- f. During the year under review, no case was filed under 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	17th Annual General Meeting
Date and Time	Saturday, 28 th December, 2024 at 12.00 PM (Noon)
Venue	Via Video Conference and OAVM facility Deemed Venue: DNPL, 6 th Floor, Central Mall, Christian Basti, Mahapurush Srimanta Shankardev Path, (G.S Road), Guwahati-781005, Assam
Dividend payment	The Board has recommended Dividend of @ Rs. 0.10 per share (i.e., 1.00% of the paid-up share capital) for consideration of the shareholders at the ensuing Annual General Meeting. If approved by the shareholders, the same will be paid within 30 days from the date of declaration.

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 31-03-2024:**

- i. The Board of Directors considers the request for transfer/transmission of shares etc.
- ii. Shareholding Pattern as on 31-03-2024 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, 2024** 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.*

Date: 20/09/2024
Place: Guwahati
UDIN: F005714F001261421

- 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 apprised 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/-
(CS Amit Pareek)
Proprietor

M. No. F5714/C.P. No.: 4289
Peer Review No.: 989/2020

FORM MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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, 2024** (“**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, 2024** 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 as per the notification issued by the Governor of Assam and the shareholders of the company from time to time. 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 notices are given to all directors of the schedule the Board Meetings along with the agenda and detailed notes on agenda were also 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.

Date: 20/09/2024

Place: Guwahati

UDIN: F005714F001261419

For Amit Pareek & Associates
Company Secretaries

Sd/-

(CS Amit Pareek)

Proprietor

FCS: 5714/COP: 4289

Peer Review No. 989/2020

ANNEXURE -1

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 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.*
- 2) *During the course of our audit, it was observed that Woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 was not nominated on the Board by DNP LIMITED during the audit period. However, the Woman Director was appointed on 7th of September, 2024 in compliance with the Companies Act, 2013. Therefore, Company is not in default of Compliance of section 149 of Co. Act 2013 as on the date of the Report.*
- 3) *During the course of our Audit, it was observed that the Company has not complied with the Information and Technology Act, 2000 as amended by Information Technology Amendment Act, 2008 with respect to safety and storage of data.*

Date: 20/09/2024

Place: Guwahati

UDIN: F005714F001261419

**For Amit Pareek & Associates
Company Secretaries**

**Sd/-
(CS Amit Pareek)
Proprietor**

FCS: 5714/COP: 4289

Peer Review No. 989/2020

Management Reply to Secretarial Auditors Observations of DNPL for the year 2023-24

Addendum to the Directors' Report

Sl. No	Secretarial Auditors Observations	Management Reply
1.	<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.
2.	<i>During the course of our audit, it was observed that Woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 was not nominated on the Board by DNP LIMITED during the audit period. However, the Woman Director was appointed on 7th of September, 2024 in compliance with the Companies Act, 2013. Therefore, Company is not in default of Compliance of section 149 of Co. Act 2013 as on the date of the Report.</i>	The Company has already appointed Mrs. Jone Moni Chetia w.e.f 07.09.2024. Therefore, the company is not in default of Compliance of section 149 of the Companies Act, 2013 as on the date if the report.
4.	<i>During the course of our Audit, it was observed that 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.

Management Reply to Statutory Auditors Observations of DNPL for the year 2023-24

Addendum to the Directors' Report

Sl. No	Statutory Auditors Observations	Management Reply
A.	<p><i>The Company has booked an amount of INR 1,25,79,487.56 under the ledger head "Contract Related Expenditure-AGCL Club" up to 15.07.2022 and the same is included under "Other Receivables - Other Current Assets" under Note No. 11 to the Financial Statements as on 31.03.2024 on account of construction of a) Tennis Court, b) Roof of existing Badminton court to make it like an indoor stadium and c) Swimming Pool in the premises of "AGCL Executive Club"(separate entity PAN- AAABA5149A) without contractual agreement, board authorization, and GST registration amendment. These construction expenses are also not recognized as revenue in earlier years and in current year. As such, we are unable to comment on the certainty of collection/recovery of the said amount.</i></p>	<p>Formal communication was made with the President and Secretary of the AGCL Executive Club. Formal acknowledgement was made by the President of the club. The communication itself is a contractual agreement.</p> <p>Secondly, since the amount will be billed to AGCL Executive Club on handing over, and it is booked as receivables in the books of DNPL, therefore, Board Authorization is not required as the Director & CEO undertook the activity under the power conferred by General Power of Attorney issued by the company in favor of him.</p> <p>Thirdly, GST Registration will be amended before raising of invoice.</p> <p>Fourthly, the revenue will be recognized in the current financial year 2024-25 as and when the invoice will be raised.</p>
B.	<p><i>The Company did not obtain/receive and verify periodical balance confirmations from most of the sundry debtors, sundry creditors, advances from customers, security and earnest money deposits, outstanding liabilities, other payables and other advances including parties with debit balances as on 31st March 2024 as no system is in place. Since, we could not obtain external confirmations as required in SA-505 Standards on Auditing and in the absence of alternative corroborative evidence, we are unable to comment on adjustments or disclosures, if any, that may arise. Parties debit/credit balances in so far as these balances have not been subsequently realized or discharged are subject to confirmation / reconciliation. Consequential revenue impact,</i></p>	<p>Confirmations from most of the parties were submitted to the learned Auditor before their formal visit to DNPL on 22nd November, 2024. However, the learned Auditor has mentioned the word cut-off date which in fact was not intimated to us neither by any Authority nor by the learned Auditor.</p> <p>Further, we have already formally communicated with the related parties for reconciliation.</p>

	<p><i>if any, is presently not ascertainable. (Refer Note No. 31 to the Financial Statements)</i></p> <p><i>Up to the audit cut-off date, confirmations from 5 such parties were provided to us. The balances of Numaligarh Refinery Limited (NRL), Assam Gas Company Limited (AGCL) & Oil India Limited (OIL) are without proper reconciliation with books of accounts. Therefore, the effects of the difference relating to major related parties i.e. NRL, AGCL & OIL, including adjustments or disclosures, if any, could not be ascertained due to non-submission of proper reconciliation by the Company.</i></p>	
C.	<p><i>Management has represented that there are un-reconciled differences of INR 21.31 Lacs (IGST), (-) 35.12 Lacs (SGST) & (-) 35.12 Lacs (CGST) between ITC availed as per GSTR-3B and books. Therefore, its effect/impact on the Financial Statements could not be ascertained for any provisions, adjustments or disclosures, if any, required in books vis-à-vis GST returns.</i></p>	<p>The CGST and SGST Input Tax Credit (ITC) amounting to Rs. 35.12 lacs each has already been reconciled. CGST and SGST ITC of Rs. 15.88 lacs each claimed during the next financial year i.e. FY 2024-25 in line with ITC available as GSTR-2B. The remaining balance of Rs. 19.23 lacs each will be recovered from the respective parties. As regards, IGST ITC amounting to Rs. 21.31 lacs reconciliation is going on and adjustment if required will be done while finalizing GSTR-9.</p>
D.	<p><i>Plant, Property & Equipment (PPE) registers are part and parcel of books of accounts, as per section 2(13) the Companies Act, 2013, for compliance in respect of such records. The Company has not maintained PPE registers (as per the requirements) during the current year for necessary compliance. Hence, we are unable to form an opinion on the balances of PPE being maintained in consolidated manner in accounting software, the Company's compliance with Ind AS-16 and the following internal controls, including but not limited to: i) controls over expenditure incurred on PPE acquired or self-constructed, ii) accountability controls over PPE, iii) utilization controls over PPE, iv) information controls over PPE and v)</i></p>	<p>The Company is maintaining Fixed Asset Register in E- format which is up-to date. The Company is updating the Fixed Asset Register as per requirement of CARO, 2020 and up to March, 2021 the work is almost completed. Updating of the further period will be completed by 30th June, 2025.</p>

	<p><i>Safeguarding of assets.</i></p> <p><i>Management has further represented that the preparation of PPE registers has been assigned to an outside firm which has completed the work up to 31.03.2021 and the validation of registers prepared up to 31.03.2021 is still in process. Hence, the physical verification of PPE Registers could not be conducted by the Company at reasonable intervals and the last physical verification was conducted in FY 2022-23 during January 2023.</i></p>	
<p>E.</p>	<p><i>As per management representation, the Company has not filed mandatory MSME Form I on half yearly basis in any of the FYs, including the current FY 2023-24, as required by the Ministry of Corporate Affairs (MCA) for companies that have outstanding payments to suppliers registered as Micro, Small, and Medium Enterprises (MSMEs) under the MSME Act, 2006, which attracts penalty provisions under Section 405(4) of the Companies Act, 2013. The consequential financial impact, if any, is presently not ascertainable by the management and not provided for in books of accounts of FY 2023-24.</i></p> <p><i>As per disclosure in Note No. 18 to the Financial Statements, the company has not provided for interest as per Section 16 of the MSMED Act, 2006, on MSME trade payables of INR 73.24 lakhs ascertained as on 31.03.2024, due to delayed receipt of information/confirmation from them i.e. in ongoing FY 2024-25 only. In our opinion, the Company has not followed a) accrual system of accounting & Ind-AS 37 and b) the Company is in contravention of the provisions of the MSMED Act, 2006. We are unable to comment on the settlement of interest cost on the aforesaid MSME vendor dues during FY 2023-24 and the carrying value of the aforesaid</i></p>	<p>Up to the Financial Year 2023-24, the company did not have any information regarding the classification of MSME creditors as none of the creditors informed regarding their MSME category nor they have mentioned their Udyam Registration numbers in their bills/invoices. Information regarding their MSME status could be obtained only during the F.Y. 2024-25 that too after roving enquiring to the creditors. Since up to F.Y. 2023-24, no such information was available regarding MSME status of creditors, we presumed that none of the creditors are MSME creditors and consequently MSME Form-1 was not filed. However, from the current financial year we will file MSME Form-1.</p> <p>As regards the non- provision of interest for delayed payment, it is submitted that none of the MSME creditors has made any claim of interest and none of the MSME Vendors has opted for disputed resolution under MSMED Act, 2006. In our opinion, MSMED Act, 2006 is a special statute that provides for a holistic scheme of dispute resolution. The provision of Section 15, 16, and 17 would apply only to cases where the dispute is referred to the MSME Facilitation Center (MFC) for resolution in terms of Section 16 of the MSMED Act, 2006.</p>

	<i>MSME vendor dues and the consequential financial and other impacts, if any, that may arise on the above said matters.</i>	Expert opinion has been obtained and as per the opinion no interest is payable to MSME creditors as stood on 31 st March, 2024						
F.	<i>Attention is drawn with respect to Credit Note dated 31.03.2022 (i.e. pertaining to & booked in FY 2021-22) amounting to Taxable Value of INR 9,52,88,608.52 plus GST of INR 1,14,34,633.02, which was reported partly in GSTR-3B of September 2022 of FY 2022-23 (GST figure reported: INR 90,61,605.94) & the balance in GSTR-3B of June 2023 of FY 2023-24 (GST figure reported: INR 23,73,027.08). This treatment of delayed reduction in output tax liability in GSTR-3Bs of FY 2023-24 amounting to INR 23,73,027.08 is in contravention of Section 34 of the CGST/AGST Act, 2017 and not provided in books of accounts along with applicable Interest. Attention is also drawn to the 4 numbers of credit notes with journal entry nos. 937, 155, 421 & 422 dated 31.03.2022, 30.06.2022, 30.09.2022 & 30.09.2022 respectively amounting to a Total Value (incl. GST) of INR 15,68,51,852.15 accounted for in the books of accounts. Whereas, the Company actually issued only 2 numbers of credit notes vide Credit Note Nos. CR/NRL/163/0922 dated 24.09.2022 & CR/NRL/163/0822 dated 21.09.2022 amounting to a Total Value (incl. GST) of INR 15,68,51,809.00 from the e-invoice portal, which is in contravention of the provisions of the GST Acts & Rules and leading to a mismatch in credit notes being reported in books vis-à-vis GSTRs in FY 2021-22, 2022-23 & 2023-24.</i>	Expert opinion has been obtained by the company. As per expert opinion, the company has correctly declared and utilized the credit notes mentioned in audit observation which is at par with provision of section 34 (1) & (2) of the CGST/SGST Act, 2017.						
G.	<i>The company has not provided for interest on delay in GST TDS deducted but not remitted timely as per section 51 of the CGST/AGST Act, 2017. Further, in the absence of proper information from the management regarding the amount of Interest due till 31st March 2024, from the date of obtaining GST TDS</i>	Noted for compliance. However, the amount of total interest liability is not material. Year wise break up of interest liability is as follows: <table border="1" data-bbox="885 1738 1404 1812"> <tr> <td>F.Y. 2023-24 (A)</td> <td>Rs.</td> <td>40,258</td> </tr> <tr> <td>F.Y. 2022-23</td> <td>Rs.</td> <td>3,04,917</td> </tr> </table>	F.Y. 2023-24 (A)	Rs.	40,258	F.Y. 2022-23	Rs.	3,04,917
F.Y. 2023-24 (A)	Rs.	40,258						
F.Y. 2022-23	Rs.	3,04,917						

<p><i>registration under the GST Acts, we are unable to comment / quantify on the total amount of unpaid Interest @ 18% p.a. on delayed remittance of GST TDS deducted and the consequential financial impact including adjustments and disclosures, if any, that may arise due to non-compliance of section 50 & 51 of the CGST/AGST Act, 2017.</i></p>	F.Y. 2021-22	Rs.	18,127
	F.Y. 2020-21	Rs.	26,539
	F.Y. 2019-20	Rs.	22,703
	F.Y. 2018-19	Rs.	174
	Sub- total (B)	Rs.	3,72,460
	Grand Total (A+B)=	Rs.	4,12,718

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/arr: ngement/ 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. (Rs. 69.96 Lakhs)	2009	Nil
Numaligarh Refinery Limited (NRL)	Transportation charges from NRL.	Ongoing transactions	Rs. 8,645.73 Lakhs	Not applicable	Nil
Oil India Limited (OIL)	Cost of gas purchased from OIL.	Ongoing transactions	Rs. 1,505.77 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	Rs. 52.57 Lakhs	Not applicable	Nil

ANNUAL REPORT ON CSR ACTIVITIES OF DNP LIMITED FOR THE FINANCIAL YEAR 2023-24**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
4.	Shri Gokul Chandra Swargiyari	Member/ Non-Executive Director	1	1
5.	Shri Girish Kumar Bora	Member/Non-Executive Director	1	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: <https://dnpl.co.in>

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): **Rs. 5,046.14 Lakhs**
 b) Two-percent of Average net profit of the Company as per section 135(5): **Rs. 100.92 Lakhs**
 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: **Rs. 42.79 Lakhs**
 e) Total CSR obligation for the financial year (b+c-d): **Rs. 58.12 Lakhs**

6. a) Amount spent on CSR projects (both ongoing projects and other than ongoing projects): **Rs. 91.70 Lakhs**
 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): **Rs. 91.70 Lakhs**
e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lakhs)	Amount Unspent (in Rs. Lakhs)				
	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
108.44	Not Applicable since no unspent amount remained.		Not Applicable since no unspent amount remained.		

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

SI No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	58.12
(ii)	Total amount spent for the Financial Year	91.70
(iii)	Excess amount spent for the financial year [(ii)-(i)]	33.58
(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)]	33.58

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) (Rs. in Crore)	Balance Amount in Unspent CSR Account under section 135(6)	Amount Spent in the Financial Year (Rs. 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. (Rs. in Crore)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	2020-21	-	-	NIL (No Unspent Amount in 2019-20)	NA	NA	NA	NIL
2	2021-22	-	-	NIL (No Unspent Amount in 2020-21)	NA	NA	NA	NIL
3	2022-23	-	-	NIL (No Unspent Amount in 2021-22)	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 2023-24.**

Sd/-
(Manoj Kr Singha)
Chief Financial Officer

Sd/-
(Gokul Ch. Swargiyari)
Director & Chief Executive Officer

Sd/-
(Aswini Pait)
Chairman, CSR Committee

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS,
DNP LIMITED

I. Report on the Audit of the Financial Statements

1. Qualified Opinion

- A. We have audited the accompanying standalone financial statements of **DNP Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2024**, the Statement of the Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statement").
- B. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true & fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2024**, the profit and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

- A. The Company has booked an amount of INR 1,25,79,487.56 under the ledger head "Contract Related Expenditure-AGCL Club" up to 15.07.2022 and the same is included under "**Other Receivables - Other Current Assets**" under **Note No. 11 to the Financial Statements** as on 31.03.2024 on account of construction of a) Tennis Court, b) Roof of existing Badminton court to make it like an indoor stadium and c) Swimming Pool in the premises of "AGCL Executive Club" (separate entity PAN- AAABA5149A) without contractual agreement, board authorization, and GST registration amendment. These construction expenses are also not recognized as revenue in earlier years and in current year. As such, we are unable to comment on the certainty of collection/recovery of the said amount.
- B. The Company did not obtain/receive and verify periodical balance confirmations from most of the sundry debtors, sundry creditors, advances from customers, security and earnest money deposits, outstanding liabilities, other payables and other advances including parties with debit balances as on 31st March 2024 as no system is in place. Since, we could not obtain external confirmations as required in SA-505 Standards on Auditing and in the absence of alternative corroborative evidence,

we are unable to comment on adjustments or disclosures, if any, that may arise. Parties debit/credit balances in so far as these balances have not been subsequently realized or discharged are subject to confirmation / reconciliation. Consequential revenue impact, if any, is presently not ascertainable. **(Refer Note No. 31 to the Financial Statements)**

Up to the audit cut-off date, confirmations from 5 such parties were provided to us. The balances of Numaligarh Refinery Limited (NRL), Assam Gas Company Limited (AGCL) & Oil India Limited (OIL) are without proper reconciliation with books of accounts. Therefore, the effects of the difference relating to major related parties i.e. NRL, AGCL & OIL, including adjustments or disclosures, if any, could not be ascertained due to non- submission of proper reconciliation by the Company.

- C. Management has represented that there are un-reconciled differences of INR 21.31 Lacs (IGST), (-) 35.12 Lacs (SGST) & (-) 35.12 Lacs (CGST) between ITC availed as per GSTR-3B and books. Therefore, its effect/impact on the Financial Statements could not be ascertained for any provisions, adjustments or disclosures, if any, required in books vis-à-vis GST returns.
- D. Plant, Property & Equipment (PPE) registers are part and parcel of books of accounts, as per section 2(13) the Companies Act, 2013, for compliance in respect of such records. The Company has not maintained PPE registers (as per the requirements) during the current year for necessary compliance. Hence, we are unable to form an opinion on the balances of PPE being maintained in consolidated manner in accounting software, the Company's compliance with Ind AS-16 and the following internal controls, including but not limited to: i) controls over expenditure incurred on PPE acquired or self-constructed, ii) accountability controls over PPE, iii) utilization controls over PPE, iv) information controls over PPE and v) Safeguarding of assets.

Management has further represented that the preparation of PPE registers has been assigned to an outside firm which has completed the work up to 31.03.2021 and the validation of registers prepared up to 31.03.2021 is still in process. Hence, the physical verification of PPE Registers could not be conducted by the Company at reasonable intervals and the last physical verification was conducted in FY 2022-23 during January 2023.

- E. As per management representation, the Company has not filed mandatory MSME Form I on half yearly basis in any of the FYs, including the current FY 2023-24, as required by the Ministry of Corporate Affairs (MCA) for companies that have outstanding payments to suppliers registered as Micro, Small, and Medium Enterprises (MSMEs) under the MSME Act, 2006, which attracts penalty provisions under Section 405(4) of the Companies Act, 2013. The consequential financial impact, if any, is presently not ascertainable by the management and not provided for in books of accounts of FY 2023-24.

As per disclosure in **Note No. 18 to the Financial Statements**, the company has not provided for interest as per Section 16 of the MSMED Act, 2006, on MSME trade payables of INR 73.24 lakhs ascertained as on 31.03.2024, due to delayed receipt of information/confirmation from them i.e. in ongoing FY 2024-25 only. In our opinion, the Company has not followed a) accrual system of accounting & Ind-AS 37 and b) the Company is in contravention of the provisions of the MSMED Act, 2006. We are unable to comment on the settlement of interest cost on the aforesaid MSME vendor dues during FY 2023-24 and the carrying value of the aforesaid MSME vendor dues and the consequential financial and other impacts, if any, that may arise on the above said matters.

- F. Attention is drawn with respect to Credit Note dated 31.03.2022 (i.e. pertaining to & booked in FY 2021-22) amounting to Taxable Value of INR 9,52,88,608.52 plus GST of INR 1,14,34,633.02, which was reported partly in GSTR-3B of September 2022 of FY 2022-23 (GST figure reported: INR 90,61,605.94) & the balance in GSTR-3B of June 2023 of FY 2023-24 (GST figure reported: INR 23,73,027.08). This treatment of delayed reduction in output tax liability in GSTR-3Bs of FY 2023-24 amounting to INR 23,73,027.08 is in contravention of Section 34 of the CGST/AGST Act, 2017 and not provided in books of accounts along with applicable Interest.

Attention is also drawn to the 4 numbers of credit notes with journal entry nos. 937, 155, 421 & 422 dated 31.03.2022, 30.06.2022, 30.09.2022 & 30.09.2022 respectively amounting to a Total Value (incl. GST) of INR 15,68,51,852.15 accounted for in the books of accounts. Whereas, the Company actually issued only 2 numbers of credit notes vide Credit Note Nos. CR/NRL/163/0922 dated 24.09.2022 & CR/NRL/163/0822 dated 21.09.2022 amounting to a Total Value (incl. GST) of INR 15,68,51,809.00 from the e-invoice portal, which is in contravention of the provisions of the GST Acts & Rules and leading to a mismatch in credit notes being reported in books vis-à-vis GSTRs in FY 2021-22, 2022-23 & 2023-24.

- G. The company has not provided for interest on delay in GST TDS deducted but not remitted timely as per section 51 of the CGST/AGST Act, 2017. Further, in the absence of proper information from the management regarding the amount of Interest due till 31st March 2024, from the date of obtaining GST TDS registration under the GST Acts, we are unable to comment / quantify on the total amount of unpaid Interest @ 18% p.a. on delayed remittance of GST TDS deducted and the consequential financial impact including adjustments and disclosures, if any, that may arise due to non-compliance of section 50 & 51 of the CGST/AGST Act, 2017.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and

we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Key Audit Matter (KAM)

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 separate opinion on these matters. Reporting of key audit matters, as per SA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, is **not applicable** to the Company, as it is an unlisted company.

4. Emphasis of Matters

- A. As per **Note No. 38 to the Financial Statements**, the 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 some of the cases, land revenue has not been paid by the Company due to non-separation of original periodic patta.
- B. As per **Note No. 37 to the Financial Statements**, the Company has overspent in CSR activities to the tune of INR 34,92,034.00 as against the approved provisional budget of INR 58,12,847.00. The same needs to be approved by the Board as per past practices.
- C. As per **Note No. 2.3.2.4 read with 2.6.1 to the Financial Statements**, the company has identified Right of Way (ROW) as Intangible Assets with indefinite useful life and not applied lease accounting standard - Ind AS 116. During the year, the company has incurred lease rental of INR 52.57 lakhs to Oil India Limited for laying and exploiting Right of Way (ROW) over the land through one 400 mm NB Natural Gas pipeline from Duliajan to Numaligarh which shall remain in force for a period of 10 years from 05.02.2019 and shall be renewable for a further period of 5 years, as per agreement dated 06.07.2020. The lease term of the under lying asset is, therefore, more than 1 year and not indefinite. Moreover, the lease is already continuing w.e.f. 04.02.2009. Both the lessee and lessor are extracting other benefits from the said ROW by separate agreements. It is least likely that the lease term will be less than 12 months and also for indefinite useful life.
- D. Management has represented that an incorrect / extra remittance of Entry Tax was done amounting to INR 2,04,455.00 and is classified as Debit Balance in "Entry Tax Payable Account" ledger in books of accounts. The recovery / refund for the said incorrect / excess statutory payments are not processed from the department's end till the audit cut-off date and the Company had submitted a refund application dated 22.04.2019 to the Superintendent of Taxes,

Naharkatia, for recovery of the same. However, the management is confident of the recovery of the said amount in FY 2024-25 and no provision is considered necessary for any possible losses that may arise in this behalf in the current FY 2023-24.

Our audit opinion is not modified in respect of above matters.

5. Information other than the Standalone Financial Statements and Auditor's Report Thereon

A. The Company's Board of Directors is responsible for the preparation and presentation of the other information. The other information includes the Board's Report including Annexures to Board's Report, but does not include the standalone Financial Statements and our report thereon. The Board's Report along with Annexures is expected to be made available to us after the date of this auditors' report.

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

B. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

6. Responsibilities of Management and Those Charged with Governance for the Financial Statements

A. The Company's Boards of Directors is responsible for the matters stated in section 134(5) of the Act with the 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- B. In preparing the Financial Statements, the Board of Directors 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 responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibilities for the Financial Statement

- A. 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 include 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.
- B. 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 evidence that is sufficient and appropriate to provide a basis of 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 omission, misrepresentations, or the override of the internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with the reference to Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
 - Conclude on the appropriateness of management and Board of Directors' 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.
- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable 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.
- D. 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.
- E. 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.

8. Other Matters

- A. We have placed reliance on the computer-generated certificate of balance in Group Gratuity Scheme Policy No. 407003898 as on 31/03/2024, issued by Life Insurance Corporation of India, which has reported balance of INR 67,02,134.34. We have also placed reliance on the actuarial valuation of Gratuity Liability by M/s MDPL Infosystem Private Limited dated 9th May, 2024. Our opinion is not modified in respect of this matter.
- B. Attention is drawn with regards to non-registration and non-payment of Assam Electricity Duty by the Company under the provisions of the Assam Electricity Duty Act, 1964 (as amended). The management has submitted a calculation of the duty payable from July 2019 to October 2024 amounting to INR 16,177.00. The said amount of duty is unpaid till the audit cut-off date along with consequential interest and penalties, if any, to be borne by it on assessment by the assessing authority. No provision for the consequential liability is made in the books of account under audit. Our opinion is not modified in respect of this matter as the amount is not material in nature; however, the same is a statutory non-compliance on the part of the Company.
- C. The Board, in its 2nd meeting, held on 7th September, 2024, considered and accepted few adjustments made to the accounts to ensure better compliance, impacting assets and liabilities,



which increased by INR 1.66 crores and profit, which decreased by INR 52.85 lakhs. The key changes include provisions for leave encashment, recognition of ROU assets and lease liabilities, adjustments to fixed deposit accrued interest, reversal of surplus material provisions, and the accounting for project materials and booking of a compressor bill of previous year. Our opinion is not modified in respect of this matter.

9. Report on Other Legal and Regulatory Requirement

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
- B. As required by Comptroller and Auditor General of India through directions/sub-directions issued under Section 143(5) of the Companies Act 2013, on the basis of written representation received from the management, we give our report on the matter specified in the "Annexure B" attached.
- C. As required by Section 143(3) of the Act, based on audit we report that:
- i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books, **except for the matters stated in "2. Basis for Qualified Opinion" and sub-clause f) of Clause ix) of this Para C. on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;**
 - iii) The modifications/qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in "2. Basis for Qualified Opinion" and sub-clause f) of Clause ix) of this Para C. on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - iv) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - v) In our opinion, **except for the matters stated in "2. Basis for Qualified Opinion" para,** the aforesaid Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed

under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

- vi) Pursuant to the 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 Act are not applicable to the Company, being a Government Company;
- vii) We are enclosing herewith a report in “**Annexure C**” for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls;
- viii) Pursuant to the 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; and
- ix) 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigation as at 31 March 2024 on its financial position in its Financial Statements – **Refer Note 33 to the Financial Statements.**
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d)
 - i. The management 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 (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii. The management has represented that, to the best of its 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- iii. Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause i. & ii. of this Para d) contain any material misstatement.
- e) As stated in **Note 39 to the Financial Statements:**
- i. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act as applicable.
 - ii. No interim dividend has been declared and paid by the company during the year and until the date of this report.
 - iii. The Board of Directors of the Company have proposed **final dividend @ 1%** 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.
- f) Based on our examination which included test checks, the Company has used Tally Prime Edit log accounting software for maintaining its books of account (except for Employee Payroll & Bank Registers which are maintained manually & integrated in Tally software accounts afterwards), which have a feature of recording audit trail (edit log) facility, however the same has not operated throughout the year for all relevant transactions recorded in the respective software but only from 8th May 2023 to 31st March 2024. Further, from 8th May 2023 to 31st March 2024, where audit trail (edit log) facility was enabled, based on our examination which included test checks and as per management representation received, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
- The **PPE (Plant, Property and Equipment) or Fixed Assets Register software** used by the company is Microsoft Excel which did not have an audit trail feature enabled, and consequently, there was no audit trail maintained for transactions recorded within this particular software for the whole year. **(Also refer Para D of Basis for Qualified Opinion above.)**
 - The **Inventories Register** software used by the company is Microsoft Excel which did not have an audit trail feature enabled, and consequently, there was no audit trail maintained for transactions recorded within this particular software for the whole year.
 - The **Sales accounting or Invoicing** software used by the company is the e-invoicing portal under the GST statutes (developed by GSTN and NIC), which did not have an



M.P. Bagaria & Co.
Chartered Accountants

audit trail feature enabled, and consequently, there was no audit trail maintained for transactions recorded within this particular e-invoicing website for the whole year.

- At database level, the Company did not maintain audit trail for direct party-wise data for **retention money or security deposit from contractors, suppliers, etc.** in the Tally Prime Edit log accounting software. Single consolidated ledgers were maintained in the accounting software for the same (E.g. Ledger name: "Security Deposit from Contractors" with credit balance of INR 4,60,31,437.39) and party-wise breakup was maintained separately in Microsoft Excel which did not have an audit trail feature enabled.

For M.P. Bagaria & Co.
Chartered Accountants
Firm No.: 322255E

MAHABIR PRASAD BAGARIA
Partner
Membership No.: 056188
UDIN: 24056188BKFIOR6154



Place: Dibrugarh
Date: 25th Nov, 2024

Annexure-A to the Independent Auditors' Report

(Referred to in Paragraph A under 'Report on Other Legal & Regulatory Requirements' section of our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of **DNP Limited** ("the Company") on the financial statements for the year ended 31st March 2024, to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible assets:

(a) (A) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, as stated in *Para D of Basis for Qualified Opinion section*.

(B) The Company has not maintained proper records showing full particulars of intangible assets, as stated in *Para D of Basis for Qualified Opinion section*.

(b) In the absence of proper PPE Register, the Company has not established a regular program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the management representation received, the last physical verification was conducted in FY 2022-23 during January 2023. According to the information and explanations given to us, no material discrepancies were noticed on that day.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, 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.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.



- (ii) (a) According to the information and explanations given to us, the inventory has been physically verified by the management once during the year, as a part of Internal Audit process and in our opinion, the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. As explained to us, no discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to the book records.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of term deposits which has been partly classified in the books of accounts as current assets. As explained to us, quarterly returns or statements are not required to be filed by the company with financial institutions or banks as the working capital loan in the form of Bank Overdraft facility is secured by pledge of term deposits.
- (iii) (a) In our opinion and according to the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under Clause 3(iii)(a) of the Order is not applicable. **(Also refer Para A of 2. Basis for Qualified Opinion)**
- (b) In our opinion and according to the information and explanations given to us, no investments made during the year and hence reporting under Clause 3(iii)(b) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public and accordingly Clause 3 (v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts 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 read with Companies (Cost Records & Audit) Rules, 2014, as amended and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, except for the matters stated in Basis for Qualified Opinion paragraphs, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, CGST, SGST/ UTGST, IGST Value Added Tax, Cess and

other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the records of the Company and information and explanation given to us by the Company, the gross statutory dues of income tax or sale tax or service tax or duty of custom or duty of excise or value added tax or cess or Goods and Service Tax and any other statutory dues which have not been deposited on account of dispute or deposited under protest and the forum where the dispute is pending are given below:

Name of the Statute	Nature of Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks
Income Tax Act, 1961	Income Tax & Dividend Distribution Tax	No CPC order available.	AY 2019-20	CPC of Income Tax Department	Tax Credit mismatch rectification filed vide acknowledgement No. 349681460030824 dated 03/08/2024
Income Tax Act, 1961	Income Tax & Dividend Distribution Tax as per CPC order	263.62	AY 2020-21	Centralized Processing Cell of Income Tax Department	
Goods & Services Tax Acts, 2017	GST Interest Liability as per Demand Order dated 17.04.2024	0.08	FY 2018-19	Assistant Commissioner of State Taxes, Naharkatia	Reply was not submitted & ex-parte demand order issued. However, the interest liability is already discharged via DRC 03 with ARN - AD180121000687F dated 19.01.2021. Rectification request filed vide ARN - AD180724001979N dated 13.07.2024
Goods & Services Tax Acts, 2017	GST, Interest & Penalty as per Demand Order dated 30.04.2024	29.80	FY 2018-19	Joint Commissioner of State Taxes (Appeals), Tinsukia	Reply was submitted and demand order was issued for some portion whose declaration was not submitted at the time of filing reply. Appeal filed vide ARN - AD180724004788P dated 27.07.2024
Goods & Services Tax Acts, 2017	GST Interest Liability as per SCN dated 16.05.2024	0.43	FY 2019-20	Assistant Commissioner of State Taxes,	Reply submitted vide ARN - ZD1808240087933 dated 13.08.2024

				Naharkatia	
Goods & Services Tax Acts, 2017	GST Interest Liability as per SCN dated 05.06.2024	0.27	FY 2020-21	Assistant Commissioner of State Taxes, Naharkatia	Reply submitted ARN - ZD180824008801E dated 13.08.2024

- (viii) The company has not surrendered or disclosed as income, any transactions not recorded in the books of accounts, during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under Clause 3(x)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under Clause 3(x)(b) of the Order is not applicable.

- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report has been filed by the auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 & 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards. The reconciliation with the balance confirmations given to us, as on 31st March 2024, has not been produced during the course of our audit.
- (xiv) a. The Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b. The Company or its group entities are not Core Investment Companies (CIC) as defined in the regulations made by the Reserve Bank of India.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year 2023-24 and in the immediately preceding financial year 2022-23.
- (xviii) There is no resignation of statutory auditor during the year; hence Clause (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 any material uncertainty exists as on the date of the audit report and 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, however, 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) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act.
- (b) Since there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act, hence, provisions of clause 3(xx)(b) of the order are not applicable.
- (xxi) The Company is not required to prepare consolidated financial statements as the Company does not have any subsidiary company and accordingly, this clause is not applicable.

For M.P. Bagaria & Co.
Chartered Accountants
Firm No.: 322255E



MAHABIR PRASAD BAGARIA
Partner
Membership No.: 056188
UDIN: 24056188BKFIOR6154

Place: Dibrugarh
Date: 25th Nov, 2024

ANNEXURE-B

**REPORT OF THE STATUTORY AUDITORS OF M/S. D.N.P. LIMITED, DULIAJAN, DIBRUGARH FOR
FY 2023-24 UNDER DIRECTIVES ISSUED BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA
U/S 143(5) OF THE COMPANIES ACT, 2013**

<p>1</p>	<p>Whether the company has system in place to process all the accounting transactions through IT system?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated</p>	<p>Yes.</p> <p>However, IT system used is mainly Tally Prime (Edit Log) and Microsoft Excel without Audit Trail. The Company needs to implement more robust accounting software with separate modules for separate tasks. The management has verbally represented that they will be implementing SAP eventually and in line with the parent company.</p> <p>The PPE & Intangible Assets Registers are not maintained for FY 2023-24 as per the requirements of the Act, which is also referred to in our Basis for Qualified Opinion section of the Main Audit Report of even date.</p> <p>The Company needs to pass each & every transaction at database & party wise level in accounting software itself instead of maintaining separate Microsoft Excels. The Company does not maintain the Inventory, PPE & Employee Payroll registers in accounting software with audit trail features, which, in our opinion, is the need of the hour, given the nature & size of the business.</p> <p>Data Transition from IT system into Returns under other Acts and its</p>
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M.P. Bagaria & Co.
Chartered Accountants

		subsequent reconciliation needs serious improvement in view of our various qualifications made in Main Audit Report, CARO Report & IFC Audit Report of even date.
2	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? If yes, the financial impact may be stated.	NONE - NOT APPLICABLE
3	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	NONE - NOT APPLICABLE

For M.P. Bagaria & Co.
Chartered Accountants
Firm No.: 322255E



MAHABIR PRASAD BAGARIA
Partner
Membership No.: 056188
UDIN: 24056188BKFIOR6154

Place: Dibrugarh
Date: 25th Nov, 2024



M.P. Bagaria & Co.
Chartered Accountants

ANNEXURE-C TO THE INDEPENDENT AUDITORS' REPORT

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

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, 2024** 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 ('ICAI'). 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 (the 'Standards') 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. 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024 (to be read in conjunction with the matters stated in 2. Basis for Qualified Opinion section):

- a) The Company did not have an appropriate internal control system for Plant, Property & Equipment (PPE) with regard to its accounting and maintenance of proper registers including quantitative details, situation of PPE and its routine physical verification, as stated in Para D of 2. Basis for Qualified Opinion section. Further, the management has represented that the

preparation of PPE registers has been assigned to an outside firm who has completed the work up to 31.03.2021 and the validation of registers prepared up to 31.03.2021 is still in process. Hence, the internal control system for records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and intangible assets were not adequate, in the absence of PPE registers. These could potentially result in material misstatements in the accounting of PPE and its balances.

- b) The Company did not have an appropriate internal control system to call for balance confirmations in respect of debit/credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposits, outstanding liabilities, other payables and other advances. Parties debit/credit balances in so far as these have not been subsequently realized or discharged are subject to confirmation / reconciliation. These could potentially result in material misstatements in the accounting of these balances. Consequential revenue impact, if any, is presently not ascertainable.
- c) The Company did not have an appropriate internal control system to detect timely / short / non remittance of statutory dues as stated in various instances in the **2. Basis for Qualified Opinion section**. Further, the Company did not reconcile the book balances of statutory dues / revenue with tax authorities with the actual remittance / revenue availment in its respective statutory returns, which could potentially result in material misstatements in the accounting of the balances of statutory dues / revenue with authorities.
- d) In the absence of contractual agreement in writing and Board Authorization, it is evident that the Company did not have an appropriate internal control system for AGCL Executive Club Related Expenditures, as stated in **Para A of 2. Basis for Qualified Opinion section**.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial



M.P. Bagaria & Co.
Chartered Accountants

statements of the Company, and these material weaknesses do not affect our ultimate opinion on the financial statements of the Company.

For M.P. Bagaria & Co.
Chartered Accountants
Firm No.: 322255E



MAHABIR PRASAD BAGARIA
Partner
Membership No.: 056188
UDIN: 24056188BKFIOR6154

Place: Dibrugarh
Date: 25th Nov, 2024



M.P. Bagaria & Co.
Chartered Accountants

To,
Deputy Accountant General
Office of Principal Accountant General (Audit), Assam
Maidamgaon, Beltola
Guwahati – 781029

Compliance Certificate

We have conducted the audit of accounts of DNP Limited; Duliajan for the year ended 31st March, 2024 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.

Place of signature: Dibrugarh
Date: 25th Nov, 2024

For M.P. Bagaria & Co.
Chartered accountants
FRN: 322255E



Signature
(Mahabir Prasad Bagaria)
(Partner)

Membership number: 056188
UDIN: 24056188BKFIOR6154



Particulars	Note No	As at 31-Mar-2024	As at 31-Mar-2023
I. ASSETS			
1 Non-current Assets			
a. Property, Plant and Equipment	3 (i)	27,460.33	27,251.32
b. Capital work-in-progress	3 (ii)	11,860.53	6,748.95
c. Other Intangible assets	3 (iii)	3.93	5.16
d. Right of use assets (Lease)	3 (iv)	67.51	-
e. Financial Assets			
(i) Other Financial Assets	4	716.37	1,016.41
f. Other non-current assets	5	-	43.02
		40,108.67	35,064.85
2 Current Assets			
a. Inventories	6	2,055.49	1,652.51
b. Financial Assets			
(i) Trade Receivables			
Billed	7	1,060.66	896.73
Unbilled Revenue		896.15	707.66
(ii) Cash and Cash Equivalents	8	424.83	110.92
(iii) Bank Balances other than (ii) above	9	3,260.33	5,442.47
c. Current Tax Assets (Net)	10	950.79	1,224.48
d. Other current assets	11	421.17	690.50
		9,069.42	10,725.27
TOTAL ASSETS		49,178.09	45,790.12
II. EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share Capital	12	16,725.00	16,725.00
b. Other Equity	13	20,972.67	19,438.96
		37,697.67	36,163.96
LIABILITIES			
2 Non-current Liabilities			
a. Financial Liabilities			
(i) Borrowings	17	5,060.47	2,365.70
(ii) Lease Liability	14	55.40	-
(iii) Other financial liabilities	15	-	-
b. Deferred Tax Liabilities (Net)	16	3,539.82	3,460.10
		8,655.69	5,825.79
3 Current Liabilities			
a. Financial Liabilities			
(i) Borrowings	17	876.16	1,414.93
(ii) Lease Liability	14	14.15	-
(iii) Trade payables			
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	18	73.24	-
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	18	522.93	763.94
(iv) Other financial liabilities	15	1,107.31	1,394.58
b. Other Current Liabilities	19	113.29	219.49
c. Provisions	20	117.65	7.42
		2,824.73	3,800.37
TOTAL EQUITY AND LIABILITIES		49,178.09	45,790.12

Corporate Information & Material Accounting Policies

1 & 2

Notes to Financial Statement

3 - 40

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 M.P Bagaria & Co

Chartered Accountants

Firm Reg. No. 322255E

M.P. Bagaria

(CA. Mahabir Prasad Bagaria)

Partner

Membership No. 056188

Place: Dibrugarh

Date : 25-11-2024



For and on behalf of the Board of Directors

G. C. Swargiyari *Aswani Pait*

G. C. Swargiyari
Director & Chief Executive
Officer

Aswani Pait
Director

DIN- 08545385

DIN- 07778447

Place: Duliajan

Place: Duliajan

Date : 30-09-2024

Date : 30-09-2024

Samujjal Borah *CA. Monoj Kr. Singha*

Samujjal Borah
Company Secretary

CA. Monoj Kr. Singha
Chief Financial Officer

Place: Duliajan

Place: Duliajan

Date : 30-09-2024

Date : 30-09-2024





STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

₹ lakhs

Particulars	Note No	Year Ended 31-Mar-2024	Year Ended 31-Mar-2023
I Revenues from Operations	21	8,645.73	9,232.13
II Other Income	22	436.17	2,132.53
III Total Income (I+II)		9,081.90	11,364.66
IV Expenses :			
Employee Benefits Expense	23	567.66	462.24
Finance Costs	24	105.60	20.66
Depreciation and Amortisation	3 (i)	1,655.86	1,505.13
Other Expenses	25	3,590.57	4,031.03
Total Expenses		5,919.69	6,019.06
V Profit before exceptional items and tax (III-IV)		3,162.21	5,345.60
VI Exceptional items		-	-
VII Profit before tax (V - VI)		3,162.21	5,345.60
VIII Tax Expense:			
1 Current tax	10	765.25	880.92
2 Deferred tax	10/16	87.51	(455.99)
Profit (Loss) for the period from continuing operations (VII - VIII)		2,309.45	4,920.67
IX Profit/(loss) from discontinued operations		-	-
X Tax expense of discontinued operations		-	-
XI Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XII Profit/(loss) for the period (IX+XII)		2,309.45	4,920.67
XIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(30.93)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		7.79	-
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		-	-
Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		2,286.30	4,920.67
XV Earnings per equity share (for continuing operations)	29		
[Equity Shares of Rs. 10/- each]			
1 Basic (In ₹)		1.38	2.94
2 Diluted (In ₹)		1.38	2.94

Corporate Information & Material Accounting Policies
Notes to Financial Statement

1 & 2
3 - 40

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 M.P Bagaria & Co
Chartered Accountants
Firm Reg. No. 322255E

(CA. Mahabir Prasad Bagaria)
Partner
Membership No. 056188

Place: Dibrugarh
Date : 25-11-2024

For and on behalf of the Board of Directors

G. C. Swargiyari
Director & Chief Executive
Officer
DIN- 08545385
Place: Duliajan
Date : 30-09-2024

Aswani Pait
Director

DIN- 07778447
Place: Duliajan
Date : 30-09-2024

Samujjal Borah
Company Secretary
Place: Duliajan
Date : 30-09-2024

CA. Monoj Kr. Singha
Chief Financial Officer
Place: Duliajan
Date : 30-09-2024





DNP LIMITED
CIN: U51419AS200790000418

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

₹ lakhs

	31-Mar-24	31-Mar-23
A. CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	3,162.21	5,345.60
ADD ADJUSTMENTS FOR		
Provision for Gratuity and Other	(30.93)	-
Impact on Fair Valuation of Financial Instruments	(24.01)	-
Provision for Project Surplus Material/ Inventory	1,655.86	1,505.13
Depreciation and Amortisation	105.60	20.66
Interest paid	4,868.72	6,871.38
LESS ADJUSTMENTS FOR		
Interest / Dividend / Brokerage Income	357.68	371.13
Other Non Cash Items	-	-
Operating profit before working capital changes	4,511.04	6,500.26
ADJUSTMENTS FOR		
Trade and other receivables	(79.31)	(187.93)
Inventories	(378.97)	(666.26)
Loss from Sale of Fixed Assets	-	-
Trade and other payables	213.75	861.61
Cash generated from operations (Before Exceptional Items)	(244.53)	7.42
Direct taxes paid	(491.56)	(1,259.08)
NET CASH FROM OPERATING ACTIVITIES (AFTER TAX)	3,774.96	5,248.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
a) INVESTMENT IN PROPERTY PLANT & EQUIPMENTS	(7,637.92)	(9,329.90)
b) INVESTMENT IN FIXED DEPOSITS	2,482.14	(584.37)
c) INTEREST ON FIXED DEPOSITS	353.94	343.17
d) CAPITAL ADVANCE	43.02	1,426.42
e) LOSS FROM SALE OF CAR	-	-
NET CASH FROM INVESTING ACTIVITIES	(4,758.83)	(8,144.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
a) INTEREST PAID	(105.60)	(20.66)
b) ISSUE OF SHARE CAPITAL	-	-
c) SECURED LOAN	2,156.00	3,780.24
d) UNSECURED LOAN	-	-
e) PAYMENT OF DIVIDEND AND DIVIDEND TAX	(752.63)	(752.63)
NET CASH FROM FINANCING ACTIVITIES	1,297.78	3,006.96
D. NET INCREASE IN CASH AND CASH EQUIVALENT	313.91	110.86
E. CASH AND CASH EQUIVALENT CONSISTS OF :		
a) CLOSING CASH AND CASH EQUIVALENT		
i) Cash and Bank Balance	424.83	110.92
ii) Short Term Deposit with Banks	-	-
b) LESS : OPENING CASH AND CASH EQUIVALENT		
i) Cash and Bank Balance	110.92	0.05
ii) Short Term Deposit with Banks	-	-
F. INCREASE IN CASH AND CASH EQUIVALENT	313.91	110.86

In terms of our Report of even date attached

For and on behalf of M.P Bagaria & Co
Chartered Accountants
Firm Reg. No. 322255E

(CA. Mahabir Prasad Bagaria)
Partner
Membership No. 056188

Place: Dibrugarh
Date: 25.11.2024.

For and on behalf of the Board of Directors

(Signature)
K. C. Swargiyari
Director & Chief Executive
Officer
DIN- 08545385
Place: Duliajan
Date: 30-09-2024

(Signature)
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Director
DIN- 07778447
Place: Duliajan
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Samujjal Borah
Company Secretary
Place: Duliajan
Date: 30-09-2024

(Signature)
CA. Monoj Kr. Singh
Chief Financial Officer
Place: Duliajan
Date: 30-09-2024



STATEMENT OF CHANGES IN EQUITY

₹ lakhs

Particulars	Equity Share Capital	application of money pending allotment	component of compound financial instruments	Reserves and Surplus			Other Equity			Revaluation Surplus	differences on translating the financial statements of a foreign	Other Comprehensive Income (specify nature)	received against share warrants	Total
				Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	instruments through Other Comprehensive Income	Instruments through Other Comprehensive Income					
Balance at 01-April-2022	16,725.00					11,538.51	3,732.40							15,270.91
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	16,725.00					11,538.51	3,732.40							15,270.91
Changes in Equity Share Capital during Current Year														
Total Comprehensive Income for the year							4,920.67	(752.63)						4,920.67
Dividends														(752.63)
Transfer to/from retained earnings														
Tax on Distributed Profits						2,974.78	(2,974.78)							
Balance at 31-Mar-23	16,725.00					14,513.29	4,925.67							19,438.96



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STATEMENT OF CHANGES IN EQUITY

₹ lakhs

Particulars	Equity Share Capital	Share application money pending allotment	Equity component of financial instruments	Reserves and Surplus				Other Equity				Exchange differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income (specify nature)	Money received against share warrants	Total
				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				
Balance at 01-April-2023	16,725.00					14,513.29	4,925.67								19,438.96
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	16,725.00					14,513.29	4,925.67								19,438.96
Changes in Equity Share Capital during Current Year															
Profit/(Loss) for the period							2,309.49								
Other Comprehensive Income for the period, net of income tax													(23.15)		(23.15)
Total Comprehensive Income for the year							2,309.49								2,309.49
Dividends							(752.63)								(752.63)
Transfer to/from retained earnings						4,168.04	(4,168.04)								
Tax on Distributed Profits							(23.15)						23.15		
Balance at 31-Mar-24	16,725.00					18,681.33	2,291.34								20,972.67



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M. M. J. Sanyal
Sanyal Board

Notes to Standalone Financial Statements for the year ended 31st March 2024

1. COMPANY OVERVIEW

DNP Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The CIN of the Company is U51410AS2007SGC008410. Registered Office of the company is situated at Central Mall, 6th Floor, Christian basti, G.S Road, Guwahati, Kamrup, Assam- 781005 and the Operational Office is situated at DNP Limited, Borpathar, Madhuban, Duliajan, Assam. The company is engaged in transportation of natural gas from Oil India Limited's installation at Duliajan, Assam to Numaligarh Refinery Limited situated at Numaligarh, Assam.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on **30/09/2024**.

2. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis for Preparation

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules there under.

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

The company's presentation and functional currency is Indian Rupees (₹). All figures appearing in the financial statements are rounded to the nearest lakhs (up to two decimals), except where otherwise indicated.

2.2 Use of Judgment and Estimates

The preparation of financial statements requires management of the company to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimate and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as below:

- Financial Instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets;
- Valuation of Inventories;
- Measurement of Defined Benefit Obligations and actuarial assumptions;



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- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

2.3 Property, plant and equipment

2.3.1 Tangible Assets

2.3.1.1 Property, plant and equipment are stated in the Balance Sheet at cost net of accumulated depreciation and accumulated impairment losses, if any, except freehold land which are carried at historical cost.

2.3.1.2 The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

2.3.1.3 **Expenditure during construction period:** Direct expenses incurred during construction period on capital projects are capitalized. Other expenses which are allocated to project costing above a threshold limit are also capitalised. Expenditure incurred on enabling assets are capitalised.

2.3.1.4 Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

2.3.1.5 Expenditure on assets, other than plant and machinery, not exceeding the threshold limit are charged to revenue.

2.3.1.6 Spare parts which meet the definition of property, plant and equipment i.e. when the Company intends to use these for a period exceeding 12 months, are capitalised as property, plant and equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventoried on procurement and charged to the Statement of Profit and Loss on consumption.

2.3.1.7 An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de- recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.

2.3.1.8 The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in line with revisions to accounting estimates.



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2.3.2 Intangible Assets

- 2.3.2.1 Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.
- 2.3.2.2 Expenditure incurred for creating/acquiring intangible assets above threshold limit, from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is lower, on a straight line basis, from the time the intangible asset starts providing the economic benefit.
- 2.3.2.3 In cases where expenditure is incurred on year to year basis, such as right of way for which payments / rental is paid on yearly basis, the expenditure is reflected in the statement of profit & loss in the year in which the expenditure is incurred.
- 2.3.2.4 Intangible Assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an infinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on prospective basis. The impairment losses on intangible assets with indefinite life is recognized in the statement of Profit and Loss.
- 2.3.2.5 An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use.

2.4 Borrowing Costs

- 2.4.1 Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange difference to the extent regarded as an adjustment to the borrowing costs.
- 2.4.2 Borrowing cost that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. Capitalization of borrowing costs is suspended when active development activity on the qualifying asset is interrupted other than on temporary basis and applicable borrowing costs for such period is charged to the Statement of Profit and Loss. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which the same is incurred.
- 2.4.3 Investment income earned on the temporary investment of funds of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.5 Depreciation

- 2.5.1 Depreciation on Property, Plant and Equipment are provided on straight line basis, over the estimated useful life of the assets prescribed under Schedule II of the Companies Act, 2013 (after retaining the estimated residual value of up to 5%), except in the following cases :
- a) During the year there has been change in estimate of residual value in respect of Pipeline which has been considered as NIL.

- b) Assets costing upto threshold limit are depreciated fully in the year of its purchase/ capitalisation.



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2.5.2 The carrying amount of an existing asset for which useful life is NIL, is charged off to Statement of Profit and Loss (after retaining the estimated residual value upto 5%).

2.5.3 Depreciation on spare parts specific to an item of property, plant and equipment is based on the life of the related property, plant and equipment. In other cases, the spare parts are depreciated over the estimated useful life based on the technical assessment.

2.5.4 Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

2.6 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

2.6.1 As a lessee

At the commencement date, company recognises a right-of-use asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has right to obtain substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense. Lease of items such as IT Assets (tablets, personal computers, mobiles, POS machines etc.), small items of office furniture etc. are treated as low value.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate computed on periodic basis based on lease term. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment, whether it will exercise an extension or a termination option.

Right-of-use assets are depreciated over the lease term on systematic basis and Interest on lease liability is charged to statement of profit and loss as Finance cost.

The company has elected not to apply Ind AS 116 to intangible assets.

2.7 Inventories

2.7.1 Inventories are stated at cost or net realizable value, whichever is lower on weighted average basis.



2.7.2 Items identified as Project surplus material as on Balance Sheet date are identified as slow-moving items for which a provision of 95% of the value is made in the accounts.

2.8 Revenue Recognition

2.8.1 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.

2.8.2 Other claims are booked when there is reasonable certainty of recovery.

2.8.3 Income from sale of scrap is accounted for on realization where sufficient risk and rewards are transferred to customers, which is generally on dispatch of goods.

2.8.4 Interest income is recognized using effective interest rate (EIR) method.

2.8.5 Dividend income is recognized when right to receive is established.

2.9 Classification of Income / Expenses

2.9.1 Expenditure on Research, other than capital expenditure, is charged to revenue in the year in which the expenditure is incurred.

2.9.2 Income/expenditure (net) in aggregate pertaining to prior year (s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and/or restating the opening Balance Sheet for the earliest prior period presented.

2.9.3 Prepaid expenses up to threshold limit in each case are charged to revenue as and when incurred.

2.10 Employee Benefits

2.10.1 Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

2.10.2 Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plan such as pension are recognized as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a refund in future payment is available.

Defined Benefit Plans:

The company's net obligation in respect of defined benefit plan such as gratuity, other post-employment benefits etc. is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.



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Sanjayal Borah

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement which comprises of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset), are recognized in other comprehensive income.

2.10.3 Other long-term employee benefits

Liability towards other long term employee benefits like leave encashment etc. are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long term employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in the employee benefit expense in the Statement of Profit and Loss. Re-measurements are recognized in the Statement of Profit and Loss.

2.11 Foreign Currency Transactions

2.11.1 Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.

2.11.2 Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

2.11.3 Exchange differences arising on settlement or translation of monetary items are recognized in the Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustments to borrowing costs.

2.12 Government Grants

2.12.1 Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

2.12.2 When the grant relates to an expense item, it is recognized in the Statement of profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.



Chief
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Sanjib Baruah

2.12.3 Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

2.13 Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

2.13.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.13.2 Contingent liabilities are possible obligation whose existence will only be confirmed by future events not wholly within the control of the company, or present obligation where it is not probable that an outflow of resources will be required or the amount of obligation cannot be measured with sufficient reliability.

2.13.3 Contingent liabilities relating to direct taxes, indirect taxes, guarantees, legal cases and others, whether disputed or not, are disclosed on the basis of judgment of the management/ independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

2.13.4 In respect of disputed cases, wherein the Company/department has lost the case in any forum including in arbitration, if the management determines that there is no present obligation, on the basis of evidence available (including independent expert's opinion), the same is disclosed as a contingent liability, in case the possibility of outflow of resources is remote.

2.13.5 Contingent liabilities and Capital commitments disclosed are in respect of items which in each case are above the threshold limit.

2.13.6 Contingent Assets are neither recognized nor disclosed in financial statements.

2.14 Fair value measurement

2.14.1 The company measures certain financial instruments at fair value at each reporting date.

2.14.2 Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

2.14.3 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risks.

2.14.4 While measuring the fair value of an asset or liability, the company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows: -

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)



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- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

2.14.5 For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.15 Financial Assets

2.15.1 Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2.15.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is: -

- to hold assets for collecting contractual cash flows, and
- contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset given rise on specified dates to cash flows that are SPPI on the principal amount outstanding

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are



recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

2.15.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: -

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gain and Losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gain or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

2.16 Financial Liabilities

2.16.1 Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

2.16.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL, if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

Financial Liabilities measured at amortised cost



After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the Statement of Profit and Loss.

2.16.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.17 Taxes on Income

2.17.1 Current Tax :

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

2.17.2 Deferred Tax:

Deferred tax is recognised using the Liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is to be settled or the asset to be realized. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

The carrying amount of deferred tax assets and unrecognized deferred tax assets, if any, are reviewed at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legal right exists to set off the same.

2.18 Earnings per share

2.18.1 Basic earnings per share are calculated by dividing the net profit or loss (after deducting preference dividends, if any, and attributable taxes) for the period attributable to equity



shareholders of the company by the weighted average number of equity shares outstanding during the period.

2.18.2 For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.19 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle (considered at 12 months) and other criteria set out in Schedule III of the Companies Act.

2.20 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalent include cash at bank, cash, cheque and draft on hand. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.21 Cash Flows

Cash flows are reported using the indirect method, where by net profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.22 Recent accounting pronouncements

As on the reporting date, there were no new Indian Accounting Standards (Ind AS) issues by the Ministry of Corporate Affairs (MCA) which would have been applicable from April 1, 2024.

2.23 The Company has adopted the following materiality threshold in the preparation and presentation of financial statements as given below:

Threshold item	Accounting Policy Reference	Unit	Unit Threshold Limit FY 2023-24	Unit Threshold Limit up to FY 2022-23
Value Allocation of other expenses to projects costing in each case	2.3.1.3	₹ Lakhs	25	NA



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Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	2.3.1.5	₹	1000	NA
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	2.3.1.6	₹ Lakh	10	10
Depreciation at 100 percent in the year of acquisition	2.5.1(b)	₹	5000	5000
Income/expenditure (net) in aggregate pertaining to prior year (s)	2.9.2	₹ Crore	1.50	0.01
Prepaid expenses in each case	2.9.3	₹ Lakh	5	1
Disclosure of Contingent liabilities and Capital Commitments in each case	2.13.5	₹ Lakh	5	1



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Notes Forming Part of Financial Statements

3 (i) Property, Plant and Equipment

Particulars	Gross Block/Cost			Depreciation			Net Block		
	As at	Addition	Deductions on account of Retirement/Adjustments	As at	Addition	Deductions on account of Retirement/Adjustments	As at	Addition	Deductions on account of Retirement/Adjustments
	01-Apr-22	31-Mar-23	01-Apr-22	31-Mar-23	01-Apr-22	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-22
(1)	(2)	(3)	(4) = (1 + 2 - 3)	(5)	(6)	(7)	(8) = (5 + 6 - 7)	(9) = (4 - 8)	(10) = (1 - 5)
Land	1,402.60	-	-	1,402.60	-	-	-	-	1,402.60
Buildings									
1) Building (Other than Factory Building)	655.16	33.04	-	688.20	48.33	11.18	59.51	628.69	606.83
RCC Frame Structure	858.35	16.47	-	874.82	211.72	30.97	242.68	632.13	646.63
2) Factory Building	334.22	69.69	-	403.91	227.07	26.21	253.28	150.63	107.15
Roads & Drains	7,290.08	3,297.17	-	10,587.25	1,563.22	478.45	2,041.67	8,545.57	5,726.86
1) Curved Roads - Other than RCC	20,690.69	78.25	-	20,768.94	5,070.07	768.70	5,838.76	14,930.18	15,620.62
Plant & Machinery	1,810.79	7.40	-	1,818.19	1,044.56	154.84	1,199.40	618.80	766.23
1) Continuous Process Plant(Compressors)	26.32	0.79	-	27.11	12.42	2.04	14.46	12.65	13.90
2) Pipeline	330.43	-	-	330.43	283.80	1.49	285.30	45.14	46.63
Furniture & Fixtures	35.34	8.91	-	44.25	22.54	7.78	30.32	13.93	12.80
Computers & Data Processing Units	1,417.92	25.30	-	1,443.22	1,150.13	22.11	1,172.24	270.99	267.80
1) Servers & Networks	1.50	0.14	-	1.64	1.50	0.14	1.64	-	-
2) End use devices - Desktops, Laptops etc.									
Electrical Installation and Equipment									
Small Value Assets									
Total	34,853.42	3,537.15	-	38,390.57	9,635.36	1,503.89	11,139.25	27,251.32	25,218.06

1. Freehold land owned by the company as on 31.03.2022 stands at 77B-4K-1.87L, excluding land measuring 01B-03K-0356L, which are in the possession of the company (Cost to Company is Nil)

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Capital work-in-progress	As at			As at		
	01-Apr-22	Addition	Deductions	31-Mar-23	As at 31-Mar-22	
Building (Other than Factory Building) RCC	-	297.2	-	297.2	-	-
Frame Structure - Office Building	336.94	173.96	-	510.90	336.94	-
Boundary Wall	-	3,254.56	3,254.56	-	-	-
Compressors	46.24	-	-	46.24	46.24	-
Compressor Station	-	5,744.37	-	5,744.37	-	-
Dnpl Colony - Wip	-	34.37	-	34.37	-	-
Electrical Installations WIP	-	383.36	-	383.36	-	-
Pipeline WIP	-	-	-	-	-	-
Total	383.18	9,620.33	3,254.56	6,748.95	383.18	-

Ageing Schedule for Projects in progress as at 31st March, 2023 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	6,365.77	347.44	35.74	-	6,748.95
Projects Temporarily Suspended	-	-	-	-	-
Total	6,365.77	347.44	35.74	-	6,748.95

Munir Sima
Samiyal Banah



Dr. P. B. B. B.



3 (iii) Other Intangible assets

	Gross Block/Cost				Depreciation			Net Block		
	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	As at
	01-Apr-22	(2)	(3)	31-Mar-23	01-Apr-22	(6)	(7)	31-Mar-23	(9) = (4-8)	31-Mar-22
Software	1.98	-	-	1.98	0.67	0.38	-	1.05	0.94	1.31
Way Leave Rights	8.31	-	-	8.31	3.23	0.86	-	4.09	4.22	5.08
Total	10.29	-	-	10.29	3.90	1.23	-	5.14	5.16	6.39



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*Mung-Sun
 Samyialbandh*



3 (i) Property, Plant and Equipment

Particulars	Gross Block/Cost				Depreciation				Net Block			
	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	As at	As at	As at	
	01-Apr-23	(2)	(3)	31-Mar-24	01-Apr-23	(6)	(7)	31-Mar-24	31-Mar-24	31-Mar-23	(10) = (1-5) - (10) = (1-5)	
Land	1,402.60	-	-	1,402.60	-	-	-	-	1,402.60	1,402.60	-	
Buildings												
1) Building (Other than Factory Building)	688.20	15.39	-	703.59	59.51	11.35	-	70.86	632.73	628.69	628.69	
RCC Frame Structure	874.82	124.97	-	999.79	242.68	34.01	-	276.69	723.10	632.13	632.13	
2) Factory Building												
Roads & Drains	403.91	3.60	-	407.51	253.28	33.66	-	286.93	120.58	150.63	150.63	
1) Carpeted Roads - Other than RCC												
Plant & Machinery	10,587.25	234.59	-	10,821.83	2,041.67	494.09	-	2,535.76	8,286.07	8,545.57	8,545.57	
1) Continuous Process Plant(Compressors)	20,768.94	1,099.61	-	21,868.55	5,838.76	865.44	-	6,704.20	15,164.34	14,930.18	14,930.18	
2) Pipeline	1,818.19	281.67	-	2,099.87	1,199.40	169.15	-	1,368.55	731.32	618.80	618.80	
3) Other Plant & Machinery												
Furniture & Fixtures	27.11	1.24	-	28.35	14.46	2.18	-	16.64	11.71	12.65	12.65	
1) Furniture General												
Computers & Data Processing Units	330.43	-	-	330.43	285.30	1.49	-	286.79	43.65	45.14	45.14	
1) Servers & Networks	44.25	3.77	-	48.02	30.32	6.24	-	36.56	11.46	13.93	13.93	
2) End use devices - Desktops, Laptops etc.	1,443.22	87.48	-	1,530.71	1,172.24	25.71	-	1,197.95	332.76	270.99	270.99	
Electrical Installation and Equipment	1.64	0.16	-	1.80	1.64	0.16	-	1.79	0.01	-	-	
Small Value Assets												
Total	38,390.56	1,852.49	-	40,243.06	11,139.25	1,643.47	-	12,782.73	27,460.33	27,251.32	27,251.32	

1. Freehold land owned by the company as on 31.03.2024 stands at 77B-4K-11.87L excluding land measuring 01B-03K-0356L which are in the possession of the company (Cost to Company is Nil)

3 (ii) Capital work-in-progress

Particulars	As at		Addition	Deductions	As at	
	01-Apr-23	31-Mar-24			01-Apr-23	31-Mar-23
Building (Other than Factory Building) RCC	29.72	45.45	75.17	29.72	29.72	29.72
Frame Structure - Office Building	510.90	141.12	-	652.02	510.90	510.90
Building (Other than Factory Building)	46.24	-	46.24	-	46.24	46.24
Boundary Wall	5,744.37	3,809.08	-	9,553.45	5,744.37	5,744.37
Compressor Station	34.37	2.62	-	36.99	34.37	34.37
Drpl Colony - Wip	383.36	546.60	-	546.60	-	-
Electrical Installations WIP	6748.95	688.11	-	1,071.47	383.36	383.36
Noise Pollution Control System WIP						
Pipeline WIP						
Total	6,748.95	5,232.99	121.41	11,860.53	6,748.95	6,748.95

Ageing Schedule for Projects in progress as at 31st March, 2024 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	5,188	6,336	301	36	11,861
Projects Temporarily Suspended	-	-	-	-	-



Munish Kumar
Sanujia Borah



3 (iii) Other Intangible assets

Particulars	Gross Block/Cost			Depreciation			Net Block			
	As at	Addition	Deduction on account of Retirement/ Adjustments	As at	Addition	Deductions on account of Retirement/ Adjustments	As at	Addition	Deductions on account of Retirement/ Adjustments	
	01-Apr-23	(2)	(3)	01-Apr-23	(6)	(7)	31-Mar-24	(9) = (4 + 8)	31-Mar-24	(10) = (11 - 5)
Software	1.98	-	-	1.05	0.38	-	1.43	0.56	0.94	
Way Leave Rights	8.31	-	-	4.09	0.86	-	4.94	3.37	4.22	
Total	10.29	-	-	5.14	1.24	-	6.37	3.93	5.16	



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 Samyja Borah



Notes Forming Part of Financial Statements

3 (iv) Right of use assets (Lease)	₹ lakhs	
	31-Mar-24	31-Mar-23
Vehicles		
Opening Balance	-	-
Add: Addition During the year	78.65	-
Less: Depreciation	11.14	-
Net Amount	<u>67.51</u>	<u>-</u>

4 Other financial assets	₹ lakhs	
	31-Mar-24	31-Mar-23
Security Deposits (Unsecured, considered good)	16.37	16.41
Bank Deposit with more than 12 months maturity	700.00	1,000.00
	<u>716.37</u>	<u>1,016.41</u>

5 Other non-current assets	₹ lakhs	
	31-Mar-24	31-Mar-23
Capital Advance	-	43.02
	<u>-</u>	<u>43.02</u>

6 Inventories	₹ lakhs	
	31-Mar-24	31-Mar-23
Stores and spares valued at Weighted Average Cost	2,469.32	2,090.35
Less : Provision for Losses for Project surplus material	(413.83)	(437.84)
	<u>2,055.49</u>	<u>1,652.51</u>



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Notes Forming Part of Financial Statements

7 Trade Receivables

₹ lakhs

	31-Mar-24	31-Mar-23
Unsecured		
<u>Outstanding for a period exceeding six months from the date they are due for</u>		
Considered good	26.76	26.78
Considered doubtful	-	-
	<u>26.76</u>	<u>26.78</u>
Less: Provision for doubtful receivable	-	-
(A)	<u>26.76</u>	<u>26.78</u>
 <u>Not Exceeding Six Months :</u>		
Other receivables	-	-
Considered good.	1,033.90	869.95
Considered doubtful.	-	-
	<u>1,033.90</u>	<u>869.95</u>
Less: Provision for doubtful receivable.	-	-
(B)	<u>1,033.90</u>	<u>869.95</u>
(Refer Note to Schedule 11)	<u>(A+B)</u>	<u>896.73</u>

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 2022-23							
(i) Undisputed trade receivables considered good	830.24	39.71	-	-	21.37	5.41	896.73
(i) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(i) Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
(i) Disputed trade receivables Considered good	-	-	-	-	-	-	-
(i) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(i) Disputed trade receivables receivables credit impaired	-	-	-	-	-	-	-
	<u>830.24</u>	<u>39.71</u>	<u>-</u>	<u>-</u>	<u>21.37</u>	<u>5.41</u>	<u>896.73</u>
Less: Allowance for doubtful							<u>-</u>
							896.73
Trade receivables - Unbilled							<u>707.66</u>
							<u>1,604.39</u>
For FY 2023-24							
(i) Undisputed trade receivables considered good	962.21	71.69	-	-	-	26.76	1,060.66
(i) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(i) Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
(i) Disputed trade receivables Considered good	-	-	-	-	-	-	-
(i) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(i) Disputed trade receivables receivables credit impaired	-	-	-	-	-	-	-
	<u>962.21</u>	<u>71.69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26.76</u>	<u>1,060.66</u>
Less: Allowance for doubtful							<u>-</u>
							1,060.66
Trade receivables - Unbilled							<u>896.15</u>
							<u>1,956.81</u>



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Notes Forming Part of Financial Statements

8 Cash and Cash Equivalents	₹ lakhs	
	31-Mar-24	31-Mar-23
Cash in Hand	-	-
Balances with bank		
In current account	424.83	110.92
Term Deposits with original maturity of less than 3 months	-	-
	424.83	110.92

9 Other Bank Balances	₹ lakhs	
	31-Mar-24	31-Mar-23
Term Deposits with maturity for more than 3 months but less than 12 months * #	3,260.33	5,442.47
	3,260.33	5,442.47

* At face value

Includes deposits pledged as security with Indian Bank

10 Current Tax Assets (Net)	₹ lakhs	
	31-Mar-24	31-Mar-23
Advance Income Tax	1,715.23	2,105.04
Provision for Income Tax	(764.45)	(880.55)
	950.79	1,224.48

Reconciliation of effective tax rate

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	3,162.25	5,345.60
Tax using the Company's domestic tax rate (Current year 25.168% and 25.168 % Previous Year)	795.88	1,345.38
Increase in tax rate		
Tax effect of:		
CSR Expenditure	23.08	27.29
Provisions for uncertain liabilities	(0.72)	(442.08)
Donation	13.81	23.09
Others	(67.60)	(73.13)
Prior Years	0.81	0.36
Current Tax	765.25	880.92
Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences (B)	87.51	(455.99)
Tax expense as per Statement of Profit & Loss (A+B)	852.76	424.93



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Sanujal Borah

Notes Forming Part of Financial Statements

11 Other current assets

₹ lakhs

	31-Mar-24	31-Mar-23
Security Deposits		
(Unsecured, considered good)	4.43	4.40
Loans and advances to related parties		
(Secured, considered good)	-	-
Other Loans and advances		
To Employees		
(Secured, considered good)	8.24	4.72
To Others		
(Unsecured, considered good)	-	0.19
(Unsecured, considered doubtful)	-	-
Less : Provision for doubtful advances	-	-
Prepaid Expenses	13.92	14.88
Deposit with Statutory Authorities	53.44	329.64
Interest accrued but not due on Fixed Deposits	204.18	200.44
Other Income Accrued but not due	1.09	1.03
Other Receivables	135.87	135.20
	421.17	690.50



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Samujjal Borah

Notes Forming Part of Financial Statements

12 Equity Share Capital

	₹ lakhs	
	31-Mar-24	31-Mar-23
Equity Shares		
Authorised		
17,00,00,000 (31 March 2023: 17,00,00,000) Equity Shares of ₹ 10 each	17,000.00	17,000.00
	<u>17,000.00</u>	<u>17,000.00</u>
Issued, Subscribed and Paid up		
16,72,50,000 (31 March 2023 : 16,72,50,000) Equity Shares of ₹ 10/- each	16,725.00	16,725.00
	<u>16,725.00</u>	<u>16,725.00</u>

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

	31-Mar-24		31-Mar-23	
	Number	₹ lakhs Amount	Number	₹ lakhs Amount
Equity Shares				
Shares outstanding at the beginning of the year	16,72,50,000	16,725.00	16,72,50,000	16,725.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,72,50,000	16,725.00	16,72,50,000	16,725.00

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 :

	₹ lakhs	
	31-Mar-24	31-Mar-23
Assam Gas Company Limited (with nominees)		
8,53,00,000 (31st March 2023 : 8,53,00,000) equity shares of ₹ 10/- each fully paid	8,530.00	8,530.00

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

Share held by promoters at the end of the year 2023-24				% 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		<u>16,72,50,000</u>	<u>100%</u>	

Share held by promoters at the end of the year 2022-23				% 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		<u>16,72,50,000</u>	<u>100%</u>	

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

Name of Shareholders	31-Mar-24		31-Mar-23	
	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%



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Notes Forming Part of Financial Statements

13 Other Equity

	₹ lakhs		
	General Reserve	Profit & Loss Account	Total
As at 01-April- 2022	11,538.51	3,732.40	15,270.91
Profit/(Loss) for the year	-	4,920.67	4,920.67
Dividend to Equity shareholders for the year ended 31-Mar-22	-	(752.63)	(752.63)
Transfer (to)/from	2,974.78	(2,974.78)	-
As at 31-Mar-23	14,513.29	4,925.67	19,438.96
As at 01-April- 2023	14,513.29	4,925.67	19,438.95
Profit/(Loss) for the year	-	2,286.34	2,286.34
Dividend to Equity shareholders for the year ended 31-Mar-23	-	(752.63)	(752.63)
Transfer (to)/from	4,168.04	(4,168.04)	-
As at 31-Mar-24	18,681.33	2,291.34	20,972.67

Dividend on Equity Shares is accounted for on payment basis.

Description of nature and purpose of each reserve

General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Profit & Loss Account

This is created from the profit/loss of the Company as adjusted for distributions to owners, transfers to other reserves, etc.



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Notes Forming Part of Financial Statements

14 Lease Liability		₹ lakhs	
		31-Mar-24	31-Mar-23
Non-Current:			
Lease Liability		55.40	-
	(A)	<u>55.40</u>	<u>-</u>
Current:			
Lease Liability		14.15	-
	(B)	<u>14.15</u>	<u>-</u>
Total	(A+B)	<u>69.55</u>	<u>-</u>

As referred in the material accounting policy, the company has not applied IND-AS 116 in respect of Right of Way transaction with Oil India Limited executed vide agreement dated 06-07-2020.



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Notes Forming Part of Financial Statements

15 Other financial liabilities

		₹ lakhs	
		31-Mar-24	31-Mar-23
Non-Current:			
Deposits from Customer (Non Current)		-	-
Advance for Transportation Charge (Non Current)		-	-
	(A)	<u>-</u>	<u>-</u>
Current:			
EMD from Contractors & Suppliers		39.30	43.61
Security Deposits from Contractors		460.31	320.08
Retentions from Contractors		175.20	3.19
Deposits from Customer (Current)		300.00	300.00
Creditors for Capital Expenditure		132.50	727.70
	(B)	<u>1,107.31</u>	<u>1,394.58</u>
Total	(A+B)	<u>1,107.31</u>	<u>1,394.58</u>

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

16 Deferred Tax Liabilities (Net)

		₹ lakhs	
		31-Mar-24	31-Mar-23
Deferred Tax Liability			
Employee Benefits		-	-
Property, Plant and Equipment		3,555.15	3,460.10
Total		<u>3,555.15</u>	<u>3,460.10</u>
Deferred Tax Assets			
Property, Plant and Equipment		-	-
Employees Benefit (Recognised in OCI, Recognised in Profit)		15.33	-
Total		<u>15.33</u>	<u>-</u>
Net Deferred Tax Liability		<u>3,539.82</u>	<u>3,460.10</u>



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Notes Forming Part of Financial Statements

17 Borrowings	₹ lakhs	
	31-Mar-24	31-Mar-23
Secured		
Term Loans		
Loan from Indian Bank	5,865.97	2,500.00
Short Term Loans		
Secured Overdraft from Indian Bank	70.66	1,280.63
	5,936.63	3,780.63
Less :		
Current Maturities Of Long Term Borrowings	805.50	134.30
Other Short Term Borrowings	70.66	1,280.63
	5,060.47	2,365.70

The Company has entered into a Rupee Term Loan facility for ₹75 Crore with Indian Bank on 15.03.23 for construction of residential township for employees out of which bank has disbursed ₹ 63.31 crores as on Balance Sheet date . The applicable interest rate on term loan is linked to Indian Bank 3 months MCLR + 0.10% (spread). The repayment schedule of the term loan is in 84 equal monthly installments which shall start from 31.10.23 after the end of moratorium period of 6 month. However, interest in this period is serviceable . There has been no default in payment of interest on term loan. The Loan has been sanctioned against equitable mortgage of Land measuring 24B-3K equivalent to 32921.93 sqm. owned by the company. The funds have been utilized for the purpose for which they were obtained.

Schedule of Current Borrowing	₹ lakhs	
	31-Mar-24	31-Mar-23
Secured Overdraft from Indian Bank	70.66	1,280.63
Current Maturities Of Long Term Borrowings	805.50	134.30
	876.16	1,414.93

Secured Overdraft facility from Indian Bank carries interest rate 0.3% higher than the FDR's pledged. Term deposit of ₹1751 lakhs hypothecated with Indian Bank as security for Overdraft facility.



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Notes Forming Part of Financial Statements

18 Trade payables

	₹ lakhs	
	31-Mar-24	31-Mar-23
Trade Payables MSME	73.24	-
Other Trade Payables	522.93	763.94
	596.17	763.94

The disclosing in respect of the amounts payable to Micro, Small and Medium Enterprises as at 31st March, 2024 has been made in the financial statements based on information received and available with the company. Accordingly disclosure has been made below:-

	₹ lakhs	
	31-Mar-24	31-Mar-23
Principal and interest amount remaining unpaid-		
Principal	73.24	-
Interest	-	-
The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year	-	-
The amount of the payments made to Micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

Note:

Information/ Conformation regarding the classification as MSME suppliers/ Service provider has been received form such suppliers/ service provider during the current financial year i.e. 2024-25. As a result liability for interest could not be provided/Paid during the financial year 2023-24. Moreover, no claim of interest has been received by the company during the year 2023-24.

A Trade Payable Ageing Schedule as follows:-

Outstanding for following periods from due date of payment

Particular	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
For FY 2023-24						
MSME*	44.43	9.95	0.04	0.45	-	54.87
Others	260.50	217.14	44.56	0.13	0.60	522.93
Disputed dues - MSME*	-	8.62	5.36	0.53	3.85	18.37
Disputed dues - Others	-	-	-	-	-	-
	304.93	235.72	49.96	1.12	4.46	596.17
Accured Expenses						-
						596.17

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

For FY 2022-23

MSME*	-	-	-	-	-	-
Others	317.84	440.06	0.94	3.34	1.76	763.94
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	317.84	440.06	0.94	3.34	1.76	763.94
Accured Expenses						-
						763.94



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Notes Forming Part of Financial Statements

19 Other Current Liabilities

	₹ lakhs	
	31-Mar-24	31-Mar-23
Statutory Liabilities	111.23	212.31
Other Payables	2.06	1.09
Interest Payable On Term Loan	-	6.09
	113.29	219.49

20 Provisions

	₹ lakhs	
	31-Mar-24	31-Mar-23
Provision for employee benefits - Arrear Salary	-	7.42
Gratuity	15.38	
Leave Encashment	89.84	
Others	12.43	-
	117.65	7.42



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Notes Forming Part of Financial Statements

21 Revenues from Operations **₹ lakhs**

	<i>April - Mar 24</i>	<i>April - Mar 23</i>
Sale of Services		
Transportation of Gas	8,645.73	9,232.13
	8,645.73	9,232.13

22 Other Income **₹ lakhs**

	<i>April - Mar 24</i>	<i>April - Mar 23</i>
Interest Income		
On Bank Deposits	357.61	371.13
Others.	0.06	-
Inventory Provision Written Back	24.01	-
Other non-operating income	54.49	4.88
Provision for Bad and Doubtful Debts Written Back	-	1,756.52
	436.17	2,132.53

23 Employee Benefits Expense **₹ lakhs**

	<i>April - Mar 24</i>	<i>April - Mar 23</i>
Salaries and wages		
Employees	341.58	330.71
Deputed Employees (AGCL)	69.96	59.44
Contribution to Provident Fund & Other Funds	43.24	40.80
Leave Encashment.	101.01	-
Welfare & Training Expenses	10.48	27.08
LTA/LTC	1.39	4.20
	567.66	462.24

24 Finance Costs **₹ lakhs**

	<i>April - Mar 24</i>	<i>April - Mar 23</i>
Interest expenses on loans		
Bank OD	101.10	20.66
Others..	4.50	-
	105.60	20.66



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Notes Forming Part of Financial Statements

25 Other Expenses

₹ lakhs

	April - Mar 24	April - Mar 23
Power & Fuel	1,595.66	2,122.78
Operation & Maintenance		
- Compressor	359.78	324.79
- Others	168.08	146.95
ROW Expenses		
- ROW Rental Charges	52.57	51.54
Rent	35.42	34.36
Repair & Maintenance		
Plant & Machinery	650.82	432.26
Building	-	4.72
Others	39.90	35.72
Insurance	95.12	105.81
Rates and Taxes-excluding taxes on income	22.19	34.01
Foundation Day Expenses	18.13	13.28
Auditors' Remuneration		
Statutory Audit Fees	1.08	0.91
Cost Audit Fee	0.50	0.50
Tax Audit Fee	0.40	0.40
Secretarial Audit Fee	0.50	0.35
Internal Audit Fees	1.32	1.20
For Other Matters (Statutory Auditor)	-	0.15
For Other Matters (Cost Auditor)	-	-
For Other Matters (Tax Auditor)	1.00	1.40
For Other Matters (Secretarial Auditor)	-	0.15
For Other Matters (Internal Auditor)	-	2.04
Reimbursement of Out of Pocket Expenses (Statutory Auditor)	0.14	0.39
Reimbursement of Out of Pocket Expenses (Cost Auditor)	0.10	0.31
Reimbursement of Out of Pocket Expenses (Tax Auditor)	0.12	-
Reimbursement of Out of Pocket Expenses (Internal Auditor)	0.33	2.38
Travelling and Conveyance	108.44	98.85
Printing & Stationery	9.17	5.28
Security Expenses	175.00	161.66
CSR Expenses	91.70	108.44
Professional Charges	41.23	166.44
Communication Cost	3.86	3.88
Fire & Safety Expenses	7.01	0.62
Advertisement & Publicity	3.70	24.50
Honorarium to Directors	10.80	11.23
Donation & Subscription	54.88	91.75
Bank Charges & Other Misc. Expenses	41.62	41.96
	<u>3,590.57</u>	<u>4,031.03</u>



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Samujal Board

Notes Forming Part of Financial Statements

26 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2024								
Financial assets								
Cash and cash equivalents	-	-	424.83	424.83	-	-	-	-
Other Bank Balances	-	-	3,260.33	3,260.33	-	-	-	-
Trade receivables (Including Unbilled Revenue)	-	-	1,956.81	1,956.81	-	-	-	-
Other financial assets FD with bank	-	-	700.00	700.00	-	-	-	-
Other financial assets Security Deposit	-	-	16.37	16.37	-	-	-	-
	-	-	6,358.34	6,358.35	-	-	-	-
Financial liabilities								
Deposit from Customer	300.00	-	-	300.00	-	300.00	-	300.00
Borrowings - Non Current	-	-	5,060.47	5,060.47	-	-	-	-
Borrowings - Current	-	-	876.16	876.16	-	-	-	-
Trade and other payables	-	-	596.18	596.18	-	-	-	-
Other current financial liabilities	-	-	807.32	807.32	-	-	-	-
	300.00	-	7,340.13	7,640.12	-	300.00	-	300.00

	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2023								
Financial assets								
Cash and cash equivalents	-	-	110.92	110.92	-	-	-	-
Other Bank Balances	-	-	5,442.47	5,442.47	-	-	-	-
Trade receivables(Including Unbilled Revenue)	-	-	1,604.39	1,604.39	-	-	-	-
Other financial assets FD with bank	-	-	1,000.00	1,000.00	-	-	-	-
Other financial assets Security Deposit	-	-	16.41	16.41	-	-	-	-
	-	-	8,174.19	8,174.18	-	-	-	-
Financial liabilities								
Deposit from Customer	300.00	-	-	300.00	-	300.00	-	300.00
Borrowings - Non Current	-	-	2,365.70	2,365.70	-	-	-	-
Borrowings - Current	-	-	1,414.93	1,414.93	-	-	-	-
Trade and other payables	-	-	763.94	763.94	-	-	-	-
Other current financial liabilities	-	-	1,094.58	1,094.58	-	-	-	-
	300.00	-	5,639.15	5,939.16	-	300.00	-	300.00



Sanjiv Choudhary
 Sanjiv Choudhary

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.

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

- Credit risk ;
- Liquidity risk

i. Market risk

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

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*Munir Samad
 Sameer al Bond*



Notes Forming Part of Financial Statements

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 ₹ 1935.44 lakhs as at 31st March 2024 and ₹ 1583.02 lakhs as at 31st March 2023 (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 fulfil its contractual cash flow obligations.

31-Mar-24

	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	1,858.36	0%	-
Past due 1-90 days	71.69	0%	-
More than 90 days	26.76	0%	-
	1,956.81	0.00%	-

31-Mar-23

	Gross carrying amount	Weighted average loss rate - range	Loss allowance
Neither past due not impaired	1,537.90	0%	-
Past due 1-90 days	29.41	0%	-
More than 90 days	37.08	0%	-
	1,604.39	0.00%	-

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 424.83 lakhs as at March 31, 2024 and ₹ 110.92 lakhs as at March 31, 2023. 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.





Notes Forming Part of Financial Statements

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

	Carrying amount	Contractual cash flows				More than 5 years
		Total	Upto 1 year	1-3 years	3-5 years	
March 31, 2024						
Financial liabilities						
Deposit from Customer	300.00	300.00	-	-	-	-
Borrowings - Non-Current	5,060.47	-	1,855.10	2,278.67	-	926.70
Borrowings - Current	876.16	876.16	-	-	-	-
Trade and other payables	596.18	596.18	-	-	-	-
Other current liabilities	807.32	807.32	-	-	-	-
March 31, 2023						
Financial liabilities						
Deposit from Customer	300.00	300.00	-	-	-	-
Borrowings - Non-Current	2,365.70	-	935.47	765.54	-	664.69
Borrowings - Current	1,414.93	1,414.93	-	-	-	-
Trade and other payables	763.94	763.94	-	-	-	-
Other current liabilities	1,094.58	1,094.58	-	-	-	-

The Company has not carried any derivative financial liabilities as on 31st March 2024 and 31st March 2023

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Notes Forming Part of Financial Statements

27 Provision for taxation for the financial year 2023-24 amounting to ₹ 764.45 lakhs (Previous Year ₹880.55 lakhs) has been provided. . For FY 2011-12 the Income Tax Department had made certain Additions relating to Depreciation rate and disallowance of capital expenditure which has resulted in reduction of losses amounting to ₹ 320.40 lakhs of the said year. The company had filed an appeal and the matter is currently pending before CIT (Appeals).

28 During the year the management concluded that the Gratuity payable is defined benefit plan and accordingly actuarial valuations were optioned. Due to such change an additional amount of Rs. 1.86 lakh has been debited to statement of profit and loss.

29 Earnings per equity share

	₹ lakhs	
	31-Mar-24	31-Mar-23
Face value ₹ 10/- each		
Net profit as per Profit and Loss account available to Equity Shareholders	2,309.49	4,920.67
Weighted average number of Equity Shares outstanding during the year	167250000	167250000
Basic earnings per share (₹)	1.38	2.94
Diluted earnings per share (₹)	1.38	2.94

30 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.

31 Trade Receivables and Trade Payables including Creditors for Capital Expenditure are subject to Confirmation and reconciliation

32 As per guidelines Ind AS 36 "Impairment of Assets", the company has assessed the recoverable amount of the relevant assets and found that no impairment exists in relation to its assets as on 31st March 2024 and 31st March 2023.

33 Contingent Liabilities

	₹ lakhs	
	31-Mar-24	31-Mar-23
Contingent Liabilities :		
<u>Claims against the Company not acknowledged as debts :</u>	45.68	-
<u>In respect of Taxation matters</u>	156.41	
<u>Guarantees :</u>		-
<u>Other Money for which the company is contingently liable :</u>		
Rental and Supervision Charges for ROW to Oil India Limited	-	-
	202	-
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net off Advance)	7,505.00	8,831.00
	7,505.00	8,831.00

34 Related Party Transactions

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

List of Related Parties

Particulars	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	Director of the Company (Resigned on 14-07-2023)
5 Shri Vijay Kumar Gupta	Being Director of the Company
5 Shri Ashwini Pait	Being Director of the Company



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Notes Forming Part of Financial Statements

The details of amounts (due to) or due from related parties as at 31st March 2024 and 31st March 2023 are as follows:

Particulars	₹ lakhs	
	31-Mar-24	31-Mar-23
Numaligarh Refinery Limited (NRL)	1,635.44	1,287.14
Oil India Limited (OIL)	(224.09)	(223.21)
Director & CEO, DNP Limited	1.50	-

Terms and Conditions and nature of consideration for settlement:

- 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 unbilled revenue ₹ 896.14 lakh (previous year ₹ 707.66 lakh).
- 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 2024 and 31st March 2023 are as follows:

Particulars	Nature of Transactions	₹ lakhs	
		31-Mar-24	31-Mar-23
Revenue Transactions:			
1 Assam Gas Company Limited (AGCL) :			
	Key Management Personnel on Deputation	30.00	24.68
	Other Deputed Employees	39.96	34.76
	Sponsorship Expenses	-	10.00
2 Numaligarh Refinery Limited (NRL) :	Transportation of Natural Gas	8,645.73	9,232.13
3 Oil India Limited (OIL) :	Consumption of Natural Gas	1,505.77	2,061.09
	ROW rental & Supervision charges	52.57	51.54
	Maintenance of CPS	-	-
4 Shri Rupam Goswami	Honorarium	1.73	6.00
5 Shri Vijay Kumar Gupta	Honorarium	4.27	-
6 Shri Ashwini Pait	Honorarium	4.80	4.80

Key management personnel

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

Key management personnel compensation

	₹ lakhs	
	31-Mar-24	31-Mar-23
(a) Short-term employee benefits	30.93	30.35
(b) Post-employment benefits	-	-
(c) Other long-term benefits	-	-
(d) Termination benefits	-	-
(e) Share-based payments	-	-



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Notes Forming Part of Financial Statements
35 Financial Ratios

Sl No	Ratios	Numerator	Denominator	As at March 31,2024	As at March 31,2023	% of Variance	Reason for Variance for excess of 25%
1	Current Ratio (in times)	Current Assets	Current Liabilities	3.21	2.82	13.77%	
2	Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.16	0.10	50.64%	Due to Increase in Debts
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	6.11	36.43	-83.22%	Due to Increase in Debts
4	Return on equity ratio (%) (ROE)	Net Profit after Tax	Average Shareholder's Equity	6.25%	14%	-56.69%	Due to Decrease in Profits
5	Inventory turnover (in times)	Sales for the year	Average inventory	3.79	5.25	-27.82%	Due to increase in inventory
6	Trade receivables turnover (in times)	Revenue from operations	Average trade receivable	8.83	5.21	69.53%	Due to decrease in Trade Receivable
7	Trade payables turnover (in times)	Other expenses	Average trade payables	5.28	8.20	-35.58%	Due to increase in average trade payable
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital = Current assets - Current liabilities	1.31	1.25	4.89%	
9	Net profit ratio (%)	Net Profit after Tax	Revenue from operations	27%	53%	-49.88%	Due to Decrease in Profits
10	Return on capital employed (%) (ROCE)	Earning before interest and taxes	Average Capital employed (Shareholder's equity + Total Debt)	7%	12%	-44.04%	
11	Return on investment (%) (ROI)	Interest income .	Average Fixed Deposits	7%	6%	13.94%	Due to increase in EBIT

Munir Singh
Sanjiv Chandra



Sanjiv Chandra



Notes Forming Part of Financial Statements

36 Additional regulatory information required by Schedule III

- (i) Details of benami property held
No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) Wilful defaulter
The Company is not declared wilful defaulter by any bank or financial Institution or government or any government authority.
- (iii) Relationship with struck off companies
The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) Compliance with approved scheme(s) of arrangements
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (v) Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (vi) Details of crypto currency or virtual currency
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) Valuation of PPE, intangible asset and investment property
The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year.
- (viii) Registration of charges or satisfaction with Registrar of Companies (ROC)
There are no charges or satisfaction which are yet to be registered with ROC beyond the statutory period.



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Notes Forming Part of Financial Statements

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

	₹ lakhs	
	2023-24	2022-23
Amount unspent (for earlier years) at the beginning of the year	(44.14)	(30.00)
Amount earmarked during the financial year for CSR activities	100.92	94.29
Amount actually spent for CSR activities	91.70	108.44
Amount remaining unspent at the end of the year	(34.92)	(44.14)

Nature of CSR Activities

Health Care and Sanitation, Environmental Sustainability and Ecological Balance, Promotion of Education, Hunger and Poverty Eradication and Promotion of Art and Cultural Heritage.

38 Change in classification of land from Agricultural to Industrial class in respect of land purchased during the period April 2017 to March 2024 is pending. In some of the cases land revenue has not been paid by the Company due to non-separation of Original periodic patta.

39 Dividend

The Board of Directors of the Company has proposed to declare a dividend @ 1% of Paid up Share Capital for the FY 2023-24 (previous year @ 4.5 % of Paid up Share Capital)

40 Previous year figures

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

In terms of our Report of even date attached

For and on behalf of M.P Bagaria & Co
Chartered Accountants
Firm Reg. No. 322255E

(CA. Mahabir Prasad Bagaria)
Partner
Membership No. 056188

Place: Dibrugarh
Date : 25-11-2024



For and on behalf of the Board of Directors

G. C. Swargiyari
G. C. Swargiyari
Director & Chief Executive
Officer
DIN- 08545385
Place: Duliajan
Date : 30-09-2024

Aswani Pait
Aswani Pait
Director
DIN- 07778447
Place: Duliajan
Date : 30-09-2024

Samujjal Borah
Samujjal Borah
Company Secretary
Place: Duliajan
Date : 30-09-2024

CA. Monoj Kr. Singha
CA. Monoj Kr. Singha
Chief Financial Officer
Place: Duliajan
Date : 30-09-2024



Addendum to the Directors' Report 2023-24

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 2024

The preparation of Financial Statements of **DNP Limited** for the year ended **31 March 2024** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 are responsible for expressing an opinion on these financial statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the auditing standards prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **25 November 2024**.

I, on behalf of the Comptroller and Auditor General of India have conducted the supplementary audit of the financial statements of **DNP Limited** for the year ended **31 March 2024** under section 143(6)(a) of the Companies Act, 2013. 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 Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Companies Act, 2013 which have come to my attention and which, in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. COMMENTS ON FINANCIAL POSITION

Balance Sheet

Assets

Non-current Assets:

Capital work-in-progress {Note No. 3(ii)}

Boundary wall: ₹ 6.52 crore

1. The above includes ₹ 2.35 crore, being the capital cost incurred on earth works for construction of proposed housing complex of the Company. As the expenditure have been incurred on development of land, the same should have been booked under the head 'Land' under 'Property, Plant and Equipment' head. Wrong accounting of the above expenditure under

Capital WIP has resulted in understatement of 'Property, Plant and Equipment-Land' and overstatement of 'Capital work-in-progress - Boundary wall' by ₹ 2.35 crore each.

2. The above includes ₹ 4.17 crore, being the capital cost incurred on the construction of 'Boundary Wall' in proposed housing complex of the Company. Since the work relating to the Boundary Wall was already completed (9 June 2023) as on the Balance Sheet date and the Company is also availing the intended benefits of the Boundary Wall (viz. protection from trespassers, theft, encroachments, etc.), the said cost of construction of Boundary Wall should have been transferred to 'Property, Plant and Equipment' and 'Depreciation' charged thereon accordingly. Wrong classification of the construction cost of the Boundary Wall under Capital WIP has resulted in overstatement of Capital WIP by ₹ 4.17 crore, understatement of the 'Property, Plant and Equipment' by ₹ 3.49 crore and 'Depreciation' by ₹ 0.68 crore with corresponding overstatement of 'Profit for the year' by ₹ 0.68 crore.

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

Place : Guwahati

Sd/-

Date :27-12-2024

Accountant General (Audit), Assam

Management Reply to the comments of the C&AG for the year 2023-24

Addendum to the Directors' Report

Sl. No	Observations	Management Reply
1.	<p>Balance Sheet</p> <p>Assets</p> <p>Non-current Assets:</p> <p>Capital work-in- progress (Note No. 3(ii))</p> <p>Boundary wall: ₹ 6.52 crore</p> <p>(i). The above include ₹ 2.35 crore being the cost incurred for earth work for construction of proposed housing complex of DNP Limited. As the expenditure have been incurred on land development the same should have been booked under the head 'Land' in 'Property, Plant and Equipment' head. Non-accounting to the same had resulted in understatement of 'Land' and overstatement of 'Capital work-in-progress - Boundary wall' by ₹ 2.35 crore each.</p> <p>(ii)The above includes ₹4.17 crore, being the capital cost incurred on the construction of 'Boundary Wall' in proposed housing complex of the Company. Since the work relating to the Boundary Wall was already completed (9 June 2023) as on the Balance Sheet date and the Company is also availing the intended benefits of the Boundary Wall (viz. protection from trespassers, theft, encroachments, etc.), the said cost of construction of Boundary Wall should have been transferred to 'Property, Plant and Equipment' and 'Depreciation' charged thereon accordingly. Wrong classification of the construction cost of the Boundary Wall under Capital WIP has resulted in overstatement of Capital WIP by ₹4.17 crore, understatement of the 'Property, Plant and Equipment' by 3.49 crore and 'Depreciation' by ₹0.68 crore with corresponding overstatement of 'Profit for the year' by ₹0.68 crore.</p>	<p>i) The cost of earthwork is a part of building & facilities. The earthwork is not a part of land as the same is related to building & facilities and the same does not enhance the value of land in isolation.</p> <p>ii) The construction of boundary wall is part and parcel of building and facilities projects. The same will be capitalized under the head building & facilities on completion of the project.</p>