

# 26TH ANNUAL REPORT 2015-16



**TRIPURA NATURAL GAS COMPANY LIMITED**

*[A Joint Venture of GAIL (India) Ltd., Govt. of Tripura & Govt. of Assam]*

33, Office Lane, Agartala, Tripura-799001

CIN : U23201TR1990SGC003451

# TRIPURA NATURAL GAS COMPANY LIMITED

Annual Report 2015-16

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Sixth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2016.

Tripura Natural Gas Company Ltd, is engaged in providing Natural Gas as an ecofriendly-easy on pocket source of fuel to Domestic, Commercial, Industrial and Automobile (CNG) segments in the most difficult geographical location of India-Tripura. Since 1990, TNGCL has been consistent in creating robust CGD infrastructure in and around capital city of Agartala in spite of severe challenges faced in form of logistical inadequacy, financial aids & acute scarcity of skilled manpower. The Company over the years has established itself as the pioneer of CNG Business in entire eastern India.

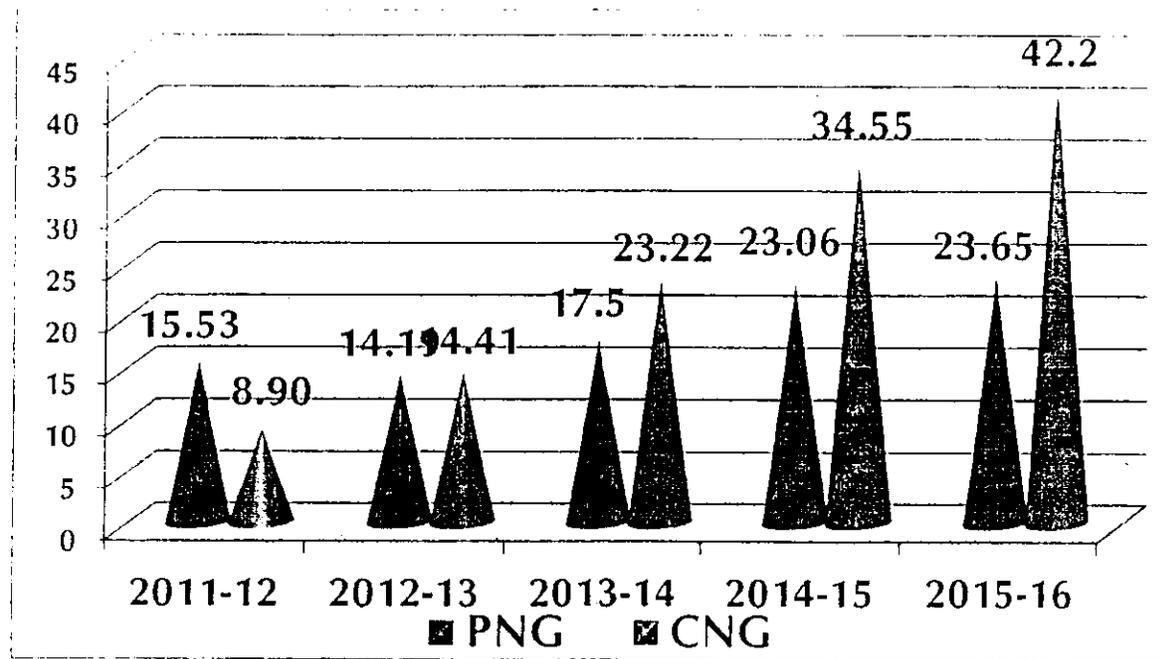
GAIL (India) Ltd. took management control of the Company in 2005, along with other stake holders - Tripura Industrial Development Corporation (TIDC) & Assam Gas Company Ltd (AGCL). With commendable visionary leadership, exemplary problem solving skills and untiring efforts, the directors have been able to make TNGCL the fastest growing CGD entity in entire Eastern India within a very short period of time. TNGCL has been able to scale up number of Domestic PNG Connections from 17996 in 2015 to 22615 in 2016 (March) resulting an overall growth in tune of 25.67% vis-à-vis last financial year. TNGCL achieved 4619 Domestic PNG connections in FY 2015-16 against the total of 4000 Domestic PNG connections target set by MoPNG. Through aggressive marketing, door to door campaigning & promotions and strategic pricing policy - the management has been able to create extensive popular demand for CNG conversions resulting in the additional CNG sales by 16,51,618.24 Kgs, thus registering a growth of 18.42 % YOY in CNG business. To maintain uniform pressure across the network and bring more PNG customers under TNGCL's pipeline coverage, a total of 172 KM MDPE pipeline was laid in 2015-16. While the overall project work reached a new height, the management also introduced bundle of employee benefit schemes, empowered its employees to carry out individual responsibilities more autonomously and ensured benchmark productivity per employee through continuous motivation and feedback mechanism in place.

## FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2016 is summarised below:-

Particulars	2015-2016(₹)	2014-2015(₹)
I. Gross Revenue from Operations	658,490,240	57,60,87,266
II. Other Income	17,975,504	1,80,78,324
III. TOTAL REVENUE (I + II)	676,465,744	59,41,65,590
IV. TOTAL EXPENSES	530,791,960	473,909,972
V. Profit before exceptional items and extra- ordinary items and Tax (III-IV)	145,673,784	120,255,618
VI. TAX EXPENSES:		
Current Tax	46,852,449	4,30,67,245
Deferred Tax	5,163,733	(22,23,560)
VII. Profit (Loss) for the period (V-VI)	93,657,602	79,411,933
Earnings per Share		
1. Basic	239	203
2. Diluted	239	203

## SALES OF GAS



**DIRECTORS PROPOSE TO APPROPRIATE THIS AMOUNT AS UNDER :**

<b>Appropriations:</b>	<b>2015-2016</b>	<b>2014-2015</b>
Adjustment of brought forward losses	-	-
Towards Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance carried forward to Balance Sheet	9,36,57,602	7,94,11,933

**SUMMARIZED CASH FLOW STATEMENT:**

<b>Cash Flows &amp;</b>	<b>2015-2016</b>	<b>2014-2015</b>
Inflow/(Outflow) from operations	14,40,34,247	16,23,15,547
Inflow/(Outflow) from investing activities	(9,65,34,477)	(6,90,88,789)
Inflow/(Outflow) from financing activities	(2,90,25,753)	(2,57,15,803)
Net Increase/(decrease) in cash & cash equivalent	1,84,74,017	6,75,10,955

**PERFORMANCE HIGHLIGHTS:**

TNGCL has completed over two decades of eventful journey. Starting with a humble beginning in 1990, it is today considered as the fastest growing CGD Entity in entire Eastern India.

Your Company grew organically over the years by building substantial network of natural gas pipeline in the most difficult region of the country having a total of 622 Km of interlinked PE pipelines and 6.95 Km of Steel Pipeline to cater to entire city of Agartala.

With joining of GAIL in 2005 as a major stake holder, TNGCL has grown phenomenally, creating robust CNG infrastructure. With just one CNG station in 2007, TNGCL now has 5 CNG stations adding cleaner air to the environment and adding value to the ecology & future generation.

The financial result of the Company in 2015-16 has been phenomenal, breaking all previous records of the Company.

While the turnover of the Company grew by 13.85% from previous year's total revenue of ₹59.42 Crores to ₹67.65 Crores in 2015-16, the profit grew by 12.16% - thus keeping the upward trend. The Net Worth of the Company also grew by 38.50% vis-à-vis last Financial Year while there had been an increase of 17.15% in Profit Before Tax (PBT).

## SHARE CAPITAL:

There was no change in the share capital of the Company

## DETAILS REGARDING THE MATERIAL CHANGES THAT OCCURRED DURING THE PERIOD IN THE COMPANY:

- No material changes and commitments have occurred during the year affecting the financial position of the Company.

## DIVIDEND

- No dividend has been declared and paid during the year.

Particulars	Previous Year 2014-15 (₹)	Current Year 2015-16 (Provisional) (₹)	Increase / Decrease	
			(₹)	%
Turnover	59,41,65,590.00	67,64,65,744.00	8,23,00,154.00	13.85%
Profit (PAT)	7,94,11,933.00	9,36,57,602.00	1,42,45,669.00	17.94%
PAT %	13.37%	13.85%		
Profit Before Tax (PBT)	12,02,55,618.00	14,56,73,784.00	2,54,18,166.00	21.14%
PBT (%)	20.24%	21.53%		
Net Worth	49,19,76,916.00	68,13,82,133.00	18,94,06,222.00	38.50%
Book Value (Rs./Share)	100.00	100.00		

## GOVT. AUDIT REVIEW

As required under section 139(5) of the Companies Act, 2013, the Comments of the Comptroller and Auditor General of India (C&AG) on the Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2016 together with addendum thereto, if any, will be placed before the shareholders for consideration.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### PNG BUSINESS:

Your Company has registered substantial growth in its PNG business. This growth is contributed by incorporating newer areas under PNG coverage thus adding 4619 new domestic consumers under its kitty. With the introduction of metering system for the first time and integration of automation in billing, the net realization has surpassed all previous records.

TNGCL has identified new areas during the fiscal and have laid mainline network which is envisaged to bring in more consumers under PNG Network in upcoming fiscal.

With increased rate of LPG Cylinders and revocation of subsidy by Government, PNG has become ultimate choice of consumer where major demand-supply gap exists. TNGCL has taken mandate to plug-in this gap by infusing more corpus in PNG Infrastructure development.

Financial Year	Number of Domestic Connections
2008-09	7213
2009-10	7429
2010-11	8472
2011-12	9748
2012-13	11431
2013-14	14896
2014-15	17996
2015-16	22615

**COMMERCIAL PNG:** TNGCL has been able to create tremendous consumer loyalty when it comes to the choice of using PNG as commercial feedstock. Over the years, PNG supplied by TNGCL has become the No. 1 choice for small time entrepreneurs and commercial units as preferred fuel which not only gives value on investment, ease of use but also adds to a cleaner environment. During FY 2015-16, the Company has been able to add 28 more commercial consumers taking the total number of commercial connections to 322 than that of 294 in previous year.

Financial Year	Number of Commercial Connections
2008-09	115
2009-10	133
2010-11	159
2011-12	175
2012-13	214
2013-14	254
2014-15	294
2015-16	322

**INDUSTRIAL PNG:** TNGCL has been instrumental in ensuring fuel sufficiency for Industrial units in and around city of Agartala including Industrial Growth center at Bodhjunnagar. The Company is supplying round the clock PNG services to 49 industrial units including 9 major industrial units at Bodhjunnagar.

**PHYSICAL INFRASTRUCTURE:**

The Company has opened more areas under PNG Network within Agartala GA, thereby covering almost 80% of the city. During 2015-16, TNGCL has been able to lay a total of 141.73 KM of MDPE pipeline within the city area while providing PNG connections.

Financial Year	Total Length of MDPE Pipeline (KM)	Increase YOY
2008-09	271.59	
2009-10	278.01	6.42
2010-11	293.43	15.47
2011-12	309.066	15.586
2012-13	334.12	25.054
2013-14	383.92	49.80
2014-15	480.27	96.35
2015-16	622.00	141.73
<b>Growth in Physical Infrastructure</b>		

**CNG BUSINESS:**

TNGCL has been the pioneer of CNG Business in entire Eastern India. Way back in 2007, TNGCL unveiled its first CNG station at Arundhuti Nagar, Agartala. As the demand for CNG grew up, the urgency was felt to have more station to cater to the increasing need.

In 2014-15, the Company came up with its 5<sup>th</sup> CNG Station (Mother Station) at Khayerpur with a compression capacity of 1200 SCMH.

Financial Year	Total Number of CNG Vehicles	Increase YOY
2009-10	1445	592
2010-11	2067	622
2011-12	2626	1959
2012-13	4682	656
2013-14	6148	1466
2014-15	6986	838
2015-16		
<b>Growth in Number of CNG vehicles</b>		

During financial year 2013-14 TNGCL successfully commissioned one Daughter booster station at Udaipur – creating a CNG corridor between Agartala and South Tripura,

Due to growing demand for CNG, TNGCL has already initiated necessary steps to develop CNG Daughter Booster Stations at Bishagarh, Melagarh, Santir bazaar, Belonia, Amarapur in the South Tripura to be feeded from the Mother Station to be set up at Udaipur Khilipara and Khowai & Teliamura in the North Tripura region to be feeded from Khayerpur CNG Station the up gradation process for which has already been started.

TNGCL Board has already approved an expenditure plan of Rs.72.61 Crores. M/s Tractabel Engineering Private Limited has been engaged as Project Management Consultant and the Business Plan for 5 years is already been finalized.

TNGCL has registered a growth of 18.42% on CNG sales YOY in terms of volume attributed by popular demand in this cheapest & Eco friendly fuel and increased conversion in the entire range of automobile category running on CNG while revenue from CNG Sales has increased by almost 22.85 %.

CNG Sales (by volume) for FY-2015-16 & comparison increase/(decrease) with last Year				
Month	FY-15-16	Last Year Corresponding Month	Increase/ (Decrease)	[In Kgs]
				Percentage Increase/(Decrease)- %
April'15	804252.66	6,38,918.18	165334.48	25.88
May'15	905145.91	6,79,512.93	225632.98	33.21
June'15	871002.65	7,03,250.75	167751.91	23.85
July'15	918855.1	7,83,344.67	135510.43	17.30
August'15	932025.66	8,03,634.57	128391.09	15.98
September'15	834804.38	8,09,037.62	25766.76	03.18
October'15	943272.78	8,32,335.52	110937.26	13.33
November'15	912050.25	7,63,120.58	148929.67	19.52
December'15	949424.99	8,36,487.98	112937.01	13.50
January'16	990804.24	8,23,592.27	167211.97	20.30
February'16	931776.69	7,74,765.34	157011.35	20.27
March'16	968892.78	8,44,572.26	124320.52	14.72
	<b>109,62,308.09</b>	<b>92,92,572.66</b>	<b>16,69,735.43</b>	<b>221.03</b>
Overall % increase in CNG Sales compared to Last Financial Year				<b>18.42%</b>

**CNG Sales (by revenue) for FY 2015-16 and comparison increase/(decrease) with last Year**

Month	FY-15-16	Last Year Corresponding Month	Increase/ (Decrease)	[In ₹] Percentage Increase/(Decrease) %
April'15	31391014	22362138	9028876	40.38
May'15	35298063	23782953	11515110	40.42
June'15	33966578	24613773	9352805	38.00
July'15	35832682	27417065	8415617	30.69
August'15	36346296	28127202	8219094	29.22
September'15	32554949	28316313	4238636	14.97
October'15	35889821	29131741	6758080	23.20
November'15	34662533	30713021	3949512	12.86
December'15	36082962	33459508	2623454	07.84
January'16	37655583	32943713	4711870	14.30
February'16	35412239	30990623	4421615	14.27
March'16	36819354	33782892	3036462	08.99
	<b>421912075</b>	<b>345640943</b>	<b>76271132</b>	<b>283.13</b>
Overall % increase in CNG Sales Compared to Last Financial Year				<b>23.59%</b>

**STRENGTHS:**

1. No competition.
2. Small geography.
3. Huge demand supply gap.
4. North East Subsidy for PNG.
5. Support from Govt. and Promoters
6. Small payroll and high inputs.

**WEAKNESS:**

1. Less number vendors.
2. Prolonged rainy season washes away almost 4 months of work.
3. Low corpus and infusion of funds on time.
4. Absence of CNG corridor.
5. Geographical isolation from mainland.

**OPPORTUNITIES:**

1. More areas can be brought under CGD network.
2. All districts of Tripura can be brought under CNG network.

## **THREATS:**

1. High price raw materials/equipment/machineries/spare parts due to geographical isolations.
2. Non availability of proper lands for CNG station resulting in business loss.
3. Sundry debtors like big industries going out of Tripura without paying the dues.

## **INTERNAL CONTROL SYSTEM AND ADEQUACY:**

1. TNGCL has interdepartmental feedback mechanism in place making the operations flexible. Again usage and adoption of newer technologies in meter reading is making the system more robust.

**HUMAN CAPITAL:** Various initiatives and continuous up-gradation of existing systems for proper nurturing of human capital has been the motto of your Company. Employees have been provided with several new schemes including reimbursement for Mobile phones, medical leave encashment, assistance in purchasing PC/laptops, free refreshment for working extra hours etc has been introduced to ensure employee satisfaction.

## **SAFETY**

**HSE:** During the year 2015-16, the Company has been proactive in implementing HSE policy which was introduced during last Fiscal. Safety drills are organized frequently to keep all concerned ready for any eventuality. There have been zero reportable incidences this year, once again proving the safety consciousness of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

During the year 2015-16, the Company has not undertaken any major CSR activities. However, several small donations have been made during the year as per CSR guideline and commitment of the Company.

## **CORPORATE GOVERNANCE:**

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

### **INTERNAL FINANCIAL CONTROLS:**

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Pursuant to Section 152 of the Companies Act, 2013, Shri Amit Kr. Ray will retire by rotation in the ensuing Annual General Meeting and being eligible, offered himself for reappointment as director at the same meeting.

Since the date of last Annual General Meeting held on 02/01/2016 the Board comprised of the following members:-

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>
1	Shri Jitendra Chowdhuy	Chairman	19.09.2015	
2	Shri K. Chattaraj	Managing Director	02.02.2015	
3	Shri Sivasankar Veeramalai	Director (Com)	13.06.2015	
4	Shri Amit Kr. Ray	Director	20.12.2014	
5	Shri Aditya Kumar Sharma	Director	19.09.2015	
6	Shri P.L. Agarwal	Director	06.03.2012	22.05.2015
7	Shri B. B. Gohain	Director	28.06.2013	01.09.2015
8	Shri V.G. Jenner, IFS	Director	22.05.2015	07.09.2015

The Board also places on record its deep appreciation for the valuable contribution made by Shri P.L. Agarwal during his tenure as Director of the Company who demitted office as Director effective 22.05.2015.

The Board places on record its deep appreciation for the valuable contribution made by Shri Shri V.G. Jenner, IFS during his tenure as Director of the Company who demitted office with effect from effective 07.09.2015.

The Board places on record its deep appreciation for the valuable contribution made by Shri

Shri B.B. Gohain during his tenure as Director of the Company who demitted office with effect from effective 01.09.2015.

The Board approved the appointment of Shri Jitendra Chaudhury as Chairman, Shri K. Chattaraj as Managing Director, Shri Sivasankar Veeramalai as Director (Commercial) and Shri Aditya Kumar Sharma as Director in the Board of TNGCL.

**Attendance of each Director at Board Meeting since last AGM**

Sl.No.	Name	Total meetings held	Meetings attended
1	Jitendra Chowdhury	2	2
2	Amit Kumar Ray	5	5
3	K. Chattaraj, [as Managing Director.]	5	5
4	Sivasankar Veeramalai	5	5
5	Aditya Kumar Sharma	2	0
6	B.B. Borgohain	2	1
7	V.G. Jenner	2	1

**MEETINGS OF THE BOARD:**

Five meetings of the Board of Directors were held during the year. Details of the Board Meeting has been given below-

Number of Board Meetings held and dates on which held:

No. of Board meeting	Date	Place
78 <sup>th</sup>	22.05.2015	Agartala
79 <sup>th</sup>	19.08.2015	Agartala
80 <sup>th</sup>	19.09.2015	Agartala
81 <sup>st</sup>	02.12.2015	Agartala
82 <sup>nd</sup>	02.01.2016	Agartala

**BOARD EVALUATION:**

As per the MCA Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015, provisions of section 134(3) (p) shall not apply, in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. As TNGCL is Government Company, disclosure requirement in respect of Board evaluation process is not applicable to the Company.

### **INDEPENDENT DIRECTORS:**

The provisions of the section 149 of the companies Act, 2013 regarding the appointment of Independent Director is not applicable to the Company as the Company does not fall under the class of Companies required to appoint Independent Director. However as the Company is the Government Company all the appointments are made by the Government. In view of the same the Company has not taken initiative for the same.

### **AUDITORS AND AUDITORS' REPORT**

#### **STATUTORY AUDITORS**

#### **INDEPENDENT AUDITOR:**

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

However the C&AG has not yet recommended name of any Statutory Auditors for the Financial year 2016-2017 but the Board is authorized to take note of the appointment of the Statutory Auditor of the Company for the Financial Year 2016-2017 as and when recommended by the C& AG. The Board of Directors of the Company are also authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company as and when appointed by the Comptroller and Auditor General of India for the Financial Year 2016-17, as may be deemed fit by the Board."

They will be entitled to hold the office till the ensuing Annual General Meeting.

#### **AUDIT OBSERVATION:**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **SECRETARIAL AUDITORS:**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s Biman Debnath & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report of the company has been annexed to this report.

### **COST AUDITOR:**

Pursuant to provisions of Section 148(3) of the Companies Act, 2013, the Company has appointed M/s S R Saha and Associates to undertake the Cost Audit of the Company for the Financial Year 2015-16. The due date for filing cost audit report of the company of the Company is 30/09/2016 and the necessary action for the same is being taken.

### **PARTICULARS OF LOANS, GUARANTEES & INVESTMENT U/S 186:**

1. Term loan of ₹ 17 Crores from SBI- present outstanding as on 31/07/2016 is ₹ 10.85 Crores
2. Guarantees-
  - a. ₹ 3.69 Crores, letter of Credit no. 0026LC0000010 dtd:03-03-2016 issued in favour of GAIL (India) Ltd. for 45 days Gas supply coverage amount valid upto 03/03/2017.
  - b. ₹ 3.00 Crores, Bank guarantee no. G/2078236, dated 10/07/2014 valid upto 09/07/2017 issued in favour of "The Secretary, Petroleum and Natural Gas Regulatory Board."
  - c. ₹ 1.50 Crores, Bank guarantee no. ADN/BG/2015-16/10, dated 06/02/2016 valid upto 05/02/2019 issued in favour of "The Secretary, Petroleum and Natural Gas Regulatory Board."
  - d. ₹ 0.05 Crores, Bank guarantee no. 35374527929, dated 02/12/2015 valid upto 01/12/2020 issued in favour of "The Secretary, Petroleum and Natural Gas Regulatory Board."

### **DISCLOSURES:**

#### **CSR Committee**

CSR Committee consists of the following members as approved by the Board:

1. Managing Director
2. Director (Commercial)
3. Director nominated by TIDC Ltd.

### **AUDIT COMMITTEE:**

There is no Committee in existence in the Company. As the provisions regarding the appointment of Audit committee are not applicable to the Company. However, the Board is

taking advice and proper consent from the Statutory Auditor of the Company from time to time as and when required regarding the same.

**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.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The Company have not entered into any related party transaction with Promoters, key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company.

**MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no such material changes and commitments in the Company which could affect the financial position from the date of the financial statements of the Company for the Financial Year 2015-16 till the date of signing this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

The details regarding energy conservation and technology absorption as required to be furnished pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as amended is not applicable during the period under consideration, since the Company is not engaged in manufacturing activity.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, there have been no transactions affecting the direct foreign exchange earnings and outgo of the Company.

**RESEARCH AND DEVELOPMENT:**

TNGCL with it's very limited resources has been able to ramp up its operations from the indigenously developed O&M practices which are in sync with industry benchmark process. The entire billing and accounting software has been developed in house rather than using market products like SAP or ORACLE. With growing business, TNGCL is committed towards developing benchmark practices in days to come.

**Company'S Policy Relating To Directors Appointment, Payment Of Remuneration And Discharge Of Their Duties:**

As per JVA, Article of Associations of the Company, GAIL is to nominate 3 Directors and AGCL and TIDC one each in the board of TNGCL. Managing Director and Director (Commercial)-2 whole time Executive Directors are to be nominated by GAIL on Secondment basis. Others are Non- Executive Directors. Chairman will be the whole time Director of GAIL and Chairman of AGCL and TIDC on 2 years rotation basis. Sitting fees @ ₹15,000/- are given only to Non. Govt. official Directors.

#### **INDUSTRIAL RELATIONS:**

Industrial relations were cordial and harmonious throughout 2015-2016.

#### **BUSINESS RISK MANAGEMENT:**

The Company is taking appropriate steps for the reduction of risk at every level of operation of the Company. The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

#### **NOMINATION & REMUNERATION COMMITTEE POLICY:**

As the provisions of section 178 of the Companies Act, 2013 is not applicable to the Company, the Company has not taken any steps for the formation of the same. However, the Board is taking advice and consultation from the Statutory Auditor of the Company from time to time as and when required regarding the same.

#### **DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM:**

The Company has not framed any specific Vigil Mechanism system till date but the same is under process in consultation with GAIL.

#### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

There were no cases reported for Sexual Harassment of Women at Workplace during the Financial Year 2015-16. Further, the company is taking effective steps for prevention and prohibition of Sexual Harassment of Women at Workplace.

#### **FRAUD PREVENTION POLICY:**

In view of the comments of Auditor General of India(C&AG) on the annual accounts of the company in compliance with the section 139 of the Company Act 2013 the "Fraud Prevention Policy" has been framed to provide a system for detection and prevention of fraud and on reporting of if any that is detected or suspected and for fair dealing of matters pertaining to fraud.

Further, to ensure that Management is aware of its responsibilities for detection & prevention of fraud and for establishing procedures for preventing fraud and/ or detecting fraud whenever it occurs, to provide a clear guidance to employees and others dealing with TNGCL forbidding

them from carrying on such activities where they suspect any fraudulent activity has arisen and the action to be taken by them where they suspect any fraudulent activity and other actions as proposed by the committee.

The proposed policy will apply to any fraud or suspected fraud involving TNGCL employees (all full time, part time or appointed on ad-hoc/ temporary / contract basis), employees in TNGCL on secondment basis from other Companies as well as representatives of vendors, suppliers, contractors, consultants, lenders, service providers or any outside agency (ies) doing any type of business with TNGCL.

The matter was discussed in the meeting with GAIL JV group at Delhi on 06.08.2015 at GAIL corporate office Delhi. JV group of GAIL corporate office, Delhi has forwarded a draft Fraud Prevention Policy based on which a Fraud Prevention Policy has been drafted and placed before the Board in the 79<sup>th</sup> Board meeting and Board has approved the same. Kindly refer to the proposed "Fraud Prevention Policy" as

#### **EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company is annexed herewith as **Annexure -A** to this Report in the form MGT-9 as per the Companies Act, 2013.

#### **GENERAL DISCLOSURES:**

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

- 1. Details relating to deposits covered under Chapter V of the Act.*
- 2. Issue of equity shares with differential rights as to dividend, voting or otherwise.*
- 3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.*
- 4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.*

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with Section 134 of the Companies Act, 2013, the Directors of Tripura Natural Gas Company Limited confirms that:

- a) In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and

made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a 'going concern' basis;

e) The Directors have laid down internal financial controls to be followed by the Company and 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.

#### **ACKNOWLEDGEMENT:**

Your Directors express their gratitude to the Ministry of Petroleum and Natural Gas, Petroleum and Natural Gas Regulatory Board, State Government of Tripura and the Promoter Companies (GAIL-TIDC-AGCL) for their continuous patronage throughout the year.

The Directors also acknowledge the support of all Statutory & local authorities, Bankers, Media, Contractors, Vendor and Suppliers.

The Directors place on record their deep appreciation towards TNGCL's valued customers for their continued co-operation & support and look forward to the continuance of this relationship in future as well.

The Directors wish to express their gratitude to all the shareholders for their continued trust and support.

The Directors also sincerely acknowledge the contributions made by all the employees of TNGCL for their dedicated services to the Company.

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

  
**JITENDRA CHAUDHURY**  
**(CHAIRMAN)**

Date:  
Place:

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS	
1. CN	U23201TR19905GC003451
2. Registration Date	10.07.1990
3. Name of the Company	TRIPURA NATURAL GAS CO LTD
4. Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5. Address of the Registered office & contact details	33, OFFICE LANE, AGARTALA-799001, TRIPURA, INDIA
6. Email	dc_atanu@tngcl.com
7. Phone No.	0381-2328906
8. Whether listed company	No
9. Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Extraction of crude petroleum and natural gas	6102	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1	GAIL (INDIA) LIMITED	L40200DL1984GOI018976	Joint Venture	48.99	N/A
2	ASSAM GAS COMPANY LTD	U11101AS1962SGC001184	Associate	25.51	2(6)
3	TRIPURA INDUSTRIAL DEVELOPMENT CORPORATION LTD	U75112TR19745GC001491	Associate	25.51	2(6)

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April-2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF		8	8	0.00%		8	8	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Govt. Companies		3,91,992	3,91,992			3,91,992	3,91,992		
e) Bodies Corp.			-	0.00%			-	0.00%	0.00%
f) Banks / FI			-	0.00%			-	0.00%	0.00%
g) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)		3,92,000	3,92,000	100.00%		3,92,000	3,92,000	100.00%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)			-	0.00%			-	0.00%	0.00%
<b>TOTAL (A)</b>		3,92,000	3,92,000	100.00%		3,92,000	3,92,000	100.00%	0.00%
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-			-	0.00%			-	0.00%	0.00%

<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
<b>c) Others (specify)</b>									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-			-	0.00%			-	0.00%	0.00%
<b>Total Public (B)</b>			-	0.00%			-	0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00%			-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>		3,92,000	3,92,000	100.00%		3,92,000	3,92,000	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Assam Gas Co. Ltd	99,996	25.51%		99,996	25.51%		0.00%
2	Tripora Industrial Development Corporation Ltd	99,996	25.51%		99,996	25.51%		0.00%
3	GAIL(India) Ltd.	1,92,000	48.98%		1,92,000	48.98%		0.00%
4	Nominees of Promoters i.e. Asaam Gas Company Limited & Tripura Industrial Development Corporation Limited	8	0.00%		8	0.00%		0.00%
	<b>Total</b>	<b>3,92,000</b>	<b>100.00%</b>		<b>3,92,000</b>	<b>100.00%</b>		

iii Change in Promoters' Shareholding ( please specify, if there is no change): No Changes during the year

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

v Shareholding of Directors and Key Managerial Personnel: NIL

**VI: INDEBTEDNESS**

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	13,73,96,675.00			13,73,96,675.00
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
<b>Total (i+ii+iii)</b>	<b>13,73,96,675.00</b>	<b>-</b>	<b>-</b>	<b>13,73,96,675.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		-		-
* Reduction	2,89,20,754.00	-		2,89,20,754.00
<b>Net Change</b>	<b>2,89,20,754.00</b>	<b>-</b>	<b>-</b>	<b>2,89,20,754.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	10,84,75,921.00	-		10,84,75,921.00
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
<b>Total (i+ii+iii)</b>	<b>10,84,75,921.00</b>	<b>-</b>	<b>-</b>	<b>10,84,75,921.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name	Designation	
		K. Chattaraj	Sivasankar Veeramalai	
		Managing Director	Director (Commercial) WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)			-
	Ceiling as per the Act			-

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
1	Independent Directors			
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	Total (1)			-
2	Other Non-Executive Directors			
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	Total (2)			-
	Total (B)=(1+2)			-
	Total Managerial Remuneration			-
	Overall Ceiling as per the Act			-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
		Name	Designation	
		N/A	CEO	
		Atanu Datta Choudhury	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(b) Value of perquisites u/s 17(2) Income-			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total			-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

# **SECRETARIAL AUDIT REPORT**



## **Tripura Natural Gas Company Limited**

(A Joint Venture of GAIL (India) Ltd., Govt. of Tripura and Govt. of Assam)

### **BIMAN DEBNATH & ASSOCIATES**

Company Secretaries

House No. 3, 2<sup>nd</sup> Floor

Sarvodaya Path, ABC, Bhangagarh

Guwahati- 781005

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
M/s Tripura Natural Gas Company Limited  
33 Office Lane, Agartala-799001, Tripura, India

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Tripura Natural Gas Company Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Memorandum and Articles of Association of the Company.
- (iii) Other Acts:
  - a. Petroleum and Minerals Pipelines (Acquisition of Rights of User Inland) Act, 1962
  - b. Factories Act, 1948 and Boiler Act, 1923

- c. Tripura Municipal Act, 1994
- d. Explosives Act, 1884
- e. Prevention of Pollution Control Act, 1981

And the acts which are not applicable to the Company though part of the Prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit.

Further,

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

- (i) Guidelines from the Ministry of Petroleum & Natural Gas.
- (ii) Order, Instructions, Guidelines of the Dept of Public Enterprises, Govt of India.

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

*The Company has not framed any Sexual Harassment Committee as per the Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 but there exists a congenial working environment for the workers of both the genders in the Company.*

*Although the Corporate Social Responsibility Policy has been framed for the Company, but no meeting of the CSR Committee was held during the year under scrutiny and no amount was spent towards CSR activities of the Company.*

**I further report that:**

Since, the paid up capital of the Company is ₹ 3,92,00,000/- ( Rupees Three Crore and Ninety Two Lakh Only ) the provisions of Section 204 of the Companies Act, 2013 relating to Secretarial Audit are not applicable to the Company along with many other provisions of the Act, thus this Secretarial Audit Report is obtained voluntarily by the Company. Thus, those sections which are not applicable to the Company are not taken into consideration while preparing the Secretarial Audit Report.

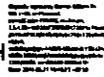
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation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

As per the minutes of the meetings, duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no specific events/actions having a major bearing on the Company Affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred above.

Date: 21/06/2016  
Place: Guwahati

Signature:   
Name of Company Secretary in practice: Biman Debnath  
FCS No. 6717  
C P No.: 5857

# **CAG COMMENTS REPORT**



**Tripura Natural Gas Company Limited**  
(A Joint Venture of GAIL (India) Ltd., Govt. of Tripura and Govt. of Assam)

Special Messenger



OA (Com.)/52-29/2016-17/200,  
Dated: 12th August, 2016

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),  
TRIPURA, AGARTALA

PIN - 799006

Phone: 0381 - 235 0031

FAX: 0381 - 235 0158

Email: agautripura@cag.gov.in

To  
The Managing Director,  
Tripura Natural Gas Company Limited,  
33, Office lane,  
Agartala, Tripura.

**Subject:** Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Tripura Natural Gas Company Limited for the year ended 31 March 2016.

Sir,

Please find enclosed the comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Tripura Natural Gas Company Limited for the year ended 31<sup>st</sup> March 2016, for placing the same before the Annual General Meeting.

Two copies of the printed annual accounts for the year as mentioned above together with the Directors' Report thereon may please be forwarded to this office for record.

Receipt of this letter may please be acknowledged.

*Enclosed: As stated.*

Yours faithfully,

12/08/2016  
Deputy Accountant General (Audit)

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

The preparation of financial statements of Tripura Natural Gas Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2016.

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

**A. Comments on Profitability**

**Statement of Profit and Loss for the year ended 31 March 2016**

**7. Profit for the year - ₹ 9.37 Crore**

1. As per AS-5 (refer para 15), the nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived. Contrary to above provisions, the Company during the year has directly added net prior period income of ₹ 5.75 crore (writing back of: (i) excess 'depreciation' (₹ 6.19 crore) charged during prior periods; and (ii) excess amount booked (₹ 0.44 crore) against 'sundry debtors') to the 'accumulated profits' (Note 2) without routing the same through the 'statement of profit and loss'. This has resulted in understatement of 'prior period income' and 'profit for the year' by ₹ 5.75 crore each.

#### 4. Expenses

##### (a) Cost of Materials consumed (Note No. 19) ₹ 26.03 Crore

2. During the year 2014-15 GAIL has raised debit note of ₹ 3.08 Crore for differential cost of gas from the period July 2005 to March 2014. The Company has also raised corresponding bills relating to above period amounting to ₹ 2.74 Crore to the consumers. The Company had not accounted for debit note as well the bills raised to the Consumers in its accounts and the same was commented upon by the CAG during the audit of annual accounts for the year 2014-15.

While the Company did not dispute the debit note in principle, it stated that the dues of GAIL could be repaid after recovering the corresponding dues from the consumers. The District Consumer Redressal Forum, Agartala (Consumer Forum) has also not disputed the basis of raising the debit note by GAIL and subsequent bills raised by the Company on consumers. The Consumer Forum, however, delivered (March 2016) its verdict declaring the claims raised by the Company for the periods prior to 1 April 2012 to be time-barred. Total debit note relating to the period from 1 April 2012 to 31 March 2014 stood at ₹ 1.57 crore. Detailed break-up of claims raised to consumers for the above period is yet to be assessed.

In the absence of complete details of claims realizable from consumers, the monetary impact of not accounting for the liability against differential cost of gas on the accounts of the Company could not be quantified in audit.

#### B. Comments on Financial Position

##### Balance Sheet as on 31 March 2016

##### B. Assets

##### 2. Current Assets

1. The Company has classified following items as non-current assets though they are in the nature of current assets :

SI no	Items of assets	Note No	Amount	Remarks
1	Application money deposited with Authorities – Court Cases and Sales tax assessment appeals	13	₹ 73.46 lakh	Booked as Long term Loans and Advances under Non Current Assets
2	Cenvat credit, TDS, advance income tax, interest accrued and receivable	12	₹ 150.97 lakh	Booked as 'Other Non-Current Assets' under Non-Current Assets
Total			₹ 224.43 lakh	–

The incorrect classification of assets has resulted in overstatement of Non-current assets by ₹ 2.24 Crore with corresponding understatement of currents assets to that extent.

**A. Equities and Liabilities**

**3. Non Current Liabilities**

2. The Company has accounted for following items of Current Liabilities as Non-current Liabilities :

Sl no	Name of Accounts	Note no	Amount	Remarks
1	Earnest Money Deposits	4	₹ 22.30 lakh	Required to be repaid/ adjusted after tendering process
2	Long term borrowings due for repayment during next 12 months	3	₹ 240.00 lakh	Current maturity of long term debt are current liabilities
<b>Total</b>			<b>₹ 262.30 lakh</b>	<b>--</b>

The incorrect classification of liabilities has resulted in overstatement of Non-current Liabilities by ₹ 2.62 crore with corresponding understatement of Current Liabilities to the same extent.

**1. (b)Reserves and Surplus (Note 2)**

**A. Capital Reserve- ₹ 15.60 Crore**

3. As per the Accounting Policy (1.5) disclosed under Note 25, the Company provides pro-rata depreciation on assets added during the year. Further, the Company recoups depreciation on consumers' share towards the cost of assets from capital reserve.

For the assets added during the year 2015-16, the Company, however, adjusted ₹ 1.58 Crore, being full year depreciation on consumers' share towards the cost of the assets from the capital reserve as against ₹ 1.33 Crore calculated on pro rata basis. This has resulted in understatement of Capital Reserve by ₹ 0.25 Crore with corresponding overstatement of profit for the year by ₹ 0.25 Crore as excess depreciation was recouped and credited to the statement of profit and loss during the year.

**B. Assets**

**1. Non-current Assets**

**(a)Fixed Assets**

**(ii) Capital Work in Progress (Note 15) ₹ 0.93 Crore**

4. The above is overstated by ₹ 24.63 lakh due to incorrect accounting of advance payment (September 2015) made to Tripura State Electricity Corporation Limited for providing power connection through underground cable line at Udaipur CNG station as Capital Work in Progress though the work had not been started up to 31 March 2016. This correspondingly resulted in understatement of Long Term Loans and Advances (Note 13) by the same amount.

### **C. Comments on Disclosure**

As per Accounting Policy 1.4 disclosed under Note no 25, the Company capitalised the borrowing cost for the project PNG and project CNG as the projects were in progress during the year.

The Audit scrutiny however revealed that:

- The project is for laying of pipelines and related infrastructure in and around Agartala city for distribution of natural gas.
- The Company had been capitalising the individual components of the project from the date the components are put to use. Depreciation on the same is accordingly charged.
- The Company has been accounting revenue from sale of natural gas supplied through these components.

However, as per para 21 of the AS 16, if the assets are completed in parts and completed parts are capable of being used while construction continues for the other parts, capitalisation of borrowing costs in relation to a part should cease when substantially all the activities necessary to prepare that part for its intended use or sale are complete.

The fact disclosed in accounting policy was incomplete and not consistent with the provisions of Accounting Standards as noted above. Thus, effect of the same was required to be disclosed.

Date: 12<sup>th</sup> August, 2016  
Place: Agartala

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



**(R. K. Goel)  
Accountant General (Audit), Tripura**



No. OA (Com)/52-29/2016-17/ 199,  
Dated: 12<sup>th</sup> August 2016

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),  
TRIPURA, AGARTALA  
PIN – 799006  
Phone: 0381 - 235 0031  
FAX: 0381 - 235 0158  
Email: agautripura@cag.gov.in

To  
The Managing Director,  
Tripura Natural Gas Company Limited,  
33, Office Lane,  
Agartala.

*Subject: Management Letter – Regarding Supplementary Audit on the accounts of Tripura Natural Gas Company Limited for the year ended 31 March 2016.*

Sir,

Supplementary audit on the certified accounts of Tripura Natural Gas Company Limited for the year ended 31 March 2016 was taken up by this office under Section 143(6) of the Companies Act 2013. Audit was completed on 2-7-2016.

Audit Observation vide Provisional Comment No. 7 as issued to the Management regarding Comments on Disclosure is required to be followed up for ensuring compliance in their next year's accounts i.e. 2016-17, is enclosed.

*Enclosed: As stated.*

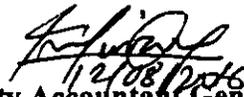
Yours faithfully,

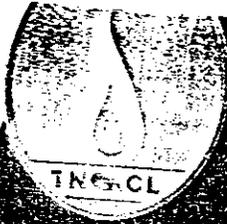
12/08/2016  
Deputy Accountant General (Audit)

**Annexure**

**Provisional Comment on the accounts of Tripura Natural Gas Company Limited for 2015-16 based on Supplementary audit under section 143(6) of the Companies Act 2013 and requiring follow up and monitoring for compliance in their next accounts.**

Provisional Comment
<p><b>PC - 7</b> <b>Comments on disclosures</b></p> <p>(a) As per Joint Venture Agreement, the existing individual shareholders were to hold total share of 49 per cent and rest 51 per cent was to be held by financial institutions/ strategic partners which was not properly reflected in the disclosures made under Note 26 (SI no 2.4).</p> <p>(b) The Company has incorrectly described Statement of Profit and Loss as Statement of Profit and Loss Account.</p>

  
Deputy Accountant General (Audit)



# TRIPURA NATURAL GAS COMPANY LIMITED

A JOINT VENTURE OF GAIL (INDIA) LTD, GOVT. OF TRIPURA & GOVT. OF ASSAM  
33, OFFICE LANE, AGARTALA, TRIPURA, 799001

## AUDITED STATEMENT OF ACCOUNTS ALONGWITH STATUTORY AUDIT REPORT

FOR FY 2015-16

MITRA ROY & DATTA  
CHARTERED ACCOUNTANT

**M/S TRIPURA NATURAL GAS COMPANY LIMITED**

**STATUTORY AUDIT REPORT**

**&**

**REPORT UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013**

**FOR THE FINANCIAL YEAR 2015-16**

**MITRA ROY & DATTA**

Chartered Accountants



## COMPLIANCE CERTIFICATE

We have conducted the audit of Accounts of TRIPURA NATURAL GAS COMPANY LIMITED for the year ended 31.03.2016 in accordance with the directions/sub-directions issued by the Comptroller & Auditor General 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.

For MITRA ROY & DATTA  
Chartered Accountants  
FRN 322477E

10



KINGSUK DATTA  
Partner  
Membership Number: 053121

Place: Kolkata

Date: 21<sup>st</sup> May 2016



**INDEPENDENT AUDITOR'S REPORT**

**The Members**

**Tripura Natural Gas Company Limited**  
**Report on the Financial Statements**

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

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

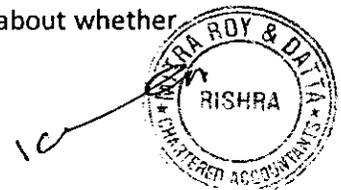
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting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

***Auditor's Responsibility***

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

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

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



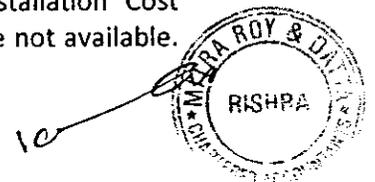


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

#### **Basis for Qualified Opinion**

1. No provision has been made for unbilled revenue related to consumption not billed within March, 2016 but demand raised in subsequent year. Also the computerised system of billing has no option for working out the amount involved in this regard. In absence of information, we are not in a position to comment on the impact of unbilled revenue in the Profit & Loss statement.
2. The Statement of Profit & Loss for the year has been debited by ₹21,17,351 and ₹8,22,261 as liabilities for Leave Encashment and Gratuity respectively. The other non-current liabilities as on the balance sheet date for Leave Encashment and Gratuity were ₹67,95,167 and ₹66,33,221 respectively. The said liabilities have not been ascertained on actuarial valuation as required by Accounting Standard 15 issued by the Institute of Chartered Accountants of India. In absence of actuarial valuation, we are not in a position to ascertain the liability towards gratuity and leave encashment and its impact thereof on the profit for the year as well as liability as on the date of the Balance Sheet.
3. Inventory of stores and spares includes unserviceable/unusable spares of ₹19,49,255 (valued at cost). In absence of the valuation of the spares for determination of their realisable value, we are not in a position to comment on the overstatement of the value of the inventory as on the date of the balance sheet and the impact on the Statement of Profit & Loss had the impairment of the inventory been considered in the Financial Statement.
4. Other Current Liabilities includes ₹1,25,06,794 being the Advance Installation Cost received from customers. The details of the consumer-wise balances were not available.





In absence of the same, the amount that should have been transferred to Capital Reserve on completion of installation could not be ascertained. Therefore, we are not in a position to comment of understatement of the Capital Reserve vis-à-vis overstatement of Other Current Liabilities as on the date of the balance sheet.

5. The Capital Work-in-Progress includes ₹44,47,516 being the indirect expenditure incurred for procurement of Compressor. For non-performance of the imported Compressor, the Company has recovered ₹34,89,194 from the vendor as proceeds from Bank Guarantee invoked as per the terms and the same has been included in Other Current Liabilities. Management has explained that the equipment is non-functioning and we are of the opinion that the Capital Work-in-Progress has been overstated by ₹44,47,516 and the Other Current Liabilities has been overstated by ₹34,89,194 and correspondingly profit has been overstated by ₹9,58,322.
6. Trade Receivables includes ₹1,48,31,008 being considered by the Company as doubtful of recovery [refer Note 32 (point no 2.15)] for which no provision has been made. Due to non-provision for the receivable doubtful of recovery, the profit for the year has been overstated by ₹1,48,31,008 and the Current Assets as on the date of balance sheet has been overstated by the said amount.

#### **Opinion**

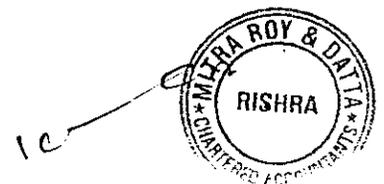
In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

#### **Emphasis of Matters:**

- a. Trade Receivables as on the date of balance sheet have not been confirmed.
- b. Certificates of balances in Flexi Accounts with State Bank of India, A.D. Nagar and ICICI Bank, Udaipur Branch have not been produced.

Our opinion is not modified in respect of these matters.





**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The company has constituted Corporate Social Responsibility Committee and no expenditure has been incurred towards Corporate Social Responsibility Policy during this year as required under section 135 of the Act.
3. As required by Section 143(3) of the Act, 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 law have been maintained by the Company so far as it appears from our examination of those books.
  - (iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (v) The provisions of section 164(2) of the Companies Act, 2013 is not applicable to a Government Company as per Notification issued by the Ministry of Corporate Affairs.
  - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".





***Mitra Roy & Datta***  
***Chartered Accountants***

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

- (a) The Company has a pending litigation with Sales Tax Authority (refer point 2.5 of Note-26) which may impact its financial position.
- (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.

For MITRA ROY & DATTA  
Chartered Accountants  
FRN 322477E

lc



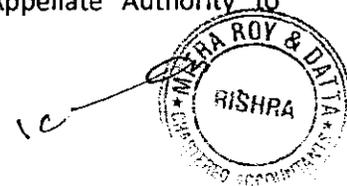
KINGSUK DATTA  
Partner  
Membership Number: 053121  
Place: Kolkata  
Date: 21<sup>st</sup> May 2016



**"Annexure-A" to the Independent Auditor's Report**

(Referred to in Paragraph-1 under "Report on Other Legal & Regulatory Requirements" section of our report of even date)

1. a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b. The fixed assets have been physically verified by the management at reasonable intervals but the same have not been reconciled with the books and records and the material discrepancies, if any, has not been worked out and dealt with in the books of account.  
  
c. The title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies noticed have been properly dealt with in the books of account.
3. The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 but such accounts and records have not been made and/or maintained.
7. a. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
  
b. Appeal Case No:21-22/Ch.VII/2012 filed by the Company against the Assessment Order dated:28/09/2011 for the TVAT Assessment for the financial year 2005-06 & 2006-07 issued by The Superintendent of Taxes, Charge-VII .The Company has already deposited ₹ 73,46,159/- with the Superintendent of Taxes, Charge-VII as appeal money on 23-02-2012.  
The judgment received has been against the Company vide Order No:21-22/Ch.VII/2012/1225-26 dt: 21-03-2014 passed by The Appellate Authority to deposit ₹1,15,34,682/- proposing waiving 50% penalty.





TNGCL later filed on 11/06/2014 before The Revisional Authority, the Commissioner of Taxes, Agartala to review the order passed by The Appellate Authority.

Order dated: 11-12-2015 has been issued by the Revisional Authority w.r.t. TNGCL's case No:21-22/Ch.VII/2012 for the period 2005-06 & 2006-07 & Revision Case No: 04 & 05/CH-VII/2014 reducing the penalty by 50%.

Accordingly, Superintendent of Taxes, Charge-VII has called for re-assessment on 15-02-2016 vide letter no:F.TIN/16041027012/ST/CH-VII/708 dt: 27-01-2016 and later on issued demand notice for ₹ 25,90,294/- for the financial year-2006-07 and ₹ 15,98,238/- for the financial year-2005-06 reducing the penalty by 50% for both the financial years but keeping 100% interest.

The Company has filed stay order petition with The Hon'ble High Court, Agartala & the Case is presently lying with The Hon'ble High Court, Agartala.

8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.
9. Moneys raised by the Company by way of term loans were applied for the purposes for which those were raised.
10. No fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to Government Companies.
12. Tripura Natural Gas Company Limited is not a Nidhi Company.
13. All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934





**“Annexure-B” to the Independent Auditor’s Report**

(Referred to in Paragraph-2(vi) under “Report on Other Legal & Regulatory Requirements” section of our report of even date)

1. In case of CNG sales, the company has a system for meter reading of its discharge at the opening/ closing of the day which is being reconciled for variation with the actual sales recorded and money collected at each CNG Station. It has been observed that the company has no formal system for reconciliation of the sales with the moneys deposited into the bank which shows the weakness in controlling the system of sales with the actual collections at Head Office level.
2. The company has a computerised system for billing of its PNG consumers but that is not being used to control its sales. The report for sales for the year (including the unbilled sale of PNG), collections during the year and outstandings as on any date is not possible to be generated due to limitation in the programme. Also, proper access and process control has not been introduced in that system which indicates the very weakness in internal financial control.





**TRIPURA NATURAL COMPANY LIMITED**

**Replies to the General Directions issued to Statutory Auditors under Section  
143(5) of the Companies Act, 2013 for the Financial Year 2015-16**

Sr. No	Query	Reply
1.	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available?	The company has clear title / lease deeds for freehold and leasehold land respectively
2	Whether there are any cases of waiver / write-off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	There is no case of waiver / write-off of debt / loan / interest etc. during the period under audit.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant (s) from Govt. or other authorities.	There is no inventory lying with third parties and no asset has been received as gift / grant from Govt. or other authorities.

For MITRA ROY & DATTA  
Chartered Accountants  
FRN 322477E

IC  
KINGSUK DATTA  
Partner

Membership Number: 053121

Place: Kolkata

Date: 24 May 2016

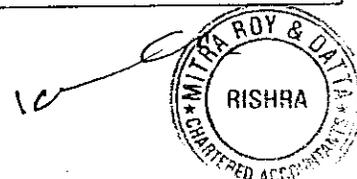




**TRIPURA NATURAL COMPANY LIMITED**

**Replies to the Sub-Directions issued to Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the Financial Year 2015-16**

Sr. No	Query	Reply
1	Whether the company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?	Yes, the company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price.
2	Comment on the confirmation of balances of trade receivables, trade payables, term deposit, bank accounts and cash obtained.	Confirmation of balances have been obtained for trade payables, term deposits, bank accounts and cash except for Flexi Deposit account maintained with State Bank of India, A.D. Nagar Branch and ICICI Bank, Udaipur Branch. However, no confirmation has been obtained for trade receivables.
3	Whether the company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	The company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of account. However, the company has a computerised system for billing of its PNG consumers but that is not being used to control its sales. The report for sales for the year (including the un-billed sales of PNG), collections during the year and outstanding as on any date could not be generated due to limitation in the programme. Also, proper access and process control has not been introduced in that system.
4	Comment on the accuracy of capital reserve created during the year and amount of depreciation charged there against.	The company has created capital reserve during the year and the amount of depreciation has been charged there against properly. However, the adequacy of capital reserve as on the date of balance sheet could not be ascertained since the amount lying in Advance Installation Cost required to be transferred to Capital Reserve on completion of installation has not been determined.





Sr. No	Query	Reply
5	Whether the operating and maintenance expenses are of revenue nature only and hence chargeable to Profit & Loss account?	The operating and maintenance expenses are of revenue nature only and hence chargeable to Profit & Loss account

For MITRA ROY & DATTA  
Chartered Accountants  
FRN 322477E

IC



KINGSUK DATTA  
Partner

Membership Number: 053121

Place: Kolkata

Date: 21<sup>st</sup> May 2016.

**M/S TRIPURA NATURAL GAS COMPANY LIMITED**  
A Joint Venture of GAIL (India) Ltd, Govt. of Tripura & Govt. of Assam  
33, Office Lane, Agatala-799001

Balance Sheet as on 31st March, 2016

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	39,200,000	39,200,000
(b) Reserves and surplus	2	642,182,138	452,775,916
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	108,475,921	137,396,675
(b) Other Long-term Liabilities	4	68,799,283	44,896,732
(c) Other Long-term Provisions	5	13,428,388	11,576,911
<b>4 Current liabilities</b>			
(a) Trade payables	6	19,318,883	20,027,811
(b) Other current liabilities	7	37,906,231	37,692,884
(c) Short-term provisions	8	2,152,786	5,037,719
<b>TOTAL</b>		<b>931,463,630</b>	<b>748,604,648</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	15	600,411,083	389,574,127
(ii) Capital Work in Progress	15	9,340,721	70,654,821
(b) Deferred tax assets(net)		1,151,777	6,315,510
(c) Long term loans and advances	13	7,436,379	7,677,891
(d) Other non current assets	12	15,097,211	6,354,340
<b>2 Current assets</b>			
(a) Inventories	9	18,369,957	13,476,850
(b) Trade receivables	10	47,314,274	41,444,293
(c) Cash and cash equivalents	11	60,206,205	83,481,482
(d) Other Bank Balances	11	170,642,363	128,893,069
(e) Short-term loans and advances	14	1,493,660	732,065
<b>TOTAL</b>		<b>931,463,630</b>	<b>748,604,648</b>
Significant Accounting Policy	25		
Additional Disclosures	26		

Significant Accounting Policy  
Additional Disclosures  
In terms of our report of even date  
For Mitra Roy & Datta  
Chartered Accountants  
FRN: 322477E

Kingsuk Datta  
Partner  
Membership No: 053121

Place: Kolkata  
Date: 21st May 2016



Atanu Datta Choudhury  
Chief Financial Officer  
PAN-AGUPD6174A

Atanu Datta Choudhury (Sivasankar Veeramalai)  
Chief Manager (F) & CFO  
Tripura Natural Gas Co. Ltd  
Agartala, Tripura

For & on behalf of Board of Directors

Siva Sankar Veeramalai  
(Director Commercial)  
DIN -07211011

K.D. Chattaraj  
(Managing Director)  
DIN -03561628

(Sivasankar Veeramalai)  
Director (Com.)  
Agartala, Tripura

(K. D. Chattaraj)  
Managing Director,  
Agartala, Tripura

**M/S TRIPURA NATURAL GAS COMPANY LIMITED**  
A Joint Venture of GAIL (India) Ltd, Govt. of Tripura & Govt. of Assam  
33, Office Lane, Agatala-799001

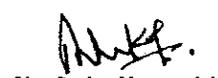
**Statement of Profit and Loss Account for the Year ended 31st March 2016**

Particulars	Note No.	For the year ended	For the year ended
		31st March, 2016	31st March, 2015
		Rs.	Rs.
1 Revenue from operations (gross)	17		
Sales of CNG		422,008,287	345,536,214
Sales of PNG		236,481,953	230,551,052
		<b>658,490,240</b>	<b>576,087,266</b>
Less: Excise Duty		38,460,923	30,927,606
Revenue from operations (net)		<b>620,029,317</b>	<b>545,159,660</b>
2 Other Income	18	17,975,504	18,078,324
3 Total Revenue (1+2)		<b>638,004,821</b>	<b>563,237,984</b>
4 Expenses			
(a) Cost of materials consumed	19	260,289,834	215,417,035
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(116,363)	-
(c) Employee benefits expenses	21	28,333,429	24,753,320
(d) Finance costs	22	105,000	-
(e) Depreciation and amortisation expenses	24	60,452,224	72,595,585
(f) Other expenses	23	143,266,913	130,216,426
Total Expenses		<b>492,331,037</b>	<b>442,982,366</b>
5 Profit before tax (3 - 4)		145,673,784	120,255,618
6 Tax Expense:			
(a) Current tax expense		46,852,449	43,067,245
(b) Deferred tax		5,163,733	(2,223,560)
7 Profit for the year		<b>93,657,602</b>	<b>79,411,933</b>
Earning per equity share:			
(1) Basic		239	203
(2) Diluted		239	203

Significant Accounting Policy 25  
Additional Disclosures 26

For & on behalf of Board of Directors

  
Atanu Datta Choudhury  
Chief Financial Officer  
PAN-AGUPD6174A

  
Siva Sankar Veeramalai  
(Director Commercial)  
DIN -07211011

  
K. D. Chattaraj  
(Managing Director)  
DIN -03561628

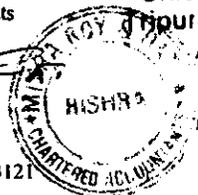
In terms of our report of even date  
For Mitra Roy & Datta  
Chartered Accountants  
FRN: 322477E

Atanu Datta Choudhury (Sivasankar Veeramalai)  
Chief Manager (F) & CFO  
Director (Com.)  
Tripura Natural Gas Co. Ltd  
Agartala, Tripura.

Sivasankar Veeramalai  
Director (Com.)  
Tripura Natural Gas Co. Ltd  
Agartala, Tripura.

K. D. Chattaraj  
Managing Director,  
Tripura Natural Gas Co. Ltd  
Agartala, Tripura.

Kingsuk Datta  
Partner  
Membership No: 053121



Place: Kolkata  
Date: 21st May 2016.

# M/S TRIPURA NATURAL GAS COMPANY LIMITED

A Joint Venture of GAIL (India) Ltd, Govt. of Tripura & Govt. of Assam  
33, Office Lane, Agatala-799001

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16		2014-15	
	₹	₹	₹	₹
<b>Cash Flows From Operating Activities</b>				
Net Profit before Taxation & Extraordinary Items	145,673,784		124,347,568	
Depreciation	60,452,224		72,595,585	
Finance costs	105,000		-	
Prior Period Adjustment	(4,404,798)		-	
Other Miscellaneous Income	-		(8,960,502)	
Interest Income	(14,606,734)		(9,077,022)	
<b>Operating Profit Before Working Capital Changes</b>	<b>187,219,476</b>		<b>178,905,629</b>	
Decrease / (Increase) in Inventory	(4,893,107)		15,561,294	
Decrease / (Increase) in Trade Receivable	(5,869,981)		(11,311,482)	
Decrease / (Increase) in Short Term Loans & Advances	(761,595)		435,590	
Decrease / (Increase) in Long Term Loans & Advances	241,512		-	
Decrease / (Increase) in Other non current assets	(889,716)		3,733,780	
Increase / (Decrease) in Trade Payable	(708,928)		6,193,785	
Increase / (Decrease) in Other Long Term Liabilities	23,902,551		1,072,254	
Increase / (Decrease) in Other Long-term Provisions	1,851,477		740,592	
Increase / (Decrease) in Other Current Liabilities	213,347		7,148,176	
(Decrease) / Increase in Short-term provisions	(2,884,933)		(722,200)	
<b>Cash Generated From Operations</b>	<b>197,420,103</b>		<b>201,757,418</b>	
Adjustment of Income Tax	(1,667,169)		-	
Income Tax Paid	(51,718,687)		(39,441,871)	
<b>Cash Flow Before Extraordinary Item</b>	<b>144,034,247</b>		<b>162,315,547</b>	
Proceeds From Extraordinary Items	-		-	
<b>Net Cash From Operating Activities</b>		<b>144,034,247</b>		<b>162,315,547</b>
<b>Cash Flows From Investing Activities</b>				
Purchase of Fixed Assets	(219,168,323)		(199,465,435)	
Decrease/(Increase) in Capital Work in Progress	61,314,100		58,542,722	
Installation cost recovery from consumers transferred to Capital Reserve	49,699,729		62,756,902	
Interest Received	11,620,017		9,077,022	
<b>Net Cash From Investing Activities</b>		<b>(96,534,477)</b>		<b>(69,088,789)</b>
<b>Cash Flows From Financing Activities</b>				
Increase / (Decrease) in Long Term Borrowings	(28,920,753)		(25,715,340)	
Decrease in Share Application Money			(463)	
Finance costs	(105,000)		-	
<b>Net Cash From Financing Activities</b>		<b>(29,025,753)</b>		<b>(25,715,803)</b>
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		<b>18,474,017</b>		<b>67,510,955</b>
<b>Cash &amp; Cash Equivalents At Beginning Of Period</b>		<b>212,374,551</b>		<b>144,863,596</b>
<b>Cash &amp; Cash Equivalents At End Of Period</b>		<b>230,848,568</b>		<b>212,374,551</b>

In terms of our report of even date

For Mitra Roy & Datta

Chartered Accountants

FRN: 322477E

Kingsuk Datta

Partner

Membership No: 053121

Place: Kolkata

Date: 21st

Atanu Datta Choudhury

Chief Financial Officer

PAN-AGUPD6174A

Atanu Datta Choudhury

Chief Manager (F) & CFO

Tripura Natural Gas Co. Ltd.

Agatala, Tripura.

For & on behalf of Board of Directors

Siva Sankar Veeramalai

(Director Commercial)

DIN -07211011

(Sivasankar veeramalai)

Director (Com.)

Tripura Natural Gas Co. Ltd.,

Agatala, Tripura.

K.D. Chattaraj

(Managing Director)

DIN -03561628

(K. D. Chattaraj)

Managing Director,

Tripura Natural Gas Co. Ltd.

Agatala, Tripura.



**M/S TRIPURA NATURAL GAS COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**Note 1 SHARE CAPITAL**

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Rs.	Number of shares	Rs.
	1,000,000	100,000,000	1,000,000	100,000,000
(a) Authorised Equity shares of Rs.100/- each with voting rights	-	-	-	-
(b) Issued, Subscribed and Paid up Equity shares of Rs.100 each with voting rights (Gail (India) Limited Tripura Industrial Development Corporation Ltd Sri P. L. Agarwal, MD TIDC Ltd Sri S.K. Deb, GM, TIDC Ltd Sri P.S. Debbarma, GM, TIDC Ltd Assam Gas Company Limited B.B.Gohain, MD, AGC Ltd Sri A.K. Sharma, DGM, AGC Ltd Sri Surya Tamuli, CM, AGC Ltd Sri Kunal Majumdar, CM, AGC Ltd	192,000 99,996 2 1 1 99,996 1 1 1 1	19,200,000 9,999,600 200 100 100 9,999,600 100 100 100 100	192,000 99,996 2 1 1 99,996 1 1 1 1	19,200,000 9,999,600 200 100 100 9,999,600 100 100 100 100
<b>Total</b>	<b>392,000</b>	<b>39,200,000</b>	<b>392,000</b>	<b>39,200,000</b>

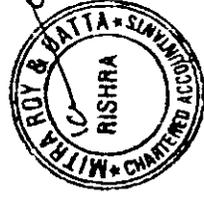
**List of Shareholders holding more than 5% share capital**

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
Gail (India) Limited	192000	48.98	100	19,200,000
Tripura Industrial Development Corporation Ltd	99996	25.51	100	9,999,600
Assam Gas Company Limited	99996	25.51	100	9,999,600
<b>TOTAL</b>	<b>391992</b>	<b>100.00</b>		<b>39,199,200</b>

*(Signature)*  
Atm C. Das  
Chief Manager (F) & CFO  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

*(Signature)*  
Sreanjan Chatterjee  
Director (Com)  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

*(Signature)*  
R. D. Chatterjee  
Managing Director  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura



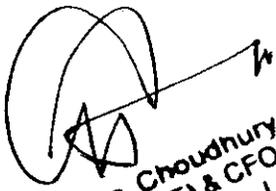
**TRIPURA NATURAL GAS COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

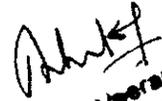
**Note 2 RESERVES AND SURPLUS**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>(A) Capital Reserve</b>		
Opening Balance as on 01-04-2015	116,163,449	72,175,667
Add: Installation cost, Cost of Meter received from Consumers	49,699,729	62,756,902
Add: Adjustment for depreciation due to change in life as per Companies Act, 2013 transferred from Surplus (Note-16)	5,964,961	-
Less: Adjustment for depreciation charged on Projects to the extent Capital Reserve Created (Note-25)	(15,789,031)	(18,769,120)
<b>Closing Balance as on 31.03.2016</b>	<b>156,039,108</b>	<b>116,163,449</b>
<b>(B) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	336,612,467	253,513,436
Add: Profit for the year	93,657,602	79,411,933
Add: Refund of Corporate Tax after Assessment for FY-2012-13	-	668,295
Add: Refund of Corporate Tax after Assessment for FY-2013-14	-	52,400
Less: Adjustment for depreciation due to change in life as per Companies Act, 2013 transferred to Capital Reserve (Note-16)	(5,964,961)	-
Add: Adjustment for Depreciation relating to Previous Years	67,909,889	-
Add: Adjustment for Deferred Tax Asset/Liability	-	4,091,950
Less: Prior Period Adjustment	(4,404,798)	-
Less: Adjustment on Assessment of Tax for the FY-12-13 & FY-13-14	(1,667,169)	(749,186)
Less: Payment of Diff.T-VAT for FY-2009-10 as per Assessment Order	-	(376,361)
<b>Closing balance</b>	<b>486,143,029</b>	<b>336,612,467</b>
<b>Total</b>	<b>642,182,138</b>	<b>452,775,916</b>

**Note 3 LONG TERM BORROWINGS**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>SECURED LOANS</b>		
Term Loan from State Bank of India (Against hypothecation of Plant & Machinery)	108,475,921	137,396,675
<b>TOTAL</b>	<b>108,475,921</b>	<b>137,396,675</b>

  
**Atanu Delta Choudhury**  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.

  
**(Sivasankar Veeramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

  
**(K. D. Chattaraj)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura



**Note 4 NON CURRENT LIABILITIES**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>Other Long Term Liabilities</b>		
Security Deposit ( From Major Industrial Consumers)	1,450,720	2,652,720
Earnest Money Deposit (EMD)	2,229,600	
Security Deposit Collected from the Consumers	49,119,099	24,491,344
Advance Installation Cost	17,510,670	11,263,474
Security Deposit (Galileo)	3,489,194	3,489,194
<b>Total</b>	<b>68,799,283</b>	<b>44,896,732</b>

**Note 5 OTHER LONG TERM PROVISIONS**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>Provision for employee benefits</b>		
Provision for Gratuity Payable	6,633,221	5,810,960
Provision for Legal Fees & Consultancy Charges	-	36,000
Provision for Leave Encashment	6,795,167	5,729,951
<b>Total</b>	<b>13,428,388</b>	<b>11,576,911</b>

**Note 6 TRADE PAYABLES**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>Creditors for Raw Material(Purchase of PNG) :</b>		
For Agartala City-Maharajgunj Terminal-Mar'16-1st FN	4,987,231	5,258,481
For Agartala City-Khayerpur Terminal-Mar'16-1st FN	3,890,119	3,992,866
For Agartala City-Maharajgunj Terminal-Mar'16-2nd FN	4,658,921	4,869,144
For Agartala City-Khayerpur Terminal-Mar'16-2nd FN	3,942,965	4,194,673
For B.nagar-IGC-Mar'16-2nd FN	1,150,532	1,606,787
For B.nagar-IGC-Mar'16-MGO	689,115	105,860
<b>Total</b>	<b>19,318,883</b>	<b>20,027,811</b>

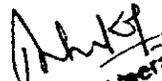
**Note 7 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
Security Deposit Collected from Contractors	22,374,868	16,350,266
Earnest Money Deposit (EMD)	2,914,800	5,350,250
Expenses Payable	9,311,737	14,193,111
Interest Payable on Term Loan	883,941	-
Statutory Audit	40,000	40,000
Tax Audit	40,000	40,000
Internal Audit	25,000	20,000
Cost Audit	75,000	75,000
Secretarial Audit	25,000	25,000
TDS - IT Payable	15,791	14,053
TDS - WCT Payable	414,973	7,582
Service Tax Payable A/c	92,289	7,714
Security Deposit/Retention Money(Suppliers)	1,692,832	1,569,908
<b>Total (A + B)</b>	<b>37,906,231</b>	<b>37,692,884</b>

**Note 8 SHORT TERM PROVISIONS**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>(a) Provision - for TAX</b>		
Provision for Income Tax(Current Years)	-	3,625,374
<b>(b) Provision - Others</b>		
Vat Payable	2,152,786	1,412,345
<b>Total</b>	<b>2,152,786</b>	<b>5,037,719</b>

  
**Atanu Datta Choudhury**  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

  
**(Swasankar Veeramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



M/S TRIPURA NATURAL GAS COMPANY LIMITED

**Note 9 INVENTORIES**

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
Stores and Spares including Capital Goods(CNG)	-	-
Stores and Spares including Capital Goods(PNG)	12,447,071	13,476,850
Stock of O&M PNG Materials	202,346	-
Stock of O&M CNG Materials	5,584,260	-
Stock of CNG at DBS	136,280	-
<b>Total</b>	<b>18,369,957</b>	<b>13,476,850</b>

**Note 10 TRADE RECEIVABLES**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
b) Less than six month	28,050,392	25,906,482
a) More than six month	19,263,882	15,537,811
<b>Total</b>	<b>47,314,274</b>	<b>41,444,293</b>

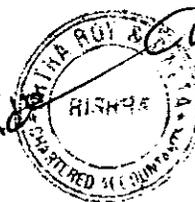
**Note 11 CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
I) Cash In Hand	474,460	482,790
<b>Total (I)</b>	<b>474,460</b>	<b>482,790</b>
II) Balance with Scheduled Banks-Current Account:		
SBI, A.D.Nagar Branch	329,254	16,185,740
SBI, Dukhli Branch	3,730,757	3,418,958
SBI, R.M.S.Chowmuhani Branch	1,879,064	4,882,741
TSCBL, Battala Day Branch	3,630,324	6,911,729
TSCBL, Battala Evening Branch	2,917,298	6,636,185
SBI, Banikya Chowmuhani, Branch	849,845	1,089,337
SBI, A.D.Nagar (Power pack A/c)	5,249,535	1,295,175
HDFC Bank Ltd, Agartala Branch	2,171,593	9,012,249
ICICI Bank Ltd, Udaipur Branch	5,152,902	5,776,610
Indusind Bank Ltd, Agartala Branch	25,435,233	26,284,351
Canara Bank	15,470	14,446
Axis Bank Ltd. A.D. Nagar	160	160
Yes Bank Ltd, Agartala Branch	3,696,925	1,448,853
TSCBL Agartala Branch	700,000	-
ICICI Bank Ltd, Badharhat Branch	3,973,386	42,159
<b>Total (II)</b>	<b>59,731,745</b>	<b>82,998,692</b>
<b>Total Cash &amp; Cash Equivalent</b>	<b>60,206,205</b>	<b>83,481,482</b>
III) Balance with Scheduled Banks-Deposit Account:		
(A) Fixed Deposits kept under lien for issue of LC/BG		
FD with SBI A.D. Nagar Branch	84,086,261	66,933,653
FD with SBI R.M.S.Chowmuhani Branch	13,237,576	12,239,249
	<b>97,323,837</b>	<b>79,172,902</b>
(B) Other Term Deposits		
FD with SBI Dukli Br	-	298,238
FD with Axis Bank Ltd, Agartala Br.	-	274,281
FD with SBI A.D. Nagar Branch	16,519,228	13,985,623
FD with SBI R.M.S.Chowmuhani Branch	15,788,358	7,337,900
FD with TSCBL-Evening Branch	20,914,649	9,167,129
FD with TSCBL Day Branch	17,838,593	12,136,996
FD with ICICI Udaipur Branch	2,257,698	6,520,000
<b>Total (III)</b>	<b>73,318,526</b>	<b>49,720,167</b>
<b>Total (I + II + III)</b>	<b>230,848,568</b>	<b>212,374,551</b>

*(Signature)*  
**Atanu Datta Choudhury**  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

*(Signature)*  
**(Sivasankar Veeramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

*(Signature)*  
**(K. D. Chattaraj)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



Note 12 OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
<b>Other Non Current Assets-Short Term::</b>		
Cenvat Credit-Capital Goods-Deferred A/c	1,059,640	169,924
Tax Deducted at Source	1,218,687	-
Advance Income Tax net off provision	3,647,551	-
Interest Receivable from Axis Bank Ltd A D Nagar Branch	274,281	-
Interest Accrued But Not Yet Due	8,897,052	6,184,616
<b>Total</b>	<b>15,097,211</b>	<b>6,354,540</b>

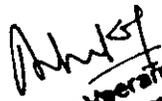
Note 13 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
Security Deposit Paid ( Paid to BSNL & Others )	90,220	77,077
Application Money Deposited with Authorities- (Court Case & Sales Tax Assessment Appeal)	7,346,159	7,600,814
<b>Total</b>	<b>7,436,379</b>	<b>7,677,891</b>

Note 14 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs.	Rs.
Pre-Paid Insurance Premium	303,946	254,580
Contingency Advance	-	21,000
Advance to Director	555,859	-
TA Advance to Employee	-	35,000
LTC Advance to Employee	260,000	-
Advance to House Owner	75,001	-
Advance to Suppliers	108,754	211,385
Loan/Advance against Salary	190,100	210,100
<b>Total</b>	<b>1,493,660</b>	<b>732,065</b>

  
**Atanu Datta Choudhury**  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

  
**(Sivasankar Veeramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

  
**(K. D. Chaitraji)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd  
 Agartala, Tripura



M/S TRIPURA NATURAL GAS COMPANY LIMITED

Statement of Fixed Assets as on 31st March, 2016

Rs.

PARTICULARS	LIFE OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS ON 01-04-2015	ADDITIONS During the Year	Adjustment/Sales/Transfer during the year	AS ON 31.3.2016	UP TO 01.04.2015	Adjustments	FOR THE YEAR	AS ON 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2016	
Land for PDS	-	504,600	-	-	504,600	-	-	-	504,600	-	504,600	
Land for DRG	-	817,000	-	-	817,000	-	-	-	817,000	-	817,000	
Land for CNG Station-Khayerpur	-	3,866,325	-	-	3,866,325	-	-	-	3,866,325	-	3,866,325	
Land for CNG Station-Tellamura	-	917,350	-	-	917,350	-	-	-	917,350	-	917,350	
Land for CNG Station-Udairpur	-	8,848,243	-	-	8,848,243	-	-	-	8,848,243	-	8,848,243	
Leasehold Land - (Shed & Land at B.Ngr-IGC)	30.00	438,634	-	-	438,634	73,304	-	-	87,925	-	350,709	
Leasehold Land - (A.D.Nagar CNG Station)	30.00	767,600	-	-	767,600	233,858	-	-	239,445	-	508,155	
Leasehold Land - (Udairpur CNG Station)	30.00	15,000	-	-	15,000	500	-	-	1,000	-	14,000	
Building-CNG Station	60.00	356,863,920	137,393,604	(105,193,723)	105,193,723	500	8,604,736	4,712,463	13,317,201	92,076,522	228,00	
Plant & Machinery-Project PNG	30.00	281,607,310	60,719,550	(105,193,723)	494,239,537	128,166,698	(21,018,612)	37,602,923	144,751,011	149,508,512	140,29	
Plant & Machinery-Project CNG	15.00	729,507	60,088	-	789,595	469,487	(36,951)	122,943	96,876,420	166,214	140,29	
Office Equipment	5.00	3,793,724	304,320	-	4,098,044	1,992,645	3,914	605,546	2,519,107	1,578,917	1,88	
Furniture & Fixture	10.00	2,670	-	-	2,670	2,670	-	-	2,670	-	10	
By Cycle	-	274,185	-	-	274,185	221,783	9,271	10,607	249,660	24,524	1	
Vehicle-CNG Auto	8.00	206,183	-	-	206,183	105,781	56,632	16,663	179,077	27,106	1	
Fire Extinguisher	5.00	496,991	-	-	496,991	216,098	-	79,905	296,002	215,613	24	
Internal Decoration	10.00	41,644	14,624	-	51,161	11,039	-	4,876	32,413	772	1	
Inventor System	10.00	15,430	-	-	15,430	11,039	-	1,599	14,658	14,658	1	
Aqua Guard	5.00	2,874,103	242,737	-	3,121,840	1,239,472	616,708	789,679	2,638,859	482,981	1,69	
Computer System	3.00	732,038	85,000	-	817,038	368,589	(1,442)	181,990	546,636	273,402	16	
Air Conditioner	10.00	945,000	350,000	-	1,295,000	834,146	42,160	256,923	1,133,229	191,771	11	
Computer_Employees	3.00	644,777,456	219,168,323	0	863,945,780	255,303,300	(67,909,889)	76,241,255	263,534,696	640,411,083	389,57	
Capital Work in Progress	-	70,654,821	44,577,665	(105,891,785)	9,340,701	-	-	-	9,340,701	-	70,65	
TOTAL	-	715,432,277	263,745,988	(105,891,785)	873,286,501	255,203,300	(67,909,889)	76,241,255	263,534,696	609,751,904	460,32	
PREVIOUS YEAR	-	573,691,815	234,368,075	(92,627,613)	715,432,277	163,838,625	-	91,364,705	255,203,330	460,238,948	409,35	

*(Signature)*  
 (Svankar Vergharia)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

*(Signature)*  
 (K. D. Chatterji)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.

*(Signature)*  
 Atanu Datta Choudhury  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura.



*Tripura Natural Gas Company Limited*  
**M/S TRIPURA NATURAL GAS COMPANY I LIMITED**

Note-16 Depreciation Charged on Fixed Assets trfd to the Capital Reserve to the Extent Capital Reserve Created as on 31st March,2016

Year	Fixed Assets to the extend Capital Reserve Created				Depreciation Charges				Balance of Capital Reserve A/C	
	As at 01.04.15	Addition	Adjustments	Total as on 31.03.2016	% based on Life	As at 01.04.15	Adjustments	For the year		Total as on 31.03.2016
	2	3	4	5	6	7	8	10	9	10
1990-91 to 2014-15	180,490,277	-	-	180,490,277	9.50%	64,326,828	-	-	64,326,828	116,163,449
2015-16	180,490,277	49,699,729	-	230,190,006	9.50%	64,326,828	(5,964,961)	15,789,031	74,150,898	156,019,108

*(Swaraj Kumar Verma)*  
 Director (Com)  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.

*(Atanu Datta Choudhury)*  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.

*(R. D. Chatterji)*  
 Manager, Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura.



**Note 17 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Sale of CNG	422,008,287	345,536,214
Sales of PNG	236,481,953	230,551,052
<b>Total - Sale of manufactured goods</b>	<b>658,490,240</b>	<b>576,087,266</b>

**Note 18 OTHER INCOME**

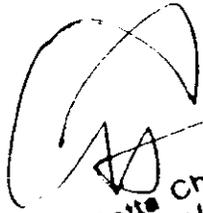
Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Interest on STDR	14,606,734	9,077,022
HP Rent for Computer from Employees	51,500	40,800
Misc. Receipts	121,520	372,014
Application Fees from Consumers	3,195,750	8,588,488
<b>Total</b>	<b>17,975,504</b>	<b>18,078,324</b>

**Note 19 COST OF MATERIALS CONSUMED**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Opening stock	-	-
Add: Purchases		
Indigenous	260,289,834	215,417,035
	<b>260,289,834</b>	<b>215,417,035</b>
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b>260,289,834</b>	<b>215,417,035</b>

**Note 20 CHANGE IN INVENTORIES**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
<b>Inventories at the end of the year:</b>		
Finished goods	136,280	-
Work-in-progress	-	-
	<b>136,280</b>	-
<b>Inventories at the beginning of the year:</b>		
Stock Adjustment-Finished goods	19,917	-
Work-in-progress	-	-
	<b>19,917</b>	-
<b>Net (increase) / decrease</b>	<b>(116,363)</b>	-

  
**Alenu Datta Choudhury**  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

  
**(Sivasankar Vastramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
**(K. D. Chattaraj)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

  
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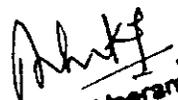
Note 21 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Salaries and wages	12,485,831	10,905,064
Directors Remuneration (Re-imbursed to GAIL)	9,267,336	8,787,029
Directors Qtr Expenses	279,927	140,208
Employer Contribution to PF including EDLI	1,463,059	1,277,651
Leave Encashment	2,117,351	1,481,740
Provision for Gratuity	822,261	408,124
Transportation Allowance	276,000	274,000
Cable Allowance	61,200	61,200
Children Education Expenses (Reimbursement)	41,000	36,000
Leave Travel Concession	218,066	128,686
Medical Expenses	242,457	200,116
Staff Welfare	1,058,941	1,055,502
<b>Total</b>	<b>28,333,429</b>	<b>24,753,320</b>

Note 22 FINANCE COST

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Processing charges for LC	105,000	-
<b>Total</b>	<b>105,000</b>	<b>-</b>

  
**Atanu Datta Choudhury**  
 Chief Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura

  
**(Sivasankar Veeramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
**(K. D. Chattaraj)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.  
 Agartala, Tripura



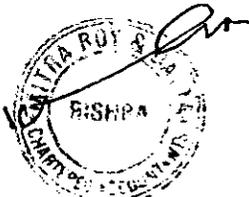
**Note 23 OTHER EXPENSES**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs.	Rs.
Operation & Maintenance-CNG	23,909,238	26,747,683
Operation & Maintenance-PNG	11,627,086	3,590,776
Printing & Stationery	905,913	952,399
Professional Tax	2,500	2,500
Professional/Consultancy Service Fees	2,086,481	2,266,923
Postage & Telegram	71,260	79,355
Commission on Sales(CNG)	931,286	896,099
Legal Expenses	155,346	140,646
Service Tax	2,743,360	3,224,860
Office Rent	709,908	646,917
Repairs & Maintenance	572,031	3,870,678
Telephone, Fax & Internet Expenses	860,677	704,574
Lease Rent (CNG & PNG)	1,191,232	1,143,196
Bank Charges	607,195	606,569
Shed rent	128,621	124,728
Audit Fees	185,000	1,062,831
TA to Directors	1,942,959	1,724,369
Vehicle Charges / Expenses-Directors	-	2,000
Board Meeting Expenses	656,885	292,867
Electricity Expenses	2,081,143	1,885,847
Audit Expenses	82,181	111,622
Insurance	1,249,533	796,271
Conveyance Expenses	14,774	29,441
Misc. Expenses	893,895	702,999
Office House Keeping & Maintenance Expenses	1,018,448	850,415
Awareness on CNG & PNG / National Safety Day	579,184	324,127
Sales/Business Promotion Expenses	342,705	-
Vehicle Running & Maintenance	1,503,267	1,155,426
Notice & Advertisement	591,368	2,895,012
TA to Employees / Tour Expenses	2,897,986	1,762,492
Security Service Charges	4,222,557	4,173,224
Entertainment Expenses	621,847	434,518
Inauguration of CNG Station	850,598	285,045
TVAT	51,180,166	47,550,142
<b>Total (A)</b>	<b>117,416,630</b>	<b>111,036,551</b>
News Paper, Books & Periodicals	137,230	85,587
Calander & Dairy Printing Expenses	273,350	64,640
Website Maintenance Expenses	159,008	23,800
Rates & Taxes	416,881	206,983
Seminar, Conference & Training Expenses	95,236	109,315
India International Trade Fair	521,870	200,000
Industries & Commerce Fair Expenses	157,873	152,627
Festival Expenses	3,008,403	2,555,709
Fire Safety Day	95,083	54,810
TNGCL Foundation Day Celebration Expenses	968,000	596,877
Corporate Social Responsibility (CSR)	-	65,000
Water Charges	419,057	411,372
Canteen Running Expenses	167,947	111,164
Transportation Charges (CNG)	10,732,769	7,753,284
Billing System	5,596,537	3,972,814
Stipend to Apprentice/Trainee	64,000	136,000
Wages to Outsource Staff (Service Charges)	3,037,039	2,679,893
<b>Total (B)</b>	<b>25,850,283</b>	<b>19,179,875</b>
<b>Total (A+B)</b>	<b>143,266,913</b>	<b>130,216,426</b>

*(Signature)*  
**Atanu Datta Choudhury**  
 Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.

*(Signature)*  
**(Sivasankar V. Paramalai)**  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.

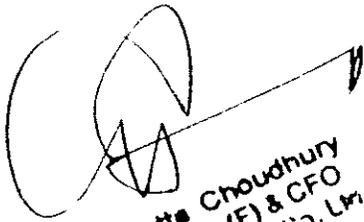
*(Signature)*  
**(K. D. Chattaraj)**  
 Managing Director,  
 Tripura Natural Gas Co. Ltd.

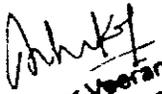


# M/S TRIPURA NATURAL GAS COMPANY LIMITED

## Note 24 DEPRECIATION CHARGED TO PROFIT & LOSS A/C

Particulars	For the year ended	For the year ended
	31 March, 2016	31 March, 2015
	Rs.	Rs.
Depreciation as per FA Schedule at Note-15	76,241,255.23	91,364,705.10
Less: Depreciation on Capital Reserve	15,789,030.86	18,769,120.00
<b>Total</b>	<b>60,452,224.37</b>	<b>72,595,585.10</b>

  
Atanu Datta Choudhury  
Chief Manager (F) & CFO  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
(Sivasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
(K. D. Chatteraj)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura



1. SIGNIFICANT ACCOUNTING POLICY:

1.1 Basis of Accounting:

The financial Statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles, accounting standards issued by Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 2013 & relevant rules.

1.2 Use of Estimates:

In preparing of financial Statement in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumption that effect the reported amounts of assets and liabilities as at the date of financial statements and the amount of revenue and expenses during the period under report. Actual result could differ from those estimates. Any revision to such estimate is recognized in the period the same is determined.

1.3 Fixed Assets:

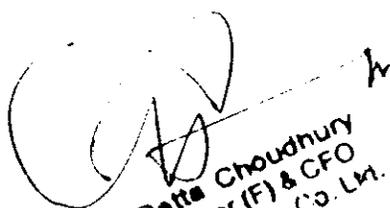
Fixed Assets are stated at cost of acquisition/improvement inclusive of all identifiable expenses, such as inward freight, duties and taxes, etc less depreciation.

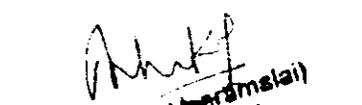
1.4 Borrowing Cost:

Borrowing costs related to term loan for Project PNG and Project CNG have been capitalized, since the projects were in progress during the year.

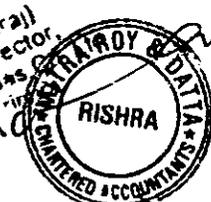
1.5 Depreciation:

- a) Depreciation has been provided on the basis of life of the type of asset at the rates & manner specified in Part "C" of Schedule II of The Companies Act 2013.
- b) Depreciation on additions/deletions to the fixed assets is provided on pro-rata basis from/to the date of additions/deletions based on useful life of asset.
- c) Proportionate amount of depreciation debited to Capital Reserves created against the Installation Cost recovered from consumers and grant-in-aid received for installation of Project PNG.
- d) No Depreciation is provided on Land
- e) Leasehold land is amortized over the period of lease agreement

  
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(Sivsanakar Veeramalai)  
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Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
K. D. Chatteraj  
Managing Director  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
RISHRA  
CHARTERED ACCOUNTANTS

1.6 Investment:

The company does not have any investment during the year under audit.

1.7 Inventories:

The inventories have been valued at cost.

1.8 Grant from TIDCL :

Grant received for PNG supply to Industrial Growth Centre from Tripura Industrial Development Corporation Limited has been treated as Capital Reserve.

1.9 Installation Charges received from Customers:

The installation charges received from customers has been treated as Capital Reserve and the actual installation charges are debited to Project Cost.

1.10 Employee's Benefit:

An appropriate charge to the statement of Profit and Loss for the year has been accounted for through a provision for the accruing gratuity liability & leave encashment till 31<sup>st</sup> March, 2016. The Company has been yet to introduce the actuarial valuation for its employees benefit as required by the Accounting Standard 15 issued by the Institute of Chartered Accountants of India.

1.11 Adjustments pertaining to earlier years:

Income/Expenditure relating to prior-period has been adjusted through Profit & Loss Adjustment Account.

1.12 Revenue Recognition:

1.12.1 Income from Operation represents sale of PNG & CNG and has been recognized on accrual inclusive of taxes.

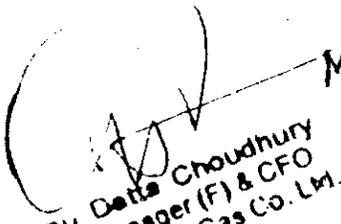
1.12.2 Other Income:

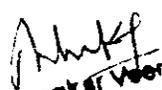
- (i) Interest on Term Deposit has been recognized on its accrual.
- (ii) Other Misc Incomes have been considered on their realization.

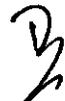
1.13 Claims:

To disclose claims against the Company not acknowledge as debts after a careful evaluation of the facts and legal aspects of the matter involved.

1.14 The impact of deferred tax due to time difference has been considered in the financial statements in accordance with the Standard on Accounting from Tax on Income(AS-22) issued by the Institute of Chartered Accountants of India.

  
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Chief Manager (FI) & CFO  
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Agartala.

  
(Sivasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.  
Agartala.

  
(K. D. Chaitaraj)  
Managing Director  
Tripura Natural Gas Co. Ltd.  
Agartala.



2. **ADDITIONAL DISCLOSURE ON ACCOUNTS**

2.1 **Capital Reserve:**

The cost of pipe line recovered from the customers towards PNG supply have been credited to Capital Reserve Account.

The depreciation on the assets created out of the above mentioned fund is deducted from Capital Reserve Account.

2.2 **Fixed Assets:**

The Company has purchased or taken on lease following Lands through LA Department, Govt. of Tripura owns the following lands:

Land for PRS at Maharajganj valuing Rs. 5,04,600/-, purchased through Land Acquisition Act, from LA Department(DM & Collector, West Tripura), Government of Tripura and the title deed is registered in the name of the Company.

Land for DRS valuing Rs. 8,17,000/-, includes two (2) nos. land procured at Trinath, Khayerpur and Chandrapur and the title deeds are registered in the name of the Company .

Land for 3rd CNG Station at Khayerpur valuing Rs.38,66,325/-,has been acquired through Land Acquisition Act, from LA Department(DM & Collector, West Tripura), Government of Tripura and title deed is registered in the name of the Company.

Land for Daughter Booster Station at Teliamura valuing Rs.9,37,350/- has been placed with Land Acquisition Colector,Office of the DM & Collector,Khowai under Land Acquisition Act and the land is yet to be handed over to TNGCL.

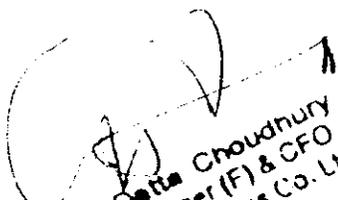
Land for CNG Mother Station at Udaipur valuing Rs.88,48,243/- through Land Purchase Committee,SDM,Udaipur and the title deed is registered in the name of the Company.

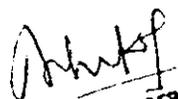
Leasehold Land for Daughter Booster CNG Station at Udaipur ,Brahmabari has been acquired by the Company through Udaipur Municipal Council on payment of one time lease premium of Rs.15,000/- .Leasehold Agreement has been signed with UMC for 30years.

Leasehold Land including Shed at B.Nagar-IGC Gas Terminal has been acquired by the Company through Tripura Industrial Development Corporation Ltd. (TIDC Ltd.)on payment of one time lease premium of Rs.4,38,634/- .Leasehold Agreement has been signed with TIDC Ltd. for 30years.

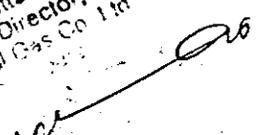
Leasehold Land including Shed at A.D.Nagar Industrial Estate,A.D.Nagar has been acquired by the Company through Tripura Industrial Development Corporation Ltd. (TIDC Ltd.)on payment of one time lease premium of Rs.7,67,600/- .Leasehold Agreement is yet to be signed with TIDC Ltd. .

Tangible Fixed Assets and Capital Work-in Progress have been shown under the head Non-Current Assets as per Revised Schedule VI.

  
Atanu Datta Choudhury  
Chief Manager (F) & CFO  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
(Sivasankar Vaaramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
K. D. Chatteraj  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
K. D. Chatteraj  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

2.3 Auditors Remuneration:

Particulars	Current Year- 2015- 16 (Rs.)	Previous Year- 2014-15 (Rs.)
Statutory Audit	40,000	40,000
Tax Audit:	40,000	40,000
Cost Audit:	75,000	75,000
Internal Audit	25,000	20,000
Secretarial Audit:	25,000	25,000
<b>Total</b>	<b>2,05,000</b>	<b>2,00,000</b>

2.4 Share Capital Account :

Joint Venture Agreement (JVA) has been signed between GAIL (India) Ltd, Tripura Industrial Development Corporation Ltd & Assam Gas Company Ltd on 15-02-2005. After restructuring TNGCL on participation of GAIL (India) Ltd. as the Major Shareholder Equity Ratio among them is as follows:

Shareholders	% age of Share Contribution as per JVA	Paid up Capital as on 31-03-2015 (Rs.)	% age of Paid up Share Capital as on 31-03-2016	No. of Equity Shares of Rs.100 each
GAIL (India) Ltd	29%	1,92,00,000	48.98	192000
Tripura Industrial Development Corporation Ltd.	10%	1,00,00,000	25.51	100000
Assam Gas Company Ltd.	10%	1,00,00,000	25.51	100000
<b>Total</b>	<b>100%</b>	<b>3,92,00,000</b>	<b>100%</b>	<b>392000</b>

No amount is lying under the A/c Head "Share Suspense A/c" as on 31-03-2016.

2.5 Contingent Liabilities:

Current Year: Rs. 4,23,07,619

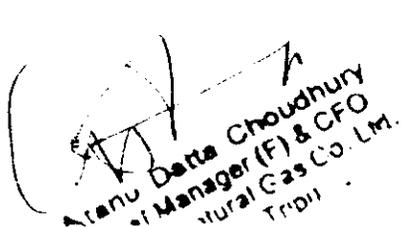
Previous Year: Rs. 4,29,26,971

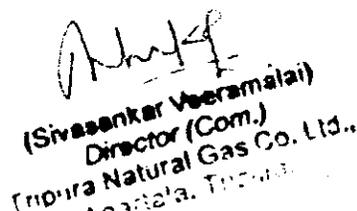
Contingent liability includes the following:

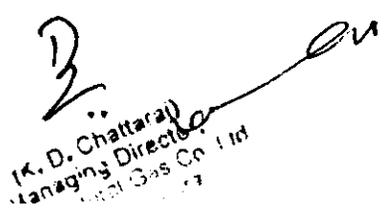
**1. Case with Tripura Sales Tax Department :Appeal Case No:21-22/Ch.VII/2012**

Appeal Case No:21-22/Ch.VII/2012 filed by the Company against the Assessment Order dated:28/09/2011 for the TVAT Assessment for the financial year 2005-06 & 2006-07 issued by The Superintendent of Taxes, Charge-VII .The Company has already deposited Rs.73,46,159/- with the Superintendent of taxes, charge-VII as appeal money on 23-02-2012.

The judgment received has been against the Company vide Order No:21-22/Ch.VII/2012/1225-26 dt: 21-03-2014 passed by The Appellate Authority to

  
 Aranu Datta Choudhury  
 Manager (F) & CFO  
 Tripura Natural Gas Co. Ltd.

  
 (Shivsanter Veeramalai)  
 Director (Com.)  
 Tripura Natural Gas Co. Ltd.,  
 Agartala, Tripura

  
 K. D. Chattaraj  
 Managing Director  
 Tripura Natural Gas Co. Ltd.

deposit Rs.11534682/- proposing waiving 50% penalty.

TNGCL later filed on 11/06/2014 before The Revisional Authority, the Commissioner of Taxes, Agartala to review the order passed by The Appellate Authority.

Order dated: 11-12-2015 has been issued by the Revisional Authority w.r.t. TNGCL's case No:21-22/Ch.VII/2012 for the period 2005-06 & 2006-07 & Revision Case No: 04 & 05/CH-VII/2014 reducing the penalty by 50%.

Accordingly, Superintendent of Taxes, Charge-VII has called for Re-assessment on 15-02-2016 vide letter no:F.TIN/16041027012/ST/CH-VII/708 dt: 27-01-2016 and later on issued demand notice for Rs.25,90,294/- for the financial year-2006-07 and Rs.15,98,738/- for the financial year-2005-06 reducing the penalty by 50% for both the financial years but keeping 100% interest.

The Company has filed stay order petition with The Hon'ble High Court, Agartala & the Case is presently lying with The Hon'ble High Court, Agartala.

#### 2. Case – TNGCL vs Sri Swapan Banik, Commercial Consumer

TNGCL have received Debit Note No: GAIL/AGT/F&A/TNGCL/DEBIT NOTE/2014-15 dt:06-09-2014 from GAIL (India) Ltd. for Rs.3,09,32,980/- towards the differential price of APM & Non-APM supplied to Commercial & Industrial consumers of TNGCL w.e.f.July,2005 to 31<sup>st</sup> March,2014 with reference to MoPNG Circular no:L-16012/17/2012-GP dated:07-01-2014 .

TNGCL has already made it clear to GAIL via various emails as well as letter that TNGCL will pay only in case it receives the same from its consumers.

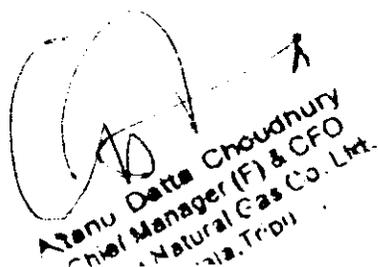
Accordingly, TNGCL has then raised back to back debit note to its Commercial and industrial consumers. On receipt of the said debit note Sri Swapan Banik ,one of the consumer filed a Petition filed against a demand of Rs. 93,777/- as arrear Gas Bill raised by TNGCL

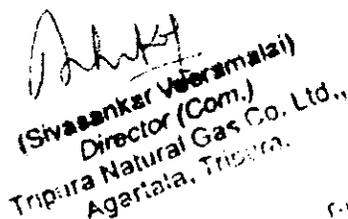
Verdict of the District Consumer Dispute Redressal Forum, West Tripura have been delivered on 30-03-2016 that charging of non-apm price cannot be from retrospective effect and GAIL/TNGCL can only charge the differential amount from April,12 to April'15 in accordance to bared with bared by limitation principle/act. The court also directed TNGCL to revoke the old Debit Note and to issue a fresh Debit Note in this matter. The matter has been forwarded to GAIL (India) Ltd. for necessary action.

#### 2.6 Segment Reporting:

In compliance of Accounting Standard 17 on "Segment Reporting" issued by Institute of Chartered Accountants of India: Since the Company is dealing with only one line of product ( i.e. NG ) only which is subject to same risk and return and operating in economic environment subject to same risk and return hence "Segment Reporting" is not required.

Further, as the whole India, has been considered as one geographical segment, and the Company does not have any export, the requirement on segment reporting does not exist.

  
Atanu Datta Choudhury  
Chief Manager (F) & CFO  
Natural Gas Co. Ltd.  
Agartala, Tripura

  
Sivabankar Veleramalai  
Director (Com.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
K. D. Chattaraj  
Managing Director,  
Natural Gas Co. Ltd.  
Agartala, Tripura

## 2.7 Related Party Disclosures :

In compliance of Accounting Standard 18 on "Related Party Disclosures" :

List of Related Parties:

As Promoters/Partners to the Joint Venture :

- (i) GAIL (India) Ltd.
- (ii) Tripura Industrial Development Corporation Ltd.(TIDCL)
- (iii) Assam Gas Company Limited.(AGCL)

Transactions during the year with Related Parties and balance outstanding as on 31<sup>st</sup> March, 2016:

Particulars	Year ended 31-03-16	Year ended 31-03-15
<b>1.GAIL(India) Ltd. :-</b>		
1a. Purchase of Gas (including Service Tax & TVAT)	26,02,89,834	21,54,17,035
1b. Salary ,Allowances & Perks of Directors (Reimbursed to GAIL against Debit Notes)	95,47,263	89,29,237
1c.Trade Payables	1,93,18,883	2,00,27,811
<b>2.Tripura Industrial Development Corporation Ltd. :-</b>		
2a.Lease & Shed Rent for Leasehold Land	13,19,853	12,67,924
2b.Lease/Shed Rent outstanding as on 31-03-2016	81,406	60,260

Key Managerial Personnel:

(i)	Mr.Krishnadas Chattaraj	Managing Director
(ii)	Mr. Shiva Shankar Veeramalai	Director(Commercial)
(iii)	Mr.Atanu Datta Choudhury	CFO

## 2.8 Accounting for Taxes on Income:

In compliance of Accounting Standard 22 on "Accounting for Taxes on Income" :

Provision for Tax charged to Statement of Profit & Loss has been during the year as follows:

Current Year: Rs. 4,68,52,449 Previous Year: Rs.4,30,67,245  
Impact of deferred tax liability charged to Statement of Profit & Loss amounting to Rs. 51,63,733

## 2.9 Financial reporting of interest on Joint Venture:

In compliance of Accounting Standard 27 on "Financial reporting of interest on Joint Venture":

Current Year: Nil Previous Year: Nil.

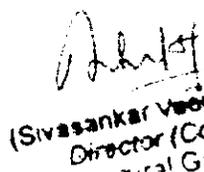
## 2.10 Expenditure incurred in foreign currency:

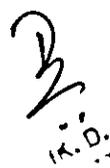
Current Year: Nil (Previous Year: Nil).

## 2.11 Earnings in foreign currency :

Current Year: Nil (Previous Year: Nil).

  
Atanu Datta Choudhury  
Manager (F) & CFO  
Assam Gas Co. Ltd.

  
(Sivasankar Veeramalai)  
Director (Com.)  
Assam Gas Co. Ltd.,

  
K. D. Chattaraj  
Managing Director  
Assam Gas Co. Ltd.



**2.12 Director's Remuneration & Other Expense Paid/Re-imbursed:**

Current Year: Rs.95,47,263

Previous Year: Rs.89,27,237

**2.13 Capital Commitments :**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for:

Current Year: Rs.14,86,90,016

Previous Year: Rs.20,87,81,798

**2.14 Purchase, Production & Turnover**

Particulars	Current Year		Previous Year	
	Quantitative (SCM)	Value(Rs.)	Quantitative (SCM)	Value(Rs.)
Purchase of Gas	3,16,91,344	26,02,89,834	2,71,14,666	21,54,17,035
Sales of Gas-PNG	1,51,12,347	23,64,81,953	1,30,36,554	23,05,51,052
Sales of Gas-CNG	1,55,34,477	42,20,08,287	92,94,080	34,55,36,214

**2.15 Doubtful Debtors**

**M/s Surya Vinayak Industries Ltd.-Outstanding –Rs.26,66,183/-**

Law Suit has been filed against M/s Surya Vinayak Industries Ltd. and Hon'ble CJM Court, Agartala has directed police to submit report about the whereabouts of the Directors of the said company. Once they are traced by the police, appropriate criminal proceedings will be initiated against the defaulting consumer.

**M/s MAA Bricks Industry – Outstanding -Rs.26,65,770/-**

**M/s Ram Thakur Bricks Industry – Outstanding -Rs.36,55,149/-**

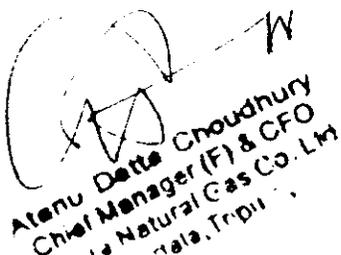
M/s Ram Thakur Bricks Industry and M/s MAA Bricks Industry has been issued legal notices through empanelled legal counsel of TNGCL. Initiatives have been taken to file appropriate action against the defaulters and TNGCL is all set to file law suits against the said bricks industries as they have not responded to the several legal notices served to them.

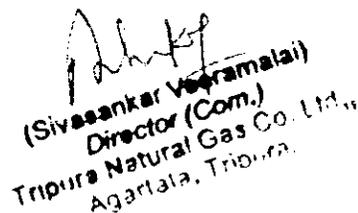
**M/s City Star Food Products- Outstanding-Rs.7,01,988/-**

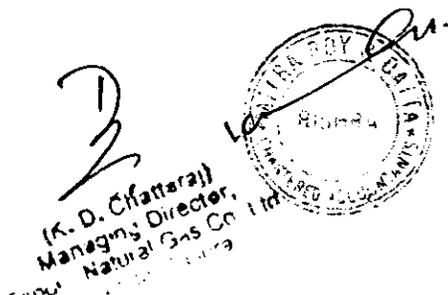
In line with the above/s City Star Food Products which have winded up its operations at Agartala and currently at bay is also being served with legal notices to recover the outstanding amount.

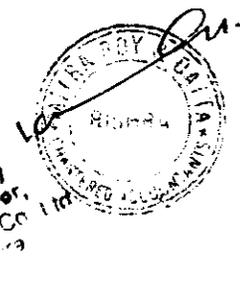
**M/s Dharampal Premchand Limited- Outstanding-Rs.51,41,918/-**

M/s Dharampal Premchand Limited has suspended its operations as they were not finding market for its products and due to decrease in demand and they have reduced their booked quantity from 37250 SMD to 16000 SCMD. The amount outstanding is pertaining to TOG of TNGCL not paid as the Company wanted TNGCL TOG to be charged on actual quantity since inception which TNGCL has not agreed.

  
Atanu Datta Choudhury  
Chief Manager (F) & CFO  
Natural Gas Co. Ltd.  
Agartala, Tripura

  
(Sivasekar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura

  
(K. D. Chatterjee)  
Managing Director,  
Natural Gas Co. Ltd.  
Agartala, Tripura



2.16 Employee Benefits :

(i) Provident Fund

Company is paying contribution to the Contributory Provident Fund @12% under The Employees' Provident Funds Scheme, 1952 under The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged the same percentage to eligible salary.

The Company has paid a total contribution of Rs.14.63 Lakh (Previous Year: Rs.12.78 Lakh to CPF and charged to Profit and Loss account.

(ii) Other Benefit Plans

A) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and payment is restricted to Rs 10 Lakhs. The Company has made provision accordingly and has kept the same amount in Fixed Deposit account with State Bank of India, R.M.S.Chowmuhani Branch, Agartala. During the current year provision of Rs.8.22 Lakhs has been made and charged to Profit and Loss account.

B) Earned Leave Benefit (EL)

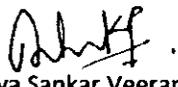
Accrual 30 days per year. Encashment while in service excess of 30 days of Earned Leave balance and maximum once in a calendar year. Encashment on retirement or superannuation maximum 300 days. During the current year provision of Rs.21.17 Lakhs has been made and charged to Profit and Loss account.

C) Encashable Medical Leave (EML)

Accrual 10 days per year. Encashment while in service NIL. Full encashment on retirement.

2.17 Corresponding figures for previous periods presented have been re-grouped/re-arranged/re-cast, wherever necessary, to confirm to this period classification.

  
Atanu Datta Choudhury  
Chief Financial Officer  
PAN-AGUPD6174A  
Atanu Datta Choudhury  
Chief Manager (F) & CFO  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.

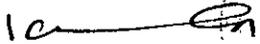
  
Siva Sankar Veeramalai  
Director(Com)  
DIN-07211011  
(Sivasankar Veeramalai)  
Director (Com.)  
Tripura Natural Gas Co. Ltd.,  
Agartala, Tripura.

  
K.D. Chattaraj  
Managing Director  
DIN-03561628  
(K. D. Chattaraj)  
Managing Director,  
Tripura Natural Gas Co. Ltd.  
Agartala, Tripura.

Place: Kolkata.

Date: 21st May 2016

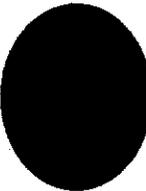
For Mitra Roy & Datta  
Chartered Accountants  
FRN 322477E



KINGSUK DATTA

Partner

Membership No: 053121



# TRIPURA NATURAL GAS CO LTD

(CIN: U23201TR1990SGC003451)

Registered Office: 33, Office Lane - Agartala, Tripura, India

## **LIST OF SHAREHOLDERS AND DIRECTORS**

### **A. Corporate Shareholders**

- i. GAIL (India) Limited
- ii. Tripura Industrial Development Corporation Limited
- iii. Assam Gas Company Limited

### **B. Individual Shareholders**

#### **a. Representing TIDC**

- i. Shri Pravin L. Agarwal  
MD, TIDC
- ii. Shri Shyamal Kanti Deb  
GM, TIDC
- iii. Shri. Parimal S Debbarman  
GM, TIDC

#### **b. Representing AGCL**

- i. Shri A.K. Sharma  
Managing Director,  
Assam Gas Company Limited
- ii. Shri Vijay Kumar L.  
Sr. Mgr. (F&A),  
Assam Gas Company Limited
- iii. Shri Surjya Tamuli  
Chief Manager (TS)  
Assam Gas Company Limited
- iv. Shri Kunal Mazumdar  
Chief Manager (O&M)  
Assam Gas Company Limited

## **Directors:**

- |  |                              |
|--|------------------------------|
| <b>Shri Jitendra Choudhury</b><br>1) MP, Lok Sabha,<br>Chairman, TIDC Ltd                      | <b>Chairman</b>              |
| <b>Shri Naryan Gangopadhyay</b><br>2) Dy. General Manager ((NG P/L O&M) ,<br>GAIL (India) Ltd. | <b>Managing Director</b>     |
| <b>Shri Sivasankar Veeramalai</b><br>3) Chief Manager (CGM)<br>GAIL (India) Ltd.               | <b>Director (Commercial)</b> |
| <b>Shri Amit Kumar Ray,</b><br>4) Executive Director (HR & HRD),<br>GAIL (India) Ltd.          | <b>Director</b>              |
| <b>Shri Aditya Kumar Sharma,</b><br>5) Managing Director,<br>Assam Gas Co. Ltd.                | <b>Director</b>              |