

27TH ANNUAL REPORT 2016-17



TRIPURA NATURAL GAS COMPANY LIMITED

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

Shilpa Nigam Bhawan, Khejur Bagan, Kunjaban, Agartala, Tripura-799006

CIN : U23201TR1990SGC003451



**Shri Jitendra Chowdhury, MP
Chairman**



**Shri N Gangopadhyay
Managing Director**



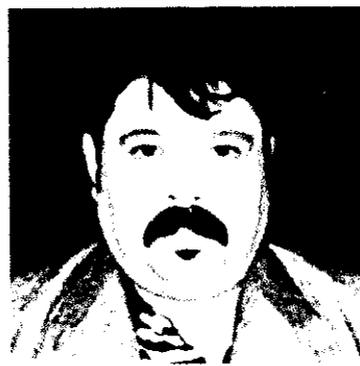
**Shri Sivasankar Veeramalai
Director (Com)**



**Shri Amit Kr Ray
Director**



**Shri A K Sharma
Director**



**Shri Atanu Datta Choudhury
CFO**



**Shri Pradeep Kr. Mahato
Company Secretary**



त्रिपुरा नैचुरल गैस कम्पनी लिमिटेड
Tripura Natural Gas Company Limited

(A Joint Venture of GAIL (India) Limited,
Government of Tripura and Government of Assam)

NOTICE

CIN NO : U23201TR1990SGC003451

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Tripura Natural Gas Co. Ltd will be held at Registered Office at Shilpa Nigam Bhawan, Khejur Bagan, Kunjaban, Agartala, Tripura-799006 on Saturday, the 23rd September, 2017 at 12:00 hrs. to transact the following business:

As Ordinary Business

1. To receive, discuss, consider and adopt the Audited Financial Statement for the Financial Year ending on 31st March, 2017 and the report of Board of Director's on the working and activities of the Company and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India.
2. To appoint a Director cum Chairman in place of Shri Aditya Kumar Sharma, who retires by rotation as per Joint venture agreement, and being eligible would be from AGCL, has offered for appointment.
3. To appoint a Director in place of Shri Jitendra Choudhury, MP, Chairman TNGCL, who retires by rotation as per Joint venture agreement, and being eligible had offered for appointment.
4. To take note of the appointment of statutory Auditor as and when recommended by the Comptroller & Auditor General of India and authorise the Board of Directors to fix the remuneration for the year 2017-2018 in terms of the provisions of section 142 of Companies Act, 2013 and the rules made there under and to pass the following resolution with or without modification as ordinary resolution.

"RESOLVED THAT the Board is authorised to take note of the appointment of the statutory Auditor of the Company for the Financial Year 2017-2018 as and when recommended by the C& AG."

"RESOLVED THAT Board of Directors of the Company be and is hereby 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 FY 2017-18, as may be deemed fit by the Board."

By Order of the Board of Director

Date: 01.09.2017
Place: Agartala

Pradeep Kumar Mahato
Company Secretary

To
The Board of Directors

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form duly completed should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

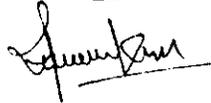
2. The explanatory statement as required under Section 102(1) of the Companies Act, 2013, is annexed hereto and all documents referred to in the same will be open for inspection by members, at the registered office of the Company during normal working hours up to the date of the Annual General Meeting.

3. Shri Amit Kumar Ray ED (HR) GAIL, nominated as director in the Board of TNGCL by GAIL will be retired on superannuation on 31st January, 2018. GAIL may nominate a Director in the Board of TNGCL in place of Shri Amit Kumar Ray as per Joint Venture Agreement signed on 15th February, 2005.

Encl:-

1. Proxy Form
2. Attendance Slip
3. Director's Report
4. Secretarial Audit Report
5. Cost Audit Report
6. Statutory Audit Report along with Statement of accounts
7. List of Shareholders & Directors

} Annual Report 2016-17





TRIPURA NATURAL GAS COMPANY LIMITED
(CIN: U23201TR1990SGC003451)

Registered Office: Shilpa Nigam Bhawan, Khejur Bagan, Kunjaban, Agartala, Tripura, India

**Form No. MGT-11
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3)
of the Companies (Management and Administration) Rules, 2014)

Name of the member (s): _____

Registered Address : _____

E.Mail Id.: _____ Folio No. /Client Id _____ DP ID _____

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint

1. Name: _____ Address: _____

E.mail ID: _____ Signature _____

or failing him

2. Name: _____ Address: _____

E.mail ID: _____ Signature _____

or failing him

3. Name: _____ Address: _____

E.mail ID: _____ Signature _____

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Saturday 23rd day of September, 2017 at 12.00 hrs at Registered Office at Shilpa Nigam Bhawan, Khejur Bagan, Kunjaban, Agartala, Tripura 799006 and at any adjournment thereof in respect of such resolutions as mentioned in the notice calling 27th AGM.

Signed this.....day of2017

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



TRIPURA NATURAL GAS CO LTD
(CIN: U23201TR1990SGC003451)

Registered Office: Shilpa Nigam Bhawan, Khejur Bagan, Kunjaban, Agartala, Tripura, India

ATTENDANCE SLIP
Adjourned 27th Annual General Meeting

Reg. Folio/DP & Client No:..... No .of Shares Held:.....

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company at Registered office at Shilpa Nigam Bhawan, Khejur Bagan, Kunjaban, Agartala, Tripura -799006 on Saturday 23rd day of September, 2017 at 12.00 hrs.

Member's Name :

Proxy's Name :

Member's/ Proxy's Signature

Note:

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

DIRECTOR'S REPORT



Tripura Natural Gas Company Limited

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

TRIPURA NATURAL GAS COMPANY LIMITED

Annual Report 2016-17

DIRECTORS` REPORT

Dear Members,

Your Directors are pleased to present the Twenty Seventh Annual Report and the Company`s audited financial statement for the financial year ended March 31, 2017.

Tripura Natural Gas Company Ltd, is engaged in providing Natural Gas as an eco friendly-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.

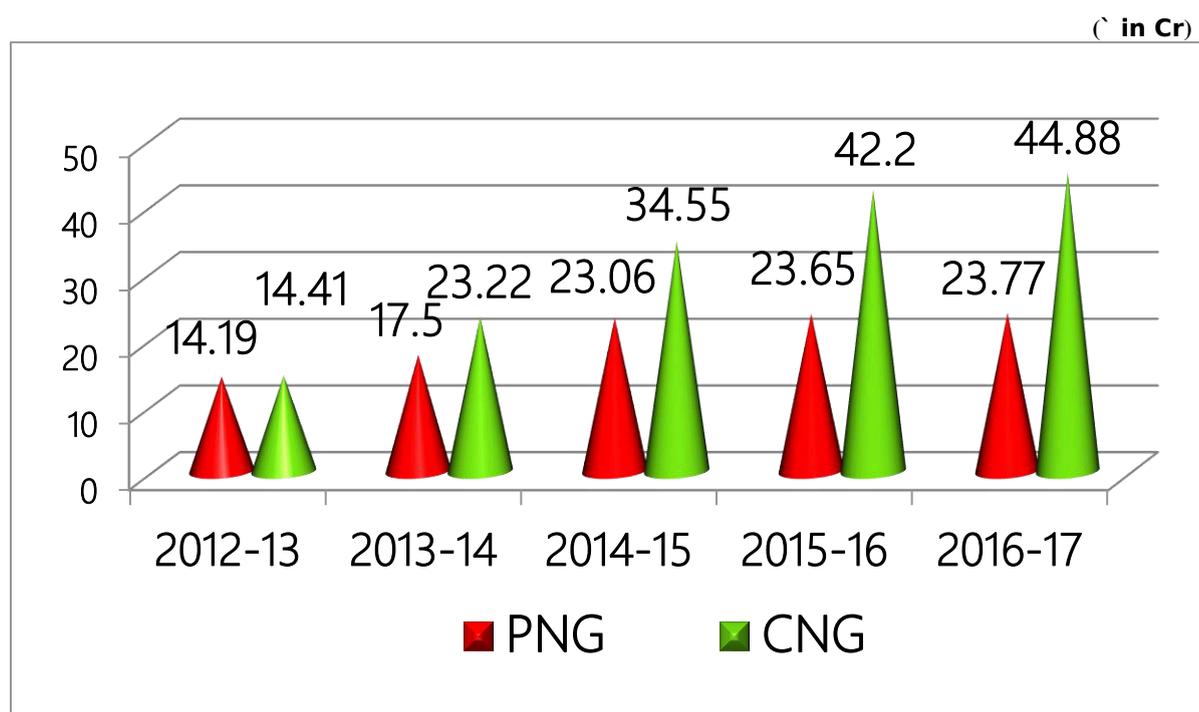
GAIL (India) Ltd. took management control of the Company in 2005, along with other stake holders - Tripura Industrial Development Corporation (TIDC) & Assam Gas Company Ltd (AGCL). With commendable visionary leadership, exemplary problem solving skills and untiring efforts, the directors have been able 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 22615 in 2016 to 28669 in 2017(March) resulting an overall growth in tune of 26.77% vis-à-vis last financial year. TNGCL achieved 6054 **Domestic PNG connections** in FY 2016-17 against the total of 6000 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 12,53,040.10 **Kgs**, thus registering a growth of 11.59 % **YOY** in CNG business. To maintain uniform pressure across the network and bring more PNG customers under TNGCL`s pipeline coverage, a total of 132.42 KM MDPE pipeline was laid in 2016-17. 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, 2017 is summarised below:-

Particulars	2016-2017(`)	2015-2016(`)
I. Gross Revenue from Operations	66,98,02,251	658,490,240
II. Other Income	3,24,67,005	17,975,504
III. TOTAL REVENUE (I + II)	70,22,68,255	676,465,744
IV. TOTAL EXPENSES	53,05,20,624	530,791,960
V. Profit before exceptional items and extra- ordinary items and Tax (III-IV)	17,17,47,631	145,673,784
VI. TAX EXPENSES:		
Current Tax	4,83,58,955	46,852,449
Deferred Tax	1,03,85,364	5,163,733
VII. Profit (Loss) for the period (V-VI)	11,30,03,312	93,657,602
Earnings per Share		
1. Basic	288	239
2. Diluted	288	239

SALES OF GAS



DIRECTORS PROPOSE TO APPROPRIATE THIS AMOUNT AS UNDER :

Appropriations:	2016-2017	2015-2016
Adjustment of brought forward losses		
Towards Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance carried forward to Balance Sheet	11,30,03,312	9,36,57,602

SUMMARIZED CASH FLOW STATEMENT:

Cash Flows :	2016-2017	2015-2016
Inflow/(Outflow) from operations	25,01,35,409	14,40,34,247
Inflow/(Outflow) from investing activities	(9,08,03,845)	(9,65,34,477)
Inflow/(Outflow) from financing activities	(3,25,52,900)	(2,90,25,753)
Net Increase/(decrease) in cash & cash equivalent	12,67,78,663	1,84,74,017

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 747.47 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 2016-17 has been phenomenal, breaking all previous records of the Company.

While the turnover of the Company grew by 1.42 % from previous year's total revenue of ` 69.25 Crores to ` 70.23 Crores in 2016-17, the profit grew by 11.49 % - thus keeping the upward trend. The Net Worth of the Company also grew by 21.17 % vis-à-vis last Financial Year while there had been an increase of 1.37 % 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:

For the Financial Year-2016-17, the Statement of Accounts has been prepared as per Indian Accounting Standard (IND AS) with the help of M/s S.R.Batliboi LLP and was submitted to the Statutory Auditor for audit. The Statutory Audit has been completed on 17-05-2017 and the Audited Statement of Accounts have been submitted to CAG for Supplementary Audit which is under progress. There were 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 2016-17 till the date of signing this report.

DIVIDEND

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

Particulars	Previous Year 2015-16 (`)	Current Year 2016-17 (`)	Increase / Decrease	
			(`)	%
Turnover	69,24,39,592.00	70,22,68,255.07	98,28,663.49	1.42%
Profit (PAT)	10,13,58,992.00	11,30,03,311.52	1,16,44,319.33	11.49%
PAT %	14.64%	16.09%		
Profit Before Tax (PBT)	16,94,26,961.00	17,17,47,631.01	23,20,670.48	1.37%
PBT (%)	24.47%	24.46%		
Net Worth	53,39,10,803.13	64,69,14,115.33	11,30,03,311.52	21.17%
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 31st March, 2017 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 6054 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 corpuses in PNG Infrastructure development.

Financial Year	Number of Domestic Connections
2009-10	7429
2010-11	8472
2011-12	9748
2012-13	11431
2013-14	14896
2014-15	17996
2015-16	22615
2016-17	28669

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 2016-17, the Company has been able to add 44 more commercial consumers taking the total number of commercial connections to 366 than that of 322 in previous year.

Financial Year	Number of Commercial Connections
2009-10	133
2010-11	159
2011-12	175
2012-13	214
2013-14	254
2014-15	294
2015-16	322
2016-17	366

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 50 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 85% of the city. During 2016-17, TNGCL has been able to lay a total of 125.47 KM of MDPE pipeline within the city area while providing PNG connections.

Financial Year	Total Length of MDPE Pipeline (KM)	Increase YOY
2009-10	278.01	6.42
2010-11	293.48	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
2016-17	747.47	125.47
Growth in Physical Infrastructure		

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 2016-17, the Company has commissioned its 6th CNG Station (Daughter Station) at Khowai .This is a step towards creation of CNG corridor between Agartala and North Tripura.

The Daughter booster station at Udaipur is running at full capacity and the Company has already planned for 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 Bishalgarh ,Melagarh,Santir bazaar,Belonia,Amarpur 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.

Financial Year	Total Number of CNG Vehicles	Increase YOY
2009-10	1445	592
2010-11	2067	622
2011-12	4026	1959
2012-13	4682	656
2013-14	6148	1466
2014-15	6986	838
2015-16	9438	1375
Growth in Number of CNG vehicles		

TNGCL has registered a growth of 11.59% 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 8.55 %.**

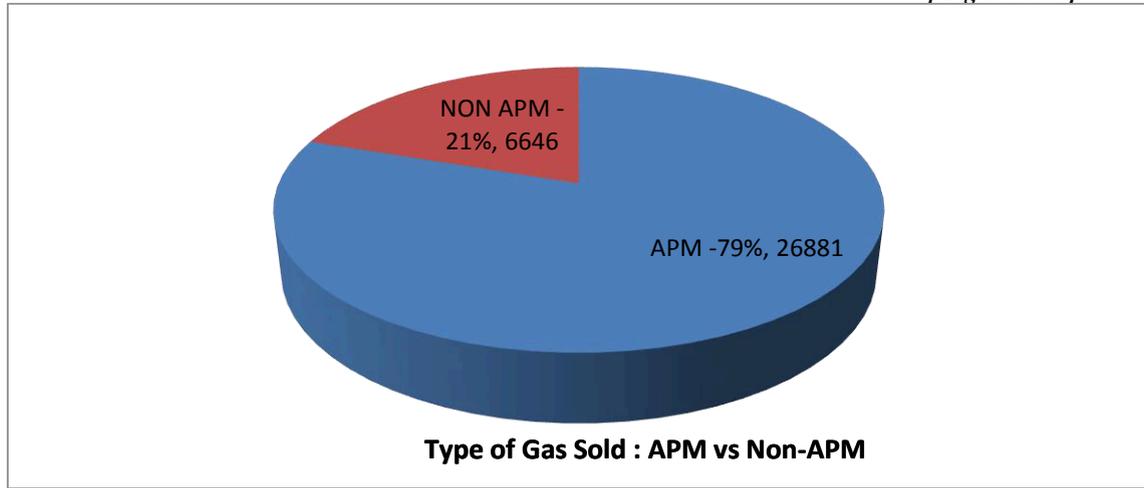
CNG Sales (by volume) for FY 2016-17 & comparison increase /(decrease) with last Year				
[In Kgs]				
Month	FY-16-17	Last Year Corresponding Month	Increase/ (Decrease)	Percentage Increase/(Decrease)- %
April'16	931487.24	804252.66	127069.98	15.80
May'16	983485.80	905145.91	82339.89	9.14
June'16	982545.85	871002.65	111543.20	12.81
July'16	1107708.16	918855.1	192950.31	21.09
August'16	1015840.69	932025.66	83815.03	8.99
September'16	986123.85	834804.38	158705.47	19.18
October'16	1030943.01	943272.78	87670.23	9.29
November'16	952700.58	912050.25	40650.33	4.46
December'16	1046061.20	949424.99	96636.21	10.18
January'17	1073262.92	990804.24	85938.68	8.70
February'17	995935.52	931776.69	64158.83	6.89
March'17	1091136.18	968892.78	121561.94	12.54
	121,97,231.00	109,62,308.09	1253040.10	139.06
Overall % increase in CNG Sales compared to Last FY				11.59%

CNG Sales (by revenue) for FY 2016-17 and comparison increase /(decrease) with last Year				
[In `]				
Month	FY-16-17	Last Year Corresponding Month	Increase/ (Decrease)	Percentage Increase/(Decrease) %
April'16	34951260.00	31397489.95	3553770.05	11.32
May'16	36887312.47	35142073.99	1745238.48	4.97
June'16	36852058.48	33966578.20	2885480.28	8.50
July'16	41546482.82	35672901.09	5873581.73	16.47
August'16	38100837.13	36119665.00	1981172.13	5.49
September'16	36986256.72	32266917.00	4719339.72	14.63
October'16	36936885.97	35889821.00	1047064.97	2.92
November'16	33956608.78	34662533.00	-705924.22	-2.04
December'16	37284209.79	36082962.00	1201247.79	3.33
January'17	38253746.98	32943713.25	5310033.73	16.12
February'17	36697525.29	30990623.46	5706901.83	18.41
March'17	48047986.75	46873009.06	1174977.69	2.51
	456501,171.18	422008287.00	34492884.18	102.61
Overall % increase in CNG Sales Compared to Last Financial Year				8.55%

SALES OF GAS

During the financial year-2016-17, the Company has achieved a sales volume of 33,526,326 SCM of Natural Gas of which 2,68,80,626 SCM is APM gas and 66,45,700 SCM is non-APM gas.

[Fig in "000"]



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:

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 2016-17, 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 2016-17, the Company has not undertaken any major CSR activities. However, several small donations and expenditure to the tune of Rs.8,40,285/- 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.

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.

Pursuant to Joint Venture Agreement, the Chairmanship of the Board is retire by rotation in the ensuing Annual General Meeting, Shri Jitendra Choudhury, MP, Chairman TNGCL is retire by rotation in the ensuing Annual General Meeting.

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

Sl. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri Jitendra Chowdhuy	Chairman	19.09.2015	-
2	Shri N. Gangopadhyay	Managing Director	11.07.2016	-
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 K. Chattaraj	Managing Director	02.02.2015	30.05.2016

The Board places on record its deep appreciation for the valuable contribution made by Shri Shri K. Chattaraj, during his tenure as Managing Director of the Company who demitted office with effect from effective 30.05.2016.

The Board approved the appointment of Shri N. Gangopadhyay as Managing 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	6	5
2	Amit Kumar Ray	6	3
3	N. Gangopadhyay, [as Managing Director.]	5	5
4	Sivasankar Veeramalai	6	6
5	Aditya Kumar Sharma	6	2
6	K. Chattaraj, [as Managing Director.]	1	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
83rd	30.04.2016	Agartala
84th	09.07.2016	Agartala
85th	06.08.2016	Agartala
86th	17.09.2016	Agartala
87th	19.11.2016	Agartala
88th	14.02.2017	Agartala

BOARD EVALUATION:

As per the MCA Notification No. GSR 463(E) dated 5th June, 2015, provisions of section 134(3)(p) shall not apply, in case the Directors are evaluated by the Ministry, 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.

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.

AUDITORS AND AUDITORS` REPORT

STATUTORY AUDITORS

TNGCL is a Joint Venture Company & is thus required to get its A/C's Audited by an Auditor duly appointed by CAG. For the FY-2016-17, CAG has appointed, M/s S.A.Majumdar & Associates, Chartered Accountants Letter No:CA.V/COY/TRIPURA, TRGASC (1)/1190 dt: 22-08-2016 at a fees of Rs. 40,000 (Rupees Forty Thousand only) excluding taxes.

For the Financial Year-2016-17, the Statement of Accounts has been prepared as per Indian Accounting Standard (IND AS) with the help of M/s S.R.Batliboi LLP and was submitted to the Statutory Auditor for audit. The Statutory Audit has been completed on 17-05-2017 and the Audited Statement of Accounts have been submitted to CAG for Supplementary Audit which is under progress and the Audited Financial Statement is annex herewith **Annexure-B**.

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 2017-2018 but the Board is authorized to take note of the appointment of the Statutory Auditor of the Company for the Financial Year 2017-2018 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 2017-18, 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 2016-17. The Secretarial Audit Report of the company is annexed herewith **Annexure –C**.

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 2016-17. The due date for filing cost audit report of the company of the Company is 30 days from the receipt of Cost Audit Report. However, as soon as the Cost Audit Report is placed before the Board, the same shall be filed with MCA. 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 31/07/2017 is ` 8.08 Crores.
2. Guarantees-
 - a. ` 2.75 Crores, letter of Credit no. 00217LC0000012 dtd:03-03-2017 issued in favour of GAIL (India) Ltd. for 45 days Gas supply coverage amount valid upto 03/03/2018.
 - 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." The BG has been renewed for a period of 18 months upto 27-12-2018.
 - c. ` 1.50 Crores, Bank guarantee no. ADN/BG/2016-17/10, 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:

For the Financial Year-2016-17, the Statement of Accounts has been prepared as per Indian Accounting Standard (IND AS) with the help of M/s S.R.Batliboi LLP and was submitted to the Statutory Auditor for audit. The Statutory Audit has been completed on 17-05-2017 and the Audited Statement of Accounts have been submitted to CAG for Supplementary Audit which is under progress. There were 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 2016-17 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 its 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 2016-2017.

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 2016-17. 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 79th Board meeting and Board has approved the same.

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, 2017, 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, 2017 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: 26.08.2017
Place: Agartala

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

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	CIN	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)			
S. 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	U11101AS19625GC001184	Joint Venture	25.51	N/A
3	TRIPURA INDUSTRIAL DEVELOPMENT CORPORATION LTD	U75112TR19745GC001491	Joint Venture	25.51	N/A

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	
A. Promoters									
(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%
TOTAL (A)		3,92,000	3,92,000	100.00%		3,92,000	3,92,000	100.00%	0.00%
B. Public									
1. Institutions									
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%

2. Non-Institutions										
a) Bodies Corp.										
i) Indian				-	0.00%			-	0.00%	0.00%
ii) Overseas				-	0.00%			-	0.00%	0.00%
b) Individuals										
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%
c) Others (specify)										
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 - DR				-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-				-	0.00%			-	0.00%	0.00%
Total Public (B)				-	0.00%			-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs				-	0.00%			-	0.00%	0.00%
Grand Total (A+B+C)		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	tripura 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. Assam Gas Company Limited & Tripura Industrial Development Corporation Limited	8	0.00%		8	0.00%		0.00%
	Total	3,92,000	100.00%		3,92,000	100.00%		

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

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,49,18,545.00			8,49,18,545.00
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
Total (i+ii+iii)	8,49,18,545.00	-	-	8,49,18,545.00
Change in Indebtedness during the financial year				
* Addition		-		-
* Reduction	2,42,00,000.00	-		2,42,00,000.00
Net Change	2,42,00,000.00	-	-	2,42,00,000.00
Indebtedness at the end of the financial year				
i) Principal Amount	6,07,18,545.00	-		6,07,18,545.00
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
Total (i+ii+iii)	6,07,18,545.00	-	-	6,07,18,545.00

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	
		N. Gangopadhayay	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	30,57,413.00	27,41,432.00	57,98,845.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,68,399.00	4,14,003.00	7,82,402.00
	(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)	34,25,812.00	31,55,435.00	65,81,247.00
	Ceiling as per the Act			

B. Remuneration to other Directors : NA

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
		Name	Designation	
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			65,81,247.00
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :- NA

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	Designation	Designation	
		N/A	Atanu Datta Choudhury	Pradeep Kumar Mahato	
		CEO	CFO	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		16,93,855.00	3,97,881.00	20,91,736.00
	(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		16,93,855.00	3,97,881.00	20,91,736.00

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

(JITENDRA CHOWDHURY)
Chairman,
Tripura Natural Gas Co. Ltd.,
Agartala, Tripura.

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, 2nd Floor

Sarvodaya Path, ABC, Bhangagarh

Guwahati- 781005

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

We 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 our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Tripura Natural Gas Company Limited** ("the Company") for the financial year ended on 31st March, 2017 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 etc.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in

pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

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

Regarding the compliance of other applicable laws, the Company Secretary and Chief Financial Officer of the Company have certified and reported that there is no any non compliance on the part of the Company.

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

1. *The Company has not framed any Sexual Harassment Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 though there exists a congenial working environment for the workers of both the genders in the Company.*
2. *Although the Corporate Social Responsibility Policy has been framed for the Company, but the amount spent by the Company under the heading Corporate Social Responsibility during the Financial Year under review was Rs. 8,40,285/- (Rupees Eight Lakhs Forty Thousand Two Hundred and Eighty Five Only) which is less than 2% of the average net profits of the Company made during the three immediately preceding financial years.*

We further report that:

Since, the paid up capital of the Company is Rs. 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. Therefore, the 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.

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

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

Based on the representation of the management, 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.

For Biman Debnath & Associates
Company Secretaries

BIMAN
DEBNATH

Digitally signed by BIMAN DEBNATH
DN: cn=BIMAN DEBNATH, postalCode=781005,
ou=ABC,
2.5.4.20=160786740568112214786420116970,
c=IN, email=csbimandebnath@gmail.com,
serialNumber=409548, cn=B. Com., LLB, DTL., FCS.,
ou=ABC, postalCode=781005,
cn=BIMAN DEBNATH
Date: 2017.08.24 11:02:42 +05'30'

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

Date: 24/08/2017

Place: Guwahati

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

COST AUDIT REPORT
Financial Year- 2016-17

Cost Auditor
S R SAHA & ASSOCIATES
Cost Accountants
Shibnagar, Maszid Road, Agartala

**Cost Audit Report of Tripura Natural Gas Company Limited, Agartala,
Tripura, for the year ended 31st March 2017**

We, S.R.SAHA & Associates, Cost Accountants, having been appointed as Cost Auditor under section 148(3) of the Companies Act, 2013 (18 of 2013) of **Tripura Natural Gas Company Limited**, Agartala, Tripura, having its registered office at Shilpa Nigam Bhawan, Khejurbagan, Kunjavan, Tripura West, Agartala-799006 (herein after referred to as the company), have audited the Cost Records maintained under 148 of the said Act, in compliance with the cost auditing standards in respect of Mineral Fuels - Coke product for the year ended 31st March, 2017 maintained by the company and report, in addition to our observations and suggestions in para 2.

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit;
- (ii) In our opinion, proper cost records, as per rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the company in respect of PNG under reference
- (iii) In our opinion, proper returns adequate for the purpose of the Cost Audit have been received from branches not visited by us.
- (iv) In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013, in the manner so required.
- (v) In our opinion, the company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
- (vi) In our opinion, information, statements in the annexure to the cost audit report gives true and fair view of the cost of production of products, cost of sales, margin and other information relating to products under reference.
- (vii) Detailed unit-wise and product wise cost statements and schedules thereto in respect of the product under reference of the company duly audited and certified by us are kept in the company.

2. Observations and suggestions of the Cost Auditor, relevant to the cost audit are as under:

There is no specific observation during the year under audit.

Place: Agartala
Date: 14-07-2017

S R Saha
S R Saha & Associates
Cost Accountant
Membership no. 2267



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

COST AUDIT REPORT- F.Y 2016-17

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Annexure to the Cost Audit Report for FY 2016-17

1 General Information		
1	Corporate identity number or foreign company registration number	U23201TR1990SGC003451
2	Name of company	Tripura Natural Gas Company Ltd.
3	Address of registered office or of principal place of business in India of company	33 Office Lane, Tripura West, Agartala-799001
4	Address of corporate office of company	33 Office Lane, Tripura West, Agartala-799001
5	Email address of company	dc_atanu@tngcl.com
6	Date of beginning of reporting Financial Year	01/04/2016
7	Date of end of reporting Financial Year	31/03/2017
8	Date of beginning of previous financial year	01/04/2015
9	Date of end of previous financial year	31/03/2016
10	Level of rounding used in cost statements	Not applicable
11	Reporting currency of entity	INR
12	Number of cost auditors for reporting period	i(one)
13	Date of board of directors meeting in which annexure to cost audit report was approved	29/06/2017
14	Whether cost auditors report has been qualified or has any reservations or contains adverse remarks	No
15	Consolidated qualifications, reservations or adverse remarks of all cost auditors	No
16	Consolidated observations or suggestions of all cost auditors	NA
17	Whether company has related party transactions for sale or purchase of goods or services	Yes

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Tripura Natural Gas Company Limited
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Agartala Tripura.

Annexure to the Cost Audit report for FY 2016-17

2. General Details of Cost Auditor		
1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor	Individual
3	Firm's registration number	S R Saha & Associate
4	Name of cost auditor/cost auditor's firm	Shibu Ranjan Saha
5	PAN of cost auditor/cost auditor's firm	AZWPS1998J
6	Address of cost auditor or cost auditor's firm	Shibnagar, Masjid Road, P.O. Agartala College, Tripura (W), Agartala. Pin 799004
7	Email id of cost auditor or cost auditor's firm	
8	Membership number of member signing report	M/12264
9	Name of member signing report	Shibu Ranjan Saha
10	Name(s) of product(s) or service(s) with CETA heading	(a) Transmission of Petroleum Natural Gas CETA Heading 2711 b) Compressed Natural Gas CETA Heading 2711
11	SRN number of Form 23C / CRA 2	G07333511
12	Number of audit committee meeting attended by cost auditor during year	NA
13	Date of signing cost audit report and annexure by cost auditor	14-07-2017
14	Place of signing cost audit report and annexure by cost auditor	Agartala

S. R. Saha



Tripura Natural Gas Company Limited
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Annexure to the Cost Audit Report for FY 2016-17

COST ACCOUNTING POLICY:

1. General

TNGCL follows an integrated Financial and Cost Accounting system. Costs Accounting Records are maintained for all operations. The operations are divided into Business Area having cost centres representing Production, Utility and

2. Identification of cost centres/cost objects and cost drivers

For the purpose of cost computation, The Company has identified various cost centres for Natural Gas

3. Accounting for Raw Material:

Raw Material is valued at Purchase price including duties and taxes, freight inwards, insurance, and other

4. Accounting for Stores & Consumables:

The purchases are accounted on actual through Stores Receipt Vouchers. Issues are valued on Weighted

5. Accounting for Salaries and wages

The manpower cost of each employee is charged to the cost centers according to his work centre/area. The Direct salaries of processing plant are included in Employee cost and form part of Cost of Production.

6. Accounting for Utilities

Cost of Utilities such as Water, Steam, Power, Nitrogen, Air generation etc. is prepared as per Cost

7. Accounting and Allocation of Overheads:

Overheads are classified as factory, administration and selling overheads depending on the nature of the activity. The costs are collected according to prescribed cost centers. Efforts are made to account for the

8. Accounting for Depreciation:

a) Depreciation has been provided on the basis of life of the type of asset at the rates & manner specified

- (2) Natural Gas pipe lines including other related facilities are depreciated at the rates & manner
- (3) No Depreciation is provided on Land
- (4) Computer at the residence of the employees are provided and Depreciation on these Computers has
- (5) Cost of the lease hold land not exceeding 30 years is amortized over their lease period on SLM.
- (6) Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively
- (7) Capital expenditure on the assets (enabling facilities) the ownership of which is not with the
- (8) Software /Licenses are amortized in 5 years on straight line method.
- (9) No depreciation is being charged on ROU being perpetual in nature .
- (10) After impairment of assets, if any, depreciation is provided on the revised carrying amount of the

9. Accounting for Joint Products / By Products

The applicability of joint product costing does not arises in case of any of the products



10. Basis for Inventory valuation:

- i) Raw Material:- Cost or NRV whichever is low
- ii) Finished Goods: - Cost or NRV whichever is low.
- iii) Stores and Spares :- Weighted Average Cost

11. Abnormal and Non-recurring Costs:.

Abnormal, non-recurring and other non-cost items are excluded from the cost and are shown in the Profit

12. Methodology for valuation of Inter-Unit / Inter-Company and Related Party Transactions

Intra Unit Transfer is valued at Cost of Production and the difference would be reflected in reconciliation

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10. Basis for Inventory valuation:

- i) Raw Material:- Cost or NRV whichever is low
- ii) Finished Goods: - Cost or NRV whichever is low.
- iii) Stores and Spares :- Weighted Average Cost

11. Abnormal and Non-recurring Costs:.

Abnormal, non-recurring and other non-cost items are excluded from the cost and are shown in the Profit

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Inter Unit Transfer is valued at Cost of Production and the difference would be reflected in reconciliation

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Tripura Natural Gas Company Limited
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Annexure to the Cost Audit Report for FY 2016-17

Name of Product(s) /Services)	UOM	CETA heading (wherever applicable)	Whether Covered under Cost Audit Yes / No	Net Operational Revenue (net of taxes, duties etc	
				Current Year 2016-17	Previous Year 2015 -16
Transmission of Petroleum Natural Gas (PNG) to Domestic Household, Commercial and Industrial Units.	SCM	2711.19.00	Yes	193134518	218240871
Conversion of PNG to CNG and sale to vehicles (Auto , Bus etc.)	SCM	2711.19.00	Yes	375129596	350608280
Total net revenue from operations				568264115	568849151
Other incomes of company				32467005	17975504
Total revenue as per financial accounts				600731119	586824655
Extra ordinary income, if any					
Total revenue including extra ordinary income, if any				600731119	586824655
Turnover as per Excise/Service Tax Records				600731119	586824655

Note: Explain the difference, if any, between Turnover as per Annual Accounts and Turnover as per Excise/Service Tax Records



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Annexure to the Cost Audit Report for FY 2016-17

2. QUANTITATIVE INFORMATION (for each product with CETA heading separately)			
Name of Product	Transmission of PNG		
CETA heading	2711		
Particulars	Unit	Current Year 2016-17	Previous Year 2015- 16
1. Available Capacity	SCM	31390000	29565000
(a) Installed Capacity		144540000	144540000
(b) Capacity enhanced during the year, if any			
(c) Capacity available through leasing arrangements, if any			
(d) Capacity available through loan license / third parties			
(e) Total available Capacity		144540000	144540000
2. Actual Production			
(a) Self manufactured	SCM	33554039	31691344
(b) Produced under leasing arrangements			0
(c) Produced on loan license / by third parties on job work			0
(d) Total Production	SCM	33554039	31691344
3. Production as per Excise Records			
4. Capacity Utilization (in-house)		106.89	107.19
5. Finished Goods Purchased			
(a) Domestic Purchase of Finished Goods			
(b) Imports of Finished Goods			
(c) Total Finished Goods Purchased		106.89	107.19
6. Stock and Other Adjustments			
(a) Change in Stock of Finished Goods			
(b) Self / Captive Consumption (incl. samples etc.)			
(c) Other Quantitative Adjustments, if any (wastage etc.)			
(d) Total Adjustments			
7. Total Available Quantity for Sale [2(d) +5(c) + 6(d)]	SCM	33554039	31691344
8. Actual Sales			
(a) Domestic Sales of Product	SCM	33554039	31691344
(b) Domestic Sales of Traded Product			
(c) Export Sale of Product			
(d) Export Sale of Traded Product			
(e) Total Quantity Sold	SCM	32423991.94	31691344



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1. QUANTITATIVE INFORMATION (for each product with CETA heading separately)			
Name of Product	2711		
CETA heading	Unit	Current Year 2016-17	Previous Year 2015-16
Particulars			
1. Available Capacity	SCM	37142400	27222626
(a) Installed Capacity	SCM	37142400	26630400
(b) Capacity enhanced during the year, if any	SCM	9919774	592226
(c) Capacity available through leasing arrangements, if any	SCM		
(d) Capacity available through loan license / third parties	SCM		
(e) Total available Capacity	SCM	37142400	27222626
2. Actual Production			
(a) Self manufactured	SCM	17587379.73	15534476.88
(b) Produced under leasing arrangements			
(c) Produced on loan license / by third parties on job work			
(d) Total Production	SCM	17587379.73	15534476.88
3. Production as per Excise Records	SCM	17587379.73	15532935.00
4. Capacity Utilization (in-house)	SCM	1704.94	1541.88
5. Finished Goods Purchased			
(a) Domestic Purchase of Finished Goods			
(b) Imports of Finished Goods			
(c) Total Finished Goods Purchased			
6. Stock and Other Adjustments			
(a) Change in Stock of Finished Goods			
(b) Self / Captive Consumption (incl. samples etc)	SCM	1704.94	1541.88
(c) Other Quantitative Adjustments, if any (wastage etc.)			
(d) Total Adjustments	SCM	1704.94	1541.88
7. Total Available Quantity for Sale [2(d) +5(c) + 6(d)]	SCM	17587379.73	15534476.88
8. Actual Sales			
(a) Domestic Sales of Product	SCM	17587379.73	15534476.88
(b) Domestic Sales of Traded Product			
(c) Export Sale of Product			
(d) Export Sale of Traded Product			
(e) Total Quantity Sold	SCM	17587379.73	15534476.88



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Annexure to the Cost Audit Report for FY 2016-17

2. ABRIDGED COST STATEMENT (for each product with CETA heading separately)

Name of Product		Transmission of PNG			
CETA heading		2711			
Unit of Measure		SCM			
		Production	Captive Consumption	Other Adjustments	Quantity Sold
	Current Year 16-17	15010947	0	0	15010947
	Previous Year 15-16	15112347	0	0	15112347
Sl No.	Particulars	Current Year 2016-17		Previous Year 2015-16	
		Amount (RS)	Rate per Unit	Amount (RS)	Rate per Unit
1	Materials Consumed (specify details as	93680626	6.24	124121915	8.21
2	Process Materials/chemicals	0	0.00	0	0.00
3	Utilities (Electricity, Water)	201056.95	0.01	296653	0.02
4	Direct Employees Cost Including Directors	19088961.6	1.27	23230222	1.54
5	Direct Expenses (OM)	13649722	0.91	11627086	0.77
6	Consumable Stores and Spares		0.00	0	0.00
7	Repairs and Maintenance		0.00	0	0.00
8	Quality Control Expenses		0.00	0	0.00
9	Research and Development Expenses		0.00	0	0.00
10	Technical know-how Fee / Royalty	592935	0.04	625944	0.04
11	Depreciation/Amortization	38026257.58	2.53	23925135	1.58
12	Other Production Overheads(Veh hire,	4180695	0.28	3360094	0.22
13	Industry Specific Operating Expenses		0.00	0	0.00
14	Total (1 to 13)	169420254	11.29	187187049	12.39
15	Increase/Decrease in Work-in-Progress		0.00		0.00
16	less: Credits for Recoveries, if any		0.00		0.00
17	Primary Packing Cost		0.00		0.00
18	Cost of Production/Operations (14 + 15 to 17)	169420254	11.29	187187049	12.39
19	Cost of Finished Goods Purchased	0	0.00		0.00
20	Total Cost of Production and Purchases (18 + 19)	169420254	11.29	187187049	12.39
21	Increase/Decrease in Stock of Finished Goods	0	0.00	0	0.00
22	Less: Self/Captive Consumption (incl. Sample)		0.00		0.00
23	Other Adjustments (if any)		0.00		0.00
24	Cost of Production/Operation of Product Sold	169420254	11.29	187187049	12.39
25	Administrative Overheads	8452213	0.56	8722731	0.58
26	Secondary Packing Cost		0.00	0	0.00
27	Selling and Distribution Overheads (ADVT&)	178846	0.01	308027.5	0.02
28	Cost of Sales before interest (24 to 27)	178051313	11.86	196217807	12.98
29	Interest and Financing Charges	353416	0.02	52500	0.00
30	Cost of sales (28 + 29)	178404729	11.88	196270307	12.99
31	Net sales Realization (net of taxes and Duties)	193134518	12.87	218240871	14.44
32	Margin (Profit/Loss) as per Cost Accounts] (14729789	0.98	21970563	1.45



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2. ABRIDGED COST STATEMENT (for each product with CETA heading separately)					
Name of Product		Compressed Natural Gas (CNG)			
CETA heading		2711			
Unit of Measure		SCM			
		Production	Captive Consumption	Other Adjustments	Quantity Sold
	Current Year 16-17	17385332	0	0	17385332
	Previous Year 15-16	15534477	0	0	15534477
Sl No.	Particulars	Current Year 2016-17		Previous Year 2015-16	
		Amount Rs.	Rate per Unit	Amount Rs.	Rate per Unit
1	Materials Consumed (specify details)	108498739	6.24	127576321	8.21
2	Process Materials/chemicals	0	0.00	0	0.00
3	Utilities (Electricity , water and PNG as F	9467411.786	0.54	1,03,45,964	0.67
4	Direct Employees Cost Including Director	25846686.4	1.49	19345030	1.25
5	Direct Expenses (OM))	36274214.28	2.09	23476738	1.51
6	Consumable Stores and Spares	490825	0.03	432500	0.03
7	Repairs and Maintenance		0.00	0	0.00
8	Quality Control Expenses		0.00	0	0.00
9	Research and Development Expenses		0.00	0	0.00
10	Technical know-how Fee / Royalty	1383516	0.08	1460537	0.09
11	Depreciation/Amortization	34512658.4	1.99	36527089	2.35
12	Other Production Overheads(Veh hire,	5708537	0.33	56,45,024.20	0.36
13	Industry Specific Operating Expenses		0.00	0	0.00
14	Total (1 to 13)	222182588	12.78	224809203	14.47
15	Increase/Decrease in Work-in-Progress		0.00	0	0.00
16	less: Credits for Recoveries, if any		0.00	0	0.00
17	Primary Packing Cost		0.00	0	0.00
18	Cost of Production/Operations (14 + 15 to	222182588	12.78	224809203	14.47
19	Cost of Finished Goods Purchased		0.00		0.00
20	Total Cost of Production and Purchases	222182588	12.78	224809203	14.47
21	Increase/Decrease in Stock of Finished Go		0.00	0	0.00
22	Less: Self/Captive Consumption (incl. Sam		0.00		0.00
23	Other Adjustments (if any)		0.00		0.00
24	Cost of Production/Operation of Product	222182588	12.78	224809203	14.47
25	Administrative Overheads	5147639	0.30	7713959	0.50
26	Secondary Packing Cost		0.00		0.00
27	Selling and Distribution Overheads	14606425	0.84	11972083	0.77
28	Cost of Sales before interest (24 to 27)	241936651	13.92	244495245	15.74
29	Interest and Financing Charges	8642108	0.50	52500	0.00
30	Cost of sales (28 + 29)	250578759	14.41	244547745	15.74
31	Net sales Realization (net of taxes and Du	375129596	21.58	350608280.1	22.57
32	Margin (Profit/Loss) as per Cost Accounts	124550837	7.16	106060536	6.83



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2A. Details of Materials Consumed								
Name of Product		Transmission of PNG						
CEEA heading		2711						
Description of Material	Category	UOM	Current Year 2016-17			Previous Year 2015-16		
			Quantity	Rate per Unit	Amount	Quantity	Rate per Unit	Amount
Petroleum Natural Gas	Indigenous	SCM	15010947	6.240821	93680626	15112347	8.213278	124121915

Category: Indigenous/ Imported/ Self Manufactured

2B. Details of Utilities Consumed								
Name of Product		Transmission of PNG						
CEEA heading		2711						
Description of Material	Category	UOM	Current Year 2016-17			Previous Year 2015-16		
			Quantity	Rate per Unit	Amount	Quantity	Rate per Unit	Amount
Electricity	Power	KHW	21418	9.02	193266.95	28762	7.40	2,12,842
	Water	Kilo/L	0	200	0	33524.4	2.5	83811
Total			21418	209.02	193267			296653

2C. Details of Industry Specific Operating Expenses								
Name of Product		Transmission of PNG						
CEEA heading		2711						
Description of Industry Specific Operating Expenses								
1								
2								
3								
4								
5								

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2A. Details of Materials Consumed								
Name of		Compressed Natural Gas						
CETA heading		2711						
Description of Material	Category	UOM	Current Year 2016-17			Previous Year 2015-16		
			Quantity	Rate per Unit	Amount	Quantity	Rate per Unit	Amount
1 Petroleum Natural Gas	Indigenous	SCM	17385332	6.240821	108498739	15532935	8.213278	127576321
2								
3								
4								
5								

Category: Indigenous/ Imported/ Self Manufactured

2B. Details of Utilities Consumed								
Name of		Compressed Natural Gas						
CETA heading		2711						
Description of Material	Category	UOM	Current Year 2016-17			Previous Year 2015-16		
			Quantity	Rate per Unit	Amount	Quantity	Rate per Unit	Amount
1 Electricity	Power	KHW	265331.43	7.78	2063605.05	153893	8.68	1335308
2 PNG	Natural Gas	SCM	1157758.9	6.241	7225369	1046062	8.21	8591599
3 Water	Water	K/Litre	0	200	0	167623	2.50	419057
4								
5								
Total					92,88,974			10345964

2C. Details of Industry Specific Operating Expenses								
Name of		Compressed Natural Gas						
CETA heading		2711						
Description of Industry Specific Operating Expenses								
1								
2								
3								
4								
5								



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Sl. no.	Particulars	Current Year 2016-17			Previous Year 2015-16		
		Sales	Cost of Sales	Margin	Sales	Cost of Sales	Margin
	Transmission of PNG	193134518	178404729	14729789	21,82,40,871	19,62,70,307	2,19,70,563
	Compressed Natural Gas (CNG)	375129596	250578759	124550837	35,06,08,280	24,45,47,745	10,60,60,536
	Product 3						
	Product 4						
	Service 1						
	Service						
	Service 3						
	Service 4						
	Total	568264115	428983488	139280626	56,88,49,151	44,08,18,052	12,80,31,099

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2. PROFIT RECONCILIATION (for the company as a whole)			
Sl. no.	Particulars	Current Year 2016-17	Previous Year 2015 16
1	Profit or Loss as per Cost Accounting Records		
	a) For the audited product(s)/service(s)	139280626	128031099
	b) For the un-audited product(s)/service(s)		
	Add: Incomes not considered in cost accounts (specify details)		
	(a) Interest on Fixed Deposit	16702118	14606734
	(b) Application Fee	32100	3195750
	(c) Misc Income	15732787	173020
	Less: Expenses not considered in cost accounts (specify details)		
	a) Income Tax	-48358955	-46852449
	b) Deferred tax	-10385364.5	-5163733
	c) Prior Period Adjustment		0
	d) Renovation of building is booked under repair & Maintenance		0
	Difference in Valuation of stock between financial accounts and cost ac		116363
	Other adjustments, if any		
	Profit or Loss as per Financial Accounts	113003311.3	113003311
	Show abnormal wastages, expenses on strikes/lock-outs and any other items of expenses or incomes of abnormal nature etc. not considered in cost separately		



Para D3

Tripura Natural Gas Company Limited
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Annexure to the Cost Audit Report for FY 2016-17

B. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
	Value Addition:		
1	Gross Sales (excluding sales returns)		
2	Less: Excise duty and Value added Tax	669801251	658490240
3	Net Sales	101537136	89641089
4	Add: Export Incentives	568264115	568849151
5	Add/less: Adjustment In Finished Stocks		
6	Less: Cost of bought out inputs		
	(a) Cost of Materials Consumed		
	(b) Process Materials / Chemicals	202179365	251698235
	(c) Consumption of Stores and Spares	0	0
	(d) Utilities (e.g. power and fuel)	490825	432500
	(e) Others, if any	9668469	10642617
	(i) Technical know-how Fee / Royalty/Out sourcing, if any	0	0
	(ii) Operations and Maintenance	1976451	2086481
	(iii) Transportation Expenses/Other Production Overhead/R&M	50414761	35103824
	(iv) Administrative Expenses	9889232	90,05,118
	(v) Selling and Distribution Expenses	13599852	16436691
	(vii) Depreciation	14785270	12280110
	Total Cost of bought out inputs	72538916	60452224
7	Value Added	375543141	398137800
8	Add: Income from any other sources	192720973	170711351
9	Add: Extra Ordinary Income	32467005	17975504
10	Earnings available for distribution		
	Distribution of Earnings to:	225187978	188686855
1	Employees as salaries and wages, retirement benefits, etc.		
2	Share holders as dividend	44935648	42575252
3	Company as retained funds		
4	Government as taxes (specify)	7,87,15,194	5,64,70,514
	(a) Excise Duty		
	(b) Value Added Tax	41240862	38460923
5	Extra Ordinary Expenses	60296274	51180166
6	Others, if any (specify)		
7	Total distribution of earnings	22,51,87,978	18,86,86,855

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

Annexure to the Cost Audit Report for FY 2016-17

4. FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)

S.No.	Particulars	Units	Current Year 2016-17	Previous Year 2015-16
	Financial Position			
1	Share Capital	INR	3,92,00,000	3,92,00,000
2	Reserves and Surplus	INR	60,77,14,114	64,21,82,138
3	Long Term Borrowings	INR	6,30,74,588	10,84,75,921
4	(a) Gross Assets (AS per Indian AS as on 2017)	INR	68,72,12,650	86,39,45,780
5	(b) Net Assets (Current Asset - Current Liabilities)	INR	18,51,93,671	23,86,48,559
6	Capital Employed	INR	1,33,41,26,765	1,54,53,27,918
7	Net Worth	INR	64,69,14,114	68,13,82,138
	Financial Performance			
1	Value Added		19,27,20,973	17,07,11,351
2	Net revenue from Operations of company		56,82,64,115	56,88,49,151
3	Profit before Tax (PBT)		17,17,47,631	14,56,73,784
	Profitability ratios			
1	PBT to Capital Employed (B3/A6)		0.129	0.094
2	PBT to Net worth (B3/ A7)		0.265	0.214
3	PBT to Value Added (B3/B4)		0.891	0.853
4	PBT to net revenue from Operations (B3/B2)		0.302	0.256
	Other Financial Ratios			
1	Debt- equity Ratio		1.609	2.767
2	Current Assets to Current Liabilities		1.78	5.02
3	Value Added to Net revenue from Operations		0.339	0.300
	Working Capital ratios			
1	Raw materials Stock to Consumption			-
2	Stores and spares to Consumption			-
3	Finished Goods Stock to cost of sales			-

Note-1 Capital Employed means average of net fixed assets (excluding effect of revaluation of fixed assets) plus Non-current investments and net current assets existing at the beginning and close of the financial year. Note.-2 Net Worth as defined under clause (57) of section 2 of the Companies Act, 2013.



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

Annexure to the Cost Audit Report for FY 2016-17

5. RELATED PARTY TRANSACTIONS (for the company as a whole) 2016-17							
Sl. No	Name and Address of the Related Party	Name of The Product / Service	Nature of Transaction (Sale, Purchase etc.)	Quantity (In SCM)	Transfer Price	Amount	Basis adopted to determine the Normal Price
1	GAIL(India) Ltd.	Purchase of Gas (including Service Tax & TVAT)	BUY				APM Price
1A.	Agartala City			30977970		175467540	
1B.	Bodhjungle Nagar IGC			2576070		38022006	
2	TIDC Ltd	Lease rent				1325051	

NOTE: 1 Details shall be furnished for each Related Party and Product /Service separately. NOTE. 2 Details of Related Party transactions without Indicating

Asst. Secy.



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

Annexure to the Cost Audit Report for FY 2016-17

A. Reconciliation of Indirect Taxes (for the Company as a whole)		2016-17				
	Particulars	Assessable Value	Excise Duty	Service Tax	Cess and Others	VAT
	Duties/Taxes Payable					
	Excise Duty					
1	Domestic	294223700.3	41240862			
2	Export					
3	Stock Transfers (Net)					
4	Duty Free Clearance, Others etc.					
5	Total Excise Duty (1 to 4)	294223700.3	41240862	0	0	0
6	Service Tax					
7	VAT, CST etc.	566392076.3				82126851
8	Other State Taxes, if any					
9	Total Duties/Taxes Payable (5 to 8)	860615776.5	41240862	0	0	82126851
	Duties/Taxes Paid					
10	Cenvat/VAT Credit Utilised- Inputs					30946685
11	Cenvat/VAT Credit Utilised - Capital Goods		1330675			
12	Cenvat/VAT Credit Utilised - Input Services		2037836			
13	Cenvat/VAT Credit Utilised - Others					
14	Total (10 to 13)	0	3368511	0	0	30946685
15	Paid through		41240862			51180166
16	Total Duties/Taxes paid (14 + 15)		44609373			51180166
17	Duties/Taxes recovered					
18	Difference between Duties/Taxes paid and					
19	Interest/Penalty/Fines Paid					

Note: Provide separate amounts in notes in respect of item 4 above.



Performance Appraisal

The Management may consider to frame policy with regard to following items :

1. Policy to allocation of common cost like Salary, wages and other employ benefits
2. Transfer pricing of PNG to Compression Unit for conversion to CNG. Per unit margin of PNG and CNG differs significantly.

J.R.S.



**STATUTORY AUDIT REPORT
ALONG WITH
STATEMENT OF ACCOUNTS**

**As on 31st March, 2017
(For Financial Year 2016-17)**



Tripura Natural Gas Company Limited

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

Corporate Office:

Shilpa Nigam Bhawan,
TIDC Building, Khejurbagan,
Kunjavan, Agartala-799006



S A. Majumdar & Associates
Chartered Accountants

E-mail: casyamal@yahoo.co.in
Ph (0381)2325276(O)/2306757(R)

CA. Syamalendu Majumdar
B.Com (H), FCA . DISA (ICAI)
Thakurpally Road, Krishnanagar
Agartala, Post Box No.34
West Tripura – 799001, INDIA

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors
Tripura Natural Gas Company Limited
Report on the Financial Statements

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Tripura Natural Gas Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing



standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

a) Predecessor auditor to audit transition adjustments

The comparative financial information of the company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 15th June 2016 expressed an unmodified opinion.

(OR)

Incoming auditor to audit comparative information for adjustments to transition to Ind AS16

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 1st August 2016 and 1st July 2015 respectively expressed an unmodified opinion on those standalone financial



statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

b) We did not audit the financial statements/information of ___nil___ (number) branches included in the standalone Ind AS financial statements of the Company whose financial statements / financial information reflect total assets of Rs. ___nil___ as at 31st March, 2017 and total revenues of Rs. ___nil___ for the year ended on that date.

The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us.

e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

g) 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".

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



- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; [or the Company does not have any pending litigations which would impact its financial position.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; [or the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company [or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.A.Majumdar & Associates
Chartered Accountants
Firm's Registration No.312032E



S.A. Majumdar
17/05/17

Signature

S.Majumdar

Proprietor

Membership No.050476

Place: Agartala, Tripura

Date:17-05-2017



S A. Majumdar & Associates
Chartered Accountants

CA. Syamalendu Majumdar
B.Com (H), FCA , DISA (ICAI)
Thakurpally Road, Krishnanagar
Agartala, Post Box No.34
West Tripura – 799001, INDIA

E-mail: easyamal@yahoo.co.in
Ph (0381)2325276(O)/2306757(R)

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

Appeal Case No:21-22/Ch.V/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-V .The Company has already deposited Rs. 73,46,159/- with the Superintendent of Taxes, Charge-V as appeal money on 23-02-2012.



The judgment received has been against the Company vide 21-22/Ch.VII/2012/1225-26 dt:21-03-2014 passed by the Appellate Authority to deposit Rs.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 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. 15,93,238/- 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.

d. 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 31st 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. TNGCL has filed an appeal with National Consumer Disputes Redressal Commission (NCDRC) and the matter is listed for next hearing on 24.04.2017. •

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

For S.A.Majumdar & Associates
Chartered Accountants
Firm's Registration No.312032E



S.A. Majumdar
17/05/17
Signature

S.Majumdar

Proprietor

Membership No.050476

Place: Agartala, Tripura

Date: 17-05-2017

Tripura Natural Gas Company Limited
Balance Sheet as at 31 March 2017

(Amounts in INR)

Particulars	Note	As per Ind AS	As per Ind AS	As per Ind AS
		As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non Current Assets				
Property, Plant and Equipment	3	62,94,66,041	61,51,18,753	39,24,90,214
Capital work-in-progress	3	3,50,03,205	93,40,721	7,06,54,821
Financial Assets				
-Loans	4A	2,02,33,027	1,63,33,431	76,77,891
-Other bank balances	9B	-	3,39,50,883	-
Other Non-Current Assets	6	25,10,377	67,58,034	8,72,864
Subtotal (A)		68,72,12,650	68,15,01,822	47,16,95,790
Current Assets				
Inventories	7	1,63,39,127	1,34,94,124	87,04,164
Financial Assets				
-Trade receivables	8	5,75,50,927	4,73,14,274	3,70,17,178
-Cash and cash equivalents	9A	18,69,84,868	6,02,06,205	8,34,81,482
-Other bank balances	9B	11,31,65,111	6,33,72,954	10,58,96,252
-Loans	4A	1,75,100	10,20,240	63,94,716
-Other Financial Assets	4B	4,90,82,057	7,33,18,526	2,29,96,817
Other Current Assets	6	5,07,737	7,88,409	7,32,597
Subtotal (B)		42,38,04,928	25,95,14,732	26,52,23,206
Total Assets (A+B)		1,11,10,17,578	94,10,16,554	73,69,18,997
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	10	3,92,00,000	3,92,00,000	3,92,00,000
Other Equity	11	60,77,14,115	49,47,10,803	33,30,74,052
Total equity (C)		64,69,14,115	53,39,10,803	37,22,74,052
LIABILITIES				
Non Current Liabilities				
Financial Liabilities				
-Borrowings	12	6,07,18,545	8,49,18,545	10,84,75,921
-Other Financial Liabilities	14	23,56,043	22,96,662	13,95,743
Provisions	15	1,53,49,985	1,34,28,388	1,15,76,911
Deferred Tax Liability	5	1,13,85,805	10,00,441	(81,44,836)
Other Non Current Liabilities	16	13,56,81,829	15,42,87,201	10,65,41,755
Subtotal (D)		22,54,92,207	25,59,31,236	21,98,45,495
Current Liabilities				
Financial Liabilities				
-Trade Payables	13	1,09,87,785	1,93,18,883	2,00,27,811
-Other Financial Liabilities	14	14,80,82,611	11,41,91,640	9,67,21,117
Provisions	15	77,76,937	23,57,786	37,89,374
Other Current Liabilities	16	7,17,63,924	1,53,06,206	2,42,61,148
Subtotal (E)		23,86,11,256	15,11,74,515	14,47,99,450
Total Equity and Liabilities (C+D+E)		1,11,10,17,578	94,10,16,554	73,69,18,997
Refer accompanying notes to the financial statements				

In terms of our report of even date

For S.A. Majumdar & Associates

Chartered Accountants

For S.A. Majumdar & Associates.
Chartered Accountants.

S. Majumdar
Prop. CA. S. Majumdar
Membership No. 09975



Siva Shankar Veeramalai
(Director Commercial)

DIN-47211911
(Sivasankar Veeramalai)

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

Atanu Datta Choudhury
Chief Financial Officer

PAN-AGUPDL71A
(Atanu Datta Choudhury)
Chief Financial Officer,
Tripura Natural Gas Company Ltd.
Shilpa Nigeti Bhawan
Khejurbagan, Kanjaban,
Agartala, Tripura

N. Gangopadhyay
(Managing Director)

DIN-07504256

(N. GANGOPADHYAY)
Managing Director,
Tripura Natural Gas Co. Ltd.
Agartala, Tripura.

Place: Agartala
Date:

Tripura Natural Gas Company Limited
Statement of Profit & Loss for the Year ended 31st March 2017

(Amounts in INR)

Particulars	Note No.	As per Ind AS	As per Ind AS
		Year Ended	Year Ended
		31st March 2017	31st March 2016
I. Revenue from Operations (Gross)	17	66,98,01,251	65,04,90,240
II. Other Income	18	3,24,67,005	3,39,49,352
III Total Revenue (I+II)		70,22,68,255	69,24,39,592
Gas Consumed	19	20,94,04,735	24,69,15,401
Depreciation and amortization expenses	3	7,25,30,916	7,77,90,973
Excise duty		4,12,40,862	3,84,60,923
Other expenses	21	16,80,85,226	14,33,07,620
Finance Cost	22	89,95,524	2,74,527
Employee benefits expenses	20	3,02,55,362	2,83,33,429
Total Expenses		53,05,20,624	53,50,82,874
V. Profit before Tax (III - IV)		17,17,47,631	15,73,56,718
X. Tax Expenses		5,87,44,319	5,59,97,726
- Current Year	23	4,83,58,955	4,68,52,449
- Earlier Years	23		
Deferred Tax	9	1,03,85,364	91,45,277
XI. Profit for the Period (IX-X)		11,30,03,312	10,13,58,992
Other Comprehensive Income			
XII. Items that maybe reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Changes in fair value of FVOCI debt instruments		-	-
Income tax relating to these items		-	-
		-	-
XIII. Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		-	-
Remeasurement of post-employment benefit obligations		-	-
Income tax relating to these items		-	-
		-	-
XIV. Other comprehensive income net of tax		-	-
Total comprehensive income (XI+ XIV)		11,30,03,312	10,13,58,992

Earning Per Equity Share (Face Value Rs.100/-each)

- Basic	288	359
- Diluted	288	359

In terms of our report of even date
For S.A. Majumdar & Associates

For S. A. Majumdar & Associates.
Chartered Accountants.

S. Majumdar
(S. A. Majumdar)
Membership No. 09078



Siva Sarkar Veerasalai
(Director Commercial)
(Sivasankar Veerasalai)
Director (Com.)
Tripura Natural Gas Co. Ltd.
Agartala, Tripura

N. Gangopadhyay
(Managing Director)
DDN-07564256
(N. GANGOPADHYAY)
Managing Director,
Tripura Natural Gas Co. Ltd.
Agartala, Tripura.

Atanu Das Choudhury
(Chief Financial Officer)
(Atanu Das Choudhury)
Chief Financial Officer,
Tripura Natural Gas Company Ltd.
Shilpa Nigam Bhawan
Khejurbagan, Kurnjaban,

Place: Agartala
Date

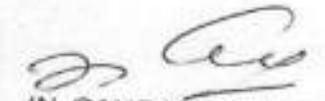
Tripura Natural Gas Company Limited
Statement of Cash Flows for the year ended 31 March 2017

Particulars	(Amounts in INR)	
	As per Ind AS As at 31st March, 2017	As per Ind AS As at 31st March, 2016
Cash Flow from Operating Activities		
Profit / (loss) before tax	17,17,47,631	15,73,56,718
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	7,25,38,916	7,77,90,973
Adjustment for Depreciation relating to Previous Years		(59,64,961)
Interest income	(1,67,02,118)	(1,46,06,734)
Income from unwinding of security deposits	(2,62,845)	(1,84,817)
Finance costs (including fair value change in financial instruments)	89,95,524	2,74,527
Operating Profit before Working Capital changes	23,63,17,108	21,46,65,706
Movements in working capital :		
Increase/(Decrease) in trade payables	(83,31,098)	(7,08,928)
Increase/(Decrease) in provisions	73,40,748	4,19,889
Decrease / (Increase) in Other Financial Liabilities	3,33,07,728	2,37,34,819
Decrease / (Increase) in Non Financial Liabilities	3,78,52,346	3,87,90,503
Decrease / (Increase) in Non Financial assets	11,09,993	(10,74,744)
(Increase)/Decrease in trade receivables	(1,02,36,653)	(1,02,97,096)
(Increase)/Decrease in Inventories	(28,45,003)	(47,89,960)
(Increase)/Decrease in Loans	5,60,859	(2,94,347)
Cash Generated From Operations	29,50,76,028	26,04,45,843
Less : Direct Tax paid (net of refunds)	(4,49,40,619)	(5,33,85,856)
I. Net Cash Flow from Operating Activities	25,01,35,409	20,70,59,987
Cash Flow from Investing Activities:		
Purchase of fixed assets	(8,68,86,204)	(23,25,09,623)
Decrease/(Increase) in Capital Work in Progress	(2,56,62,484)	6,13,14,100
Interest income	1,33,49,648	1,18,04,834
Redemption in Investments	2,42,36,469	85,72,415
Increase in Investments	(1,58,41,274)	(5,03,21,709)
II. Net cash flow (used in) investing activities	(9,08,03,845)	(20,11,39,983)
Net Cash Flow From Financing Activities:		
Repayment of long term borrowings	(2,35,57,376)	(2,89,20,754)
Interest paid	(89,95,524)	(2,74,527)
III. Net cash flow (used in) financing activities	(3,25,52,900)	(2,91,95,281)
IV. Net (decrease) / In cash and cash equivalents (I+II+III)	12,67,78,663	(2,32,75,278)
Cash and cash equivalents (Opening)	6,02,06,205	8,34,81,482
Cash and cash equivalents (Closing)	18,69,84,868	6,02,06,205


 (Atanu Datta Choudhury)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.,
 Shilpa Nagar, Binawan,
 Khejribagan, Kumbhwan,
 Agartala-791003


 (Sivasanker Veerimalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura




 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.

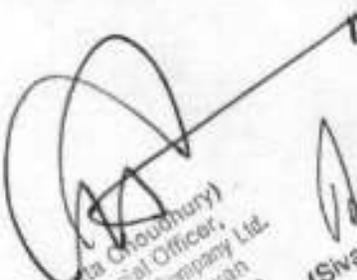
Tripura Natural Gas Company Limited
Statement of Changes in Equity for the period ended 31 March 2017

(a) Equity Share Capital	Amount	Amount
	Number	Amounts in INR
Equity shares of Rs. 100 each issued, subscribed and fully paid		
As at 1 April 2015	3,92,000	3,92,00,000
Issue of share capital	-	-
As at 31 March 2016	3,92,000	3,92,00,000
Issue of share capital	-	-
As at 31 March 2017	3,92,000	3,92,00,000

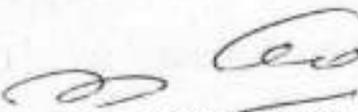
(b) Other equity

For the year ended 31 March 2017:

Attributable to the equity shareholders		
	Amounts in INR	Amounts in INR
	Retained earnings	Total
As at 1 April 2015	33,30,74,052	33,30,74,052
Profit for the period	10,13,58,992	10,13,58,992
Other Comprehensive Income	-	-
	43,44,33,044	43,44,33,044
Less:- Adjustment for depreciation due to change in life as per Companies Act, 2013 transferred to Capital Reserve	(59,64,961)	(59,64,961)
Add: Adjustment for Depreciation relating to Previous Years	6,79,09,889	6,79,09,889
Less: Adjustment on Assessment of Tax for the FY-12-13 & FY-13-14	(16,67,169)	(16,67,169)
As at 31 March 2016	49,47,10,803	49,47,10,803
Profit for the period	11,30,03,312	11,30,03,312
Other Comprehensive Income	-	-
As at 31 March 2017	60,77,14,114	60,77,14,114


 (Atanu Datta Ghosh)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.
 Shilpa Nigam Bhawan
 Khejurbagan, Manipal,
 Agartala-791003


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


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note 3 - Property, plant and equipment

Components of Property, plant and equipment (including assets held under finance leases) are as follows:

Cost/Valuation	PLG Project	CNG Project	Building/CNG Station	Office Equipments	Furniture & Fixtures	By-Cycle A/C	Vehicle-CNG A/c	Fire D extinguisher	Internal Decorations	Inverter System	Aqua Guard	Comptiser System	Air Conditioner	Leaschold Land	Freehold Land	Capital Work in Progress	Total
As at 1 April 2015	22,06,97,221	14,02,85,787	-	2,45,820	10,64,079	60	10,402	1,05,402	2,03,892	14,187	2,371	17,40,485	3,63,349	9,13,572	1,49,73,518	7,06,54,831	38,95,74,117
Acquisitions	13,73,56,694	6,07,10,951	-	50,000	3,04,310	-	-	-	11,624	-	-	5,97,727	85,000	-	-	4,83,77,665	21,31,88,225
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,81,33,003	10,53,93,721	10,53,93,721	-	-	-	-	-	-	-	-	-	-	-	-	10,54,93,706	1,01,33,003
As at 31 March 2016	36,68,94,825	11,56,82,934	10,53,93,721	3,10,109	21,88,369	60	10,402	1,05,402	2,95,517	14,187	2,371	23,46,213	4,48,349	9,13,572	1,49,73,518	93,40,271	60,67,62,410
Acquisitions	7,55,73,034	3,63,17,261	31,20,724	1,16,291	84,177	-	-	-	10,43,951	1,13,320	-	2,01,876	-	-	17,37,107	3,31,13,073	9,68,86,700
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	44,15,65,927	12,88,44,679	10,75,16,477	4,16,829	27,72,976	60	10,402	1,05,402	19,29,474	1,29,427	2,371	25,48,139	4,48,349	9,13,572	1,67,10,765	3,30,03,209	69,56,28,634

Depreciation and Impairment	PLG Project	CNG Project	Building/CNG Station	Office Equipments	Furniture & Fixtures	By-Cycle A/C	Vehicle-CNG A/c	Fire D extinguisher	Internal Decorations	Inverter System	Aqua Guard	Comptiser System	Air Conditioner	Leaschold Land	Freehold Land	Capital Work in Progress	Total
As at 1 April 2015	3,76,02,125	3,181,64,514	47,12,465	1,22,141	6,95,548	-	15,657	16,643	79,095	4,876	-	10,62,662	1,81,290	40,708	-	-	7,62,41,255
Depreciation expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	25,53,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,53,266
Exchange differences	(2,19,10,512)	15,62,59,807	86,05,736	36,351	3,915	-	9,271	56,632	1,596	1,596	-	6,58,864	(3,442)	-	-	(6,79,09,899)	
Other	1,65,84,312	17,44,65,101	1,35,12,001	1,59,894	6,09,462	-	15,878	73,295	78,305	4,076	1,529	17,62,478	1,77,248	48,708	-	-	83,31,367
As at 31 March 2016	3,80,26,256	2,99,69,316	49,03,674	87,766	4,45,938	-	9,897	90,938	1,45,092	29,528	-	18,21,140	1,84,697	40,708	-	-	5,03,10,648
Depreciation expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	5,16,10,576	25,94,13,181	1,78,01,073	2,47,663	10,53,448	-	35,765	83,204	2,25,757	24,483	1,599	21,27,126	2,92,445	81,416	-	-	6,46,50,035

Net Book value	PLG Project	CNG Project	Building/CNG Station	Office Equipments	Furniture & Fixtures	By-Cycle A/C	Vehicle-CNG A/c	Fire D extinguisher	Internal Decorations	Inverter System	Aqua Guard	Comptiser System	Air Conditioner	Leaschold Land	Freehold Land	Capital Work in Progress	Total
As at 1 April 2015 (As per Ind AS)	21,25,26,091	14,82,65,797	-	2,45,820	10,64,079	60	10,402	1,05,402	2,03,892	14,187	2,371	17,40,485	3,63,349	9,13,572	1,49,73,518	7,06,54,831	39,24,90,214
As at 31 March 2016 (As per Ind AS)	26,50,89,046	14,80,48,117	9,20,70,522	1,69,214	15,28,927	60	10,402	1,05,402	2,15,613	9,231	772	6,44,752	2,20,492	-	1,49,73,518	47,40,271	61,51,18,713
As at 31 March 2017 (As per Ind AS)	40,80,22,501	11,03,46,535	8,97,15,312	1,89,037	12,19,528	60	10,402	1,05,402	17,63,712	94,023	772	4,11,873	1,65,995	-	1,67,10,765	3,50,03,209	62,94,46,441

(Signature)
 (Atanu Datta Choudhury)
 Chief Financial Officer,
 Tripura Natural Gas Company,
 Shilpa Nilgiri, Kharakhola,
 Kharakhola-786005
 Agartala, Tripura

(Signature)
 (Suresh Kumar Veshmal)
 Director (Com),
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura



(Signature)
 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.

Note 4 - Financial assets

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
4A) Loans			
Loans to related parties:			
-Loan to joint ventures (Unsecured considered good)	-	-	-
Other loans:			
Security Deposit Paid (Paid to BSNL & Others)	1,00,220	90,220	77,077
Application Money -Court Case & Sales Tax Assessment Appeal	73,46,159	73,46,159	76,00,814
Loan/Advance against Salary	1,75,100	1,90,100	2,10,100
Interest accrued but not due	1,27,86,648	88,97,052	61,84,616
Interest Receivable from Axis Bank Ltd. A.D.Nagar Branch	-	2,74,281	-
Advance to Director	-	5,55,859	-
Total Loans	2,04,08,127	1,73,53,671	1,40,72,607
Current	1,75,100	10,20,240	63,94,716
Non-current	2,02,33,027	1,63,33,431	76,77,891
	2,04,08,127	1,73,53,671	1,40,72,607
4B) Other financial assets			
Balance with bank deposits exceeding 12 months	4,90,82,057	7,33,18,526	2,29,96,817
Total	4,90,82,057	7,33,18,526	2,29,96,817
Current	4,90,82,057	7,33,18,526	2,29,96,817
Non-current	-	-	-


(Atanu Datta Choudhury)
 Chief Financial Officer,
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 Khejurbagan, Koojaban,
 Agartala-799008

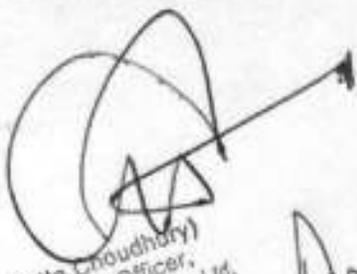

(Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura

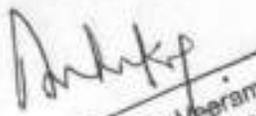

(N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note 5- Deferred taxation

Particulars	As per Ind AS		As per Ind AS
	As at		As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Deferred tax liability	1,13,85,805	10,00,441	(81,44,836)
Deferred tax assets/liabilities-net	1,13,85,805	10,00,441	(81,44,836)


 (Atanu Datta Choudhary)
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 Khejurbagan, Kurjaban,
 Agartala-799008


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

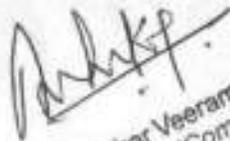

 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note 6 - Other non financial assets

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-16
	INR	INR	INR
Advance to Suppliers	1,66,862	1,08,754	2,11,385
Cenvat Credit-Capital Goods-Deferred A/c	2,71,027	10,59,640	1,69,924
Contingency Advance	26,000	-	21,000
TA Advance to Employee	-	-	35,000
LTC Advance to Employee	30,000	2,60,000	-
Advance to House Owner	-	75,001	-
Tax Deducted at Source	14,47,902	12,18,687	-
Advance Income Tax net off provision	-	36,47,551	-
Pre-Paid Insurance Premium	2,44,167	3,03,946	2,54,580
Pre-Paid Lease rent	8,32,156	8,72,864	9,13,572
Total	30,18,114	75,46,443	16,05,461
Current	5,07,737	7,88,409	7,32,597
Non current	25,10,377	67,58,034	8,72,864
	30,18,114	75,46,443	16,05,461


 (Atanu Datta Choudhury)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.,
 Shilpa Nigam Bhawan,
 Khejurbagan, Kharwan,
 Agartala-799008

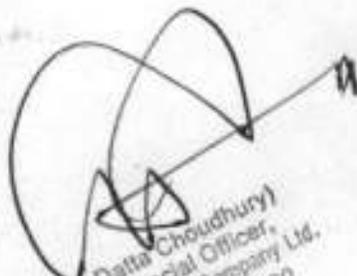

 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.

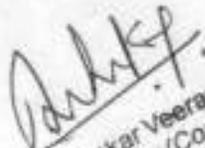

 (N. GANGOPADHYAY)
 Managing Director,
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 Agartala, Tripura.

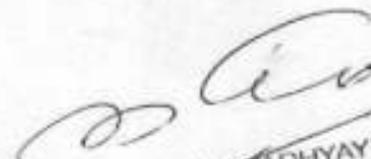


Note 7 - Inventories

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Stores and spares:			
Stores and Spares including Capital Goods(P	1,16,76,436	75,71,238	87,04,164
Stock of O&M PNG Materials	10,90,272	2,02,346	
Stock of O&M CNG Materials	34,68,703	55,84,260	
Stock of CNG at DBS	1,03,716	1,36,280	
Total	1,63,39,127.12	1,34,94,124.03	87,04,164.13


 (Atanu Datta Choudhury)
 Chief Financial Officer,
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 Khejurbagan, Kumbhan,
 Agartala-799008

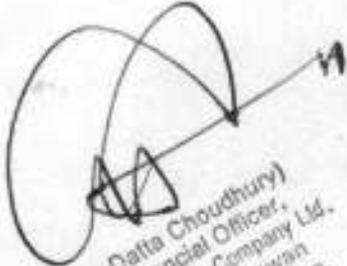

 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note 8 Trade receivables

Particulars	As per Ind AS		
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Trade receivables	5,75,50,927	4,73,14,274	3,70,17,178
Receivables from an associate	-	-	-
Receivables from other related parties	-	-	-
Total Trade and other receivables	5,75,50,927	4,73,14,274	3,70,17,178
Current	5,75,50,927	4,73,14,274	3,70,17,178
Non current	-	-	-
Total	5,75,50,927	4,73,14,274	3,70,17,178


 (Atanu Datta Choudhury)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.,
 Shiloi Nigam Bhowan,
 Khejurbagan, Kurnjaban,
 Agartala-799008


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


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.



Note 9 - Cash and Bank balances

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
9A) Cash and cash equivalents			
Balances with banks:			
- Current accounts	18,63,98,604	5,97,31,745	8,29,98,692
Cash in hand	5,86,264	4,74,460	4,82,790
Total	18,69,84,868	6,02,06,205	8,34,81,482

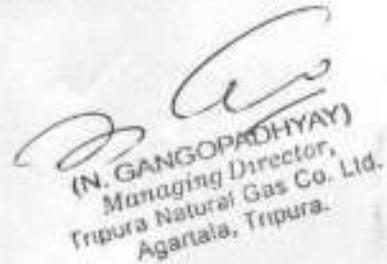
Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
9B) Bank Balance others			
Earmarked accounts:			
Fixed Deposits Kept under lien for issue of LC/BG):			
SBI A.D.Nagar Branch	8,25,70,181	8,40,86,261	5,51,09,037
SBI R.M.S. Chowmuhani Branch	3,05,94,930	1,32,37,576	1,68,94,957
Term Deposits:			
FD with TSCBL Battala Evn Br.			-
FD with TSCBL Battala Day Br.			75,42,203
FD with ICICI Bank Ltd.-Udaipur Br.			65,20,000
FD with SBI Duki Br.			2,98,238
FD with Axis Bank Ltd.Agartala Br.			2,74,281
FD with SBI A.D.Nagar Branch			1,65,75,344
FD with SBI R.M.S. Chowmuhani Branch			26,82,192
Total	11,31,65,111	9,73,23,837	10,58,96,252
Current	11,31,65,111	6,33,72,954	10,58,96,252
Non-current	-	3,39,50,883	-
Total	11,31,65,111	9,73,23,837	10,58,96,252



(Atanu Datta Choudhury)
Chief Financial Officer,
Tripura Natural Gas Company Ltd.
Shilpa Nigam Bhawan
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(Sivasankar Veeramalai)
Director (Com.)
Tripura Natural Gas Co. Ltd..
Agartala, Tripura



(N. GANGOPADHYAY)
Managing Director,
Tripura Natural Gas Co. Ltd.
Agartala, Tripura.



Note 10 - Equity share capital

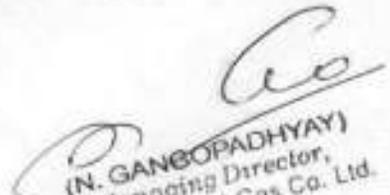
Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Share capital			
Authorised			
10,00,000 Equity Shares of Rs. 100 each	10,00,00,000	10,00,00,000	10,00,00,000
(Previous year 10,00,000 Equity shares of Rs. 100 each)	10,00,00,000.00	10,00,00,000	10,00,00,000
Issued, subscribed and fully paid up			
(392000 Nos. of Fully paid-up Equity Shares of Rs. 100/- each)	3,92,00,000	3,92,00,000	3,92,00,000
	3,92,00,000	3,92,00,000	3,92,00,000

Note 11 - Other equity

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Other equity:			
Retained earnings	60,77,14,114	49,47,10,803	33,30,74,052
Other reserves:			
Capital reserves-			
- Opening balance			
- Addition during the year			
- Adjustment for depreciation due to change in life as per Companies Act, 2013 transferred from Surplus			
- Adjustment for depreciation charged on Projects			
- Closing Balance			
Total	60,77,14,114	49,47,10,803	33,30,74,052


 (Alanu Datta Choudhury)
 Chief Financial Officer,
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 Agartala-799009

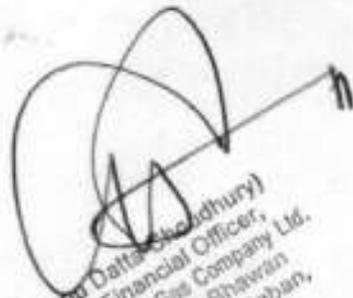

 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura

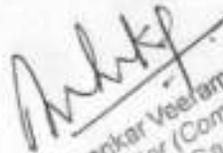

 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.

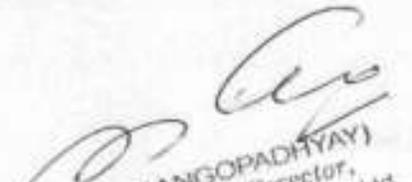


Note 12 - Borrowings

Particulars	As per Ind AS		As per Ind AS
	As at		As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Non current borrowings			
Secured Term loans:			
- SBI A.D.Nagar Branch	8,49,18,545	10,84,75,921	13,73,96,675
Less: Current maturities of long term borrowings	(2,42,00,000)	(2,35,57,376)	(2,89,20,754)
Total Non Current Borrowings	6,07,18,545	8,49,18,545	10,84,75,921
Total current borrowings			


 (Atanu Datta Bhattacharyya)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.
 Shilpa Nigam Bhawan
 Khejurbagan, Kuntalban,
 Agartala-759008


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

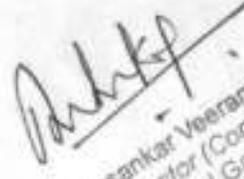

 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note 13 - Trade Payables

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
M/s GAIL (India) Ltd. for purchase of Gas			
For Agartala City-Maharajgunj Terminal-Mar'16-1st FN	-	49,87,231	52,58,481
For Agartala City-Khayerpur Terminal-Mar'16-1st FN	-	38,90,119	39,92,866
For Agartala City-Maharajgunj Terminal-Mar'16-2nd FN	36,66,748	46,58,921	48,69,144
For Agartala City-Khayerpur Terminal-Mar'16-2nd FN	34,02,405	39,42,965	41,94,673
For B.nagar-IGC-Mar'16-2nd FN	11,11,801	11,50,532	16,06,787
For B.nagar-IGC-Mar'16-MGO	28,06,831	6,89,115	1,05,860
Total	1,09,87,785	1,93,18,803	2,00,27,811


 (Atanu Datta Ghosh)
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 Shilpa Nigam Bhawan
 Khejurbagan, Kurjaban,
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 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura


 (N. GANGOPADHYAY)
 Managing Director,
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 Agartala, Tripura.

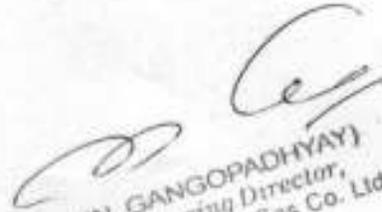


Note 14 - Other financial liabilities

Particulars	As per Ind AS		As per Ind AS	
	As at		As at	
	31-Mar-17		31-Mar-16	
	INR		INR	
Other financial liabilities at amortised cost:				
Current maturities of borrowing	2,42,00,000	2,38,57,376	2,89,20,754	
Security Deposit (From Major Industrial Consumers)	14,50,720	14,50,720	26,52,720	
Security Deposit Collected from the Consumers	6,80,87,880	4,85,83,234	2,41,44,712	
Security Deposit Collected from Contractors	3,25,14,095	2,23,74,868	1,63,50,266	
Earnest Money Deposit (EMD)	36,30,140	29,14,800	53,50,250	
Earnest Money Deposit (EMD)		22,29,600		
Security Deposit (Galileo)	34,89,194	34,89,194	34,89,194	
Security Deposit/Retention Money(Suppliers)	57,93,147	16,92,832	15,69,908	
Expenses Payable	1,12,73,477	93,11,737	1,56,39,056	
Interest Payable on Term Loan	-	8,83,941		
Total other financial liabilities at amortised cost	15,04,38,653	11,64,88,302	9,81,16,860	
Current	14,80,82,611	11,41,91,643	9,67,21,117	
Non current	23,56,043	22,96,662	13,95,743	
Total	15,04,38,653	11,64,88,302	9,81,16,860	


 (Atanu Datta Choudhury)
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 Khejurbagan, Kurnjaban,
 Agartala-739008

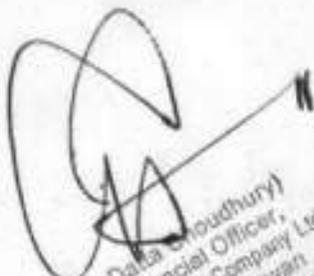

 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura

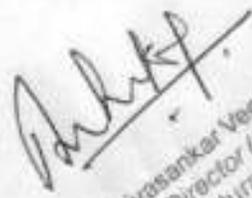

 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura

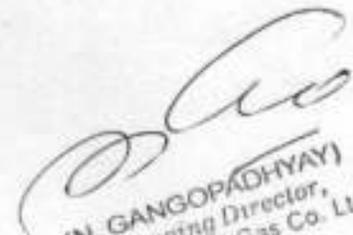


Note 15 - Provisions

Particulars	As per Ind AS	As per Ind AS	As per Ind AS
	As at	As at	As at
	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Provision for Gratuity Payable	73,85,085	66,33,221	58,10,960
Provision for Legal Fees & Consultancy Charges	-	-	-
Provision for Leave Encashment	79,64,900	67,95,167	57,29,951
Provisions for Audit Fees :	-	-	-
I. Statutory Audit	45,800	40,000	40,000
II. Tax Audit	40,000	40,000	40,000
III. Internal Audit	25,000	25,000	20,000
III. Cost Audit	75,000	75,000	75,000
III. Secretarial Audit	46,000	25,000	25,000
Provision for Income Tax	63,58,955	-	36,25,374
Provision for Vat payable	11,86,182	21,52,786	-
Total	2,31,26,922	1,57,86,174	1,53,66,285
Current	77,76,937	23,57,766	37,89,374
Non current	1,53,49,985	1,34,28,388	1,15,76,911
Total	2,31,26,922	1,57,86,174	1,53,66,285


 (Atanu Datta Choudhury)
 Chief Financial Officer,
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 Khejurbagan, Kurnjaban,
 Agartala-759008

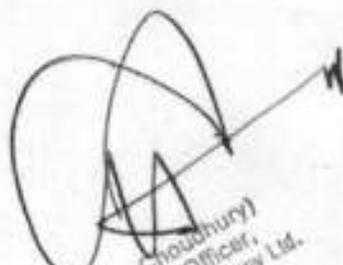

 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.

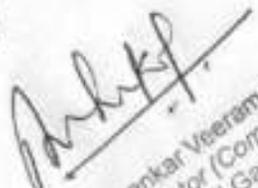

 (N. GANGOPADHYAY)
 Managing Director,
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 Agartala, Tripura.

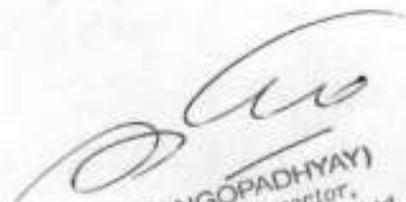


Note 16 - Other non financial liabilities

Particulars	As per Ind AS		As per Ind AS	
	As at		As at	
	31-Mar-17	31-Mar-16	01-Apr-15	
	INR	INR	INR	
Other non financial liabilities				
Government Grants	1,24,11,392	1,37,14,245	1,51,53,862	
Deferred Revenue	18,18,36,753	14,23,24,863	10,10,09,587	
TDS - IT Payable (Contractors, Employees, Professionals, etc)	8,370	15,791	14,053	
TDS - WCT Payable (Contractors etc)	-	4,14,973	7,582	
Service Tax Payable A/c	53,303	92,289	7,714	
Advance Installation Cost	1,25,17,156	1,25,10,670	1,42,63,474	
Deferred Income	6,18,778	5,20,576	3,46,632	
Total	20,74,45,753	16,95,18,827	13,08,02,904	
Current	(37,67,031)	1,51,06,206	2,42,61,140	
Non current	21,12,12,784	15,42,87,201	10,65,41,755	
Total	20,74,45,753	16,95,18,827	13,08,02,904	


 (Atanu Datta Choudhury)
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 Khejuriagan, Kunjaban,
 Agartala-799008


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


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.



Note : 17 Revenue from Operations

Particulars	As per Ind AS	
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Sale of CNG	45,65,01,171	42,20,08,287
Sales of PNG	21,33,00,079	23,64,81,953
Total	66,98,01,251	65,84,90,240


 (Atanu Datta Choudhury)
 Chief Financial Officer,
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 Agartala-799006


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

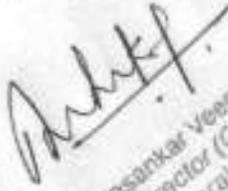

 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note : 18 Other Income

Particulars	As per Ind AS	
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Interest on STDR	1,67,02,118	1,46,06,734
HP Rent for Computer from Employees	32,100	51,500
Misc. Receipts	10,22,377	1,21,520
Application Fees from Consumers	-	31,95,750
Income from unwinding of security deposits	2,62,845	1,84,817
Amortisation of government grant	1,44,47,565	1,57,89,031
Total	3,24,67,005	3,39,49,352


 (Atanu Datta (Chartered Accountant))
 Chief Financial Officer,
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 Khejurbagan, Kunjaban,
 Agartala-799006


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


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.

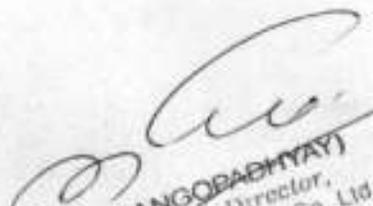


Note : 19 Materials Consumed

Particulars	As per Ind AS	
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Gas Consumed	20,93,72,171	24,70,31,764
Change in inventories	32,564	-1,16,363
Total	20,94,04,735	24,69,15,401


 (Atanu Datta Ghosh)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.
 Shilpa Nigam Bhawan
 Khejurbagan, Kunglaban,
 Agartala-786006

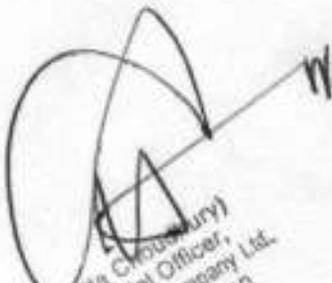

 (Sivasankar Veeramalai)
 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura.

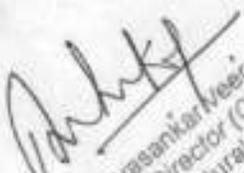

 (N. GANGOBHAYA)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note : 20 Employee Costs

Particulars	As per Ind AS	
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Salaries and wages	1,44,46,081	1,24,85,831
Directors Remuneration (Re-imbursed to GAIL)	91,71,510	92,67,336
Directors Qtr Expenses	4,82,558	2,79,927
Employer Contribution to PF including EDLI	16,98,990	14,63,059
Leave Encashment	20,40,653	21,17,351
Provision for Gratuity	7,51,864	8,22,261
Transportation Allowance	3,08,834	2,76,000
Cable Allowance	67,200	61,200
Children Education Expenses (Reimbursement)	41,100	41,000
Leave Travel Concession	2,54,207	2,18,066
Medical Expenses	2,46,995	2,42,457
Staff Welfare	7,45,370	10,58,941
Total	3,02,55,362	2,83,33,429


 (Atanu Datta Ghosh)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.
 Shilpa Nigam Bhawan
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 Agartala-799008


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


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note : 21 Other Expenses

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Operation & Maintenance-CNG	3,67,65,039	2,39,09,238
Operation & Maintenance-PNG	1,36,49,722	1,16,27,086
Printing & Stationery	7,49,518	9,05,913
Professional Tax	2,500	2,500
Professional/Consultancy Service Fees	19,76,451	20,86,481
Postage & Telegram	39,922	71,260
Commission on Sales(CNG)	10,75,308	9,31,286
Balance W/off	-	-
Legal Expenses	6,000	1,55,346
Service Tax	11,94,869	27,43,360
Office Rent	10,58,065	7,09,908
Repairs & Maintenance	10,63,702	5,72,031
Telephone, Fax & Internet Expenses	8,22,009	8,60,677
Lease Rent (CNG & PNG)	12,38,197	12,31,940
Bank Charges	3,11,681	6,07,195
Shed rent	1,27,562	1,28,621
Audit Fees	3,40,325	1,85,000
TA to Directors	13,74,712	19,42,959
Vehicle Charges / Expenses-Directors	-	-
Board Meeting Expenses	1,18,244	6,56,885
Directors Sitting Fees	-	-
Electricity Expenses	22,56,872	20,81,143
Audit Expenses	1,90,407	82,181
Insurance	9,02,189	12,49,533
Conveyance Expenses	29,682	14,774
Misc. Expenses	8,71,306	8,93,894
Office House Keeping & Maintenance Expenses	11,28,635	10,18,448
Awareness on CNG & PNG / National Safety Day	3,41,473	5,79,184
Sales/Business Promotion Expenses	2,62,711	3,42,705
Vehicle Running & Maintenance	20,85,500	15,03,267
Notice & Advertisement	11,27,990	5,91,368
TA to Employees / Tour Expenses	18,15,871	28,97,986
Security Service Charges	45,18,427	42,22,557
Entertainment Expenses	5,76,706	6,21,847
Inauguration of CNG Station	-	8,50,598
TVAT	6,02,96,274	5,11,80,166
News Paper, Books & Periodicals	61,002	1,37,230
Calander & Dairy Printing Expenses	94,980	2,73,350
Website Maintenance Expenses	1,80,460	1,59,008
Rates & Taxes	90,580	4,16,881
Seminar, Conference & Training Expenses	5,46,438	95,236
India International Trade Fair	5,00,000	5,21,870
Industries & Commerce Fair Expenses	2,63,467	1,57,873
Festival Expenses	32,29,113	30,08,403
Fire Safety Day	1,31,095	95,083
TNGCL Foundation Day Celebration Expenses	2,24,434	9,68,000
Corporate Social Responsibility (CSR)	8,40,285	-
Water Charges	1,86,227	4,19,057
Canteen Running Expenses	88,787	1,67,947
Transportation Charges (CNG)	1,33,52,271	1,07,32,769
Billing System	57,99,885	55,96,537
Wages to Outsource Staff (Service Charges)	41,58,332	30,37,039
Stipend to Apprentice/Trainee	-	64,000
Total	16,80,85,226	14,33,07,620



(Signature)
 (Ajanta Choudhury)
 Chief Financial Officer,
 Tripura Natural Gas Company Ltd.
 Shilpa Nigam Bhawan
 Kharbagan, Kumabagan,
 Agartala-799008

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

(Signature)
 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.

Note : 22 Finance Costs

Particulars	As per Ind AS	As per Ind AS
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Processing charges for LC	4,60,673	1,05,000
Interest expense on security deposits	85,34,851	1,69,527
Total	89,95,524	2,74,527


 (Alanu Datta Choudhury)
 Chief Financial Officer,
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 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Note : 23 Tax Expenses

Particulars	As per Ind AS	
	As at	As at
	31-Mar-17	31-Mar-16
	INR	INR
Current tax	4,83,58,955	4,68,52,449
Deferred Tax	1,03,85,364	91,45,277
	-	-
Total	5,87,44,319	5,59,97,726


 (Atanu Datta Choudhury)
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 Director (Com.)
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 Agartala, Tripura


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 Managing Director,
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 Agartala, Tripura.



Tripura Natural Gas Company Limited

Notes to financial statements

24 Income Tax

a) Income tax related to items charged or credited directly to profit or loss during the year:

Statement of profit or loss	31-Mar-17	31-Mar-16
Current income tax:		
Current income tax charge	4,83,58,955	4,68,52,449
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,03,85,364	91,45,277
Tax expense	5,87,44,319	5,59,97,726

b) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

	31-Mar-17	31-Mar-16
Profit before tax from continuing operations	17,17,47,631	15,73,56,718
Applicable Tax Rate	34.61%	33.99%
Tax at Indian Tax rate	5,94,38,420	5,34,85,548
Effect of Income not considered for tax purpose	(97,94,860.71)	(51,77,442.33)
Effect of Expense not allowed for tax purpose	9,66,434.28	25,15,371.15
Effect of Ind AS Adjustments	(8,03,137.64)	(39,71,029.12)
Other non deductible expenses	-	-
Adjustment for Tax Deducted at Source	14,47,902	-
Movement in deferred tax liability	1,03,85,364	91,45,277
Income tax expense	5,87,44,318	5,59,97,725
Effective tax rate	34.20%	35.59%

c) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31-Mar-17	31-Mar-16
Property, Plant and Equipment	84,42,703	(11,51,777)
Deferred tax on Ind AS adjustments	29,43,102	21,52,218
Deferred tax (assets)/ liabilities	1,13,85,805	10,00,441
Offsetting of deferred tax assets and deferred tax liabilities	-	-
Net Deferred tax (assets)/ liabilities	1,13,85,805	10,00,441


 (Atanu Datta Choudhury)
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 Director (Com.)
 Tripura Natural Gas Co. Ltd.,
 Agartala, Tripura


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 Managing Director,
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 Agartala, Tripura



Tripura Natural Gas Company Limited

Notes to financial statements

25A Contingent Liabilities

Claims made against the company not acknowledged as debts

Amounts in INR

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Show cause/ demand notices received from government authorities/Other Agencies -			
(i) Differential Price for gas sold to Commercial & Industrial Consumers at Agartala, B.Nagar-IGC & Rokhia Brick kiln w.e.f July, 2005 to 31st March, 2014 with reference to MoPNG Circular no: L-16012 /17/2012-GP dated: 07-01-2014 raised by GAIL (India) Ltd.	1,55,99,855	3,07,72,937	3,09,32,980
(ii) Compensation to Commercial Consumer Uttam Saha -CC	-	-	4,59,309
Sales tax / VAT liability that may arise in respect of matters in appeal - Appeal Case No: 21-22/Ch.VII/2012, TNGCL vs Superintendent of Taxes, Charge-VII, TVAT Assessment FY-2005-06 & 2006-07	1,15,34,682	1,15,34,682	1,15,34,682
	2,71,34,537.00	4,23,07,619.00	4,29,26,971.00

25B Commitments

Amounts in INR

	31-Mar-17	31-Mar-16	01-Apr-15
a. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	22,40,16,701	14,86,90,016	20,87,81,798

- a) The Company does not expect any reimbursement in respect of the above contingent
 b) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters


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


 (N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
 Agartala, Tripura.



Tripura Natural Gas Company Limited

Notes to financial statements

26 Related Party transactions

(A) Names of Related parties and nature of related party relationships

(a) Entities which exercise control/ joint-control/ significant influence over the company

Gail (India) Limited
 Tripura Industrial Development Corporation Limited
 Assam Gas Company Limited

(b) Key management personnel

Mr. Narayan Gangopadhyay - Managing Director
 Mr. Siva Sankar Veeramalai - Director (Commercial)
 Mr. Atanu Datta Choudhary - CFO
 Shri Jitendra Chaudhary - Chairman
 Shri Amit Kumar Ray - Director
 Shri Aditya Kumar Sharma - Director

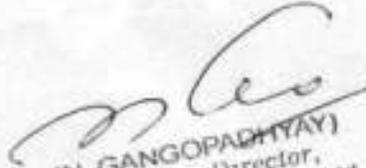
The following table provides the total amount due to or due from the related parties as on March 31, 2017, March 31, 2016 and April 1, 2015.

Amounts in INR

Particulars	31 March, 2017 (INR)	31 March, 2016 (INR)	1 April, 2015 (INR)
Gail (India) Limited			
Sale/ Purchase of goods	1,09,87,785	1,93,18,883	2,00,27,811
Other	-	-	-
Total	1,09,87,785	1,93,18,883	2,00,27,811
Tripura Industrial Development Corporation Limited			
Lease arrangements	13,25,051	13,19,853	12,67,924
Other	-	-	-
Total	13,25,051	13,19,853	12,67,924


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 (N. GANGOPADHYAY)
 Managing Director,
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Tripura Natural Gas Company Limited

Notes to financial statements

*** Segment Reporting**

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended March 31, 2017.

Entity wide disclosures:

I. Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas".

II. Geographic Information:

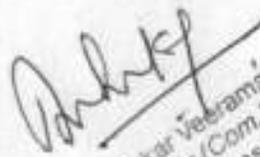
The company operates presently in the business of city gas distribution in India. Accordingly, revenue from customers and all assets are located in India only.

III. Information about major customers:

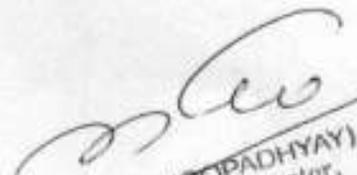
9438 CNG customers during the year ended 31st March 2017 and 8963 customers during the year ended 31st March 2016 contributed to more than 0.17% of the revenue individually. Revenue from these customers was Rs.45.65 Cr and Rs.42.20 Cr during the year ended 31st March, 2017 and 31st March, 2016 respectively.



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Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.

The Company board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes to market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed interest instruments.

Sensitivity analysis:

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

Reporting period	Increase/Decrease in loan portfolio	Effect on profit before tax
31 March 2017		
Secured loan from SBI A.D.Nagar Branch	+100	8,49,186
Secured loan from SBI A.D.Nagar Branch	-100	-8,49,186
31 March 2016		
Secured loan from SBI A.D.Nagar Branch	+100	10,84,760
Secured loan from SBI A.D.Nagar Branch	-100	-10,84,760

The sensitivity analysis is limited only to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year.

(b) Foreign currency risk

The Company does not have significant exposure to currency other than INR.

2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to, at all times maintain a sufficient level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The contractual maturities of the Company's financial liabilities are presented below:

As at 31 March 2017	On demand	Less than 1 month	1 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings- Interest Payable	-	18,51,584	47,39,600	-	-	65,91,184
Interest-bearing loans and borrowings- Principal Payable	-	60,00,600	1,82,00,000	6,97,18,545	-	8,49,18,545
Trade and other payables	-	1,09,87,785	-	-	-	1,09,87,785
Expenses Payable	-	1,11,71,477	-	-	-	1,11,71,477
Security Deposit (From Major Industrial Contractors)	14,50,720	-	-	-	-	14,50,720
Security Deposit Collected from the Contractors	6,51,78,334	1,77,302	2,87,701	24,52,563	-	6,80,87,880
Security Deposit Collected from Contractors	3,25,14,095	-	-	-	-	3,25,14,095
Barrow Mower Deposit (CMD)	36,38,140	-	-	-	-	36,38,140
Security Deposit (Others)	34,89,104	-	-	-	-	34,89,104
Security Deposit/Retentive Mower(Suppliers)	87,83,147	-	-	-	-	87,83,147
Total	11,20,47,880	3,02,04,148	3,32,27,471	6,31,71,100	-	22,07,40,257


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As at 31 March 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	+ 5 years	Total
Interest-bearing loans and borrowings- Interest Payable	-	24,47,312	64,97,099	1,23,70,437	-	2,23,14,849
Interest-bearing loans and borrowings- Principal Payable	-	60,00,000	1,82,00,000	8,42,75,921	-	10,84,75,921
Trade and other payables	-	1,93,18,883	-	-	-	1,93,18,883
Expenses Payable	-	93,11,737	-	-	-	93,11,737
Security Deposit (From Major Industrial Consumers)	14,56,720	-	-	-	-	14,56,720
Security Deposit Collected from the Consumers	4,62,23,970	2,11,947	3,96,949	17,50,368	-	4,95,83,234
Security Deposit Collected from Contractors	2,23,74,868	-	-	-	-	2,23,74,868
Reserve Money Deposit (EMD)	51,44,400	-	-	-	-	51,44,400
Security Deposit (Gulfine)	34,89,194	-	-	-	-	34,89,194
Security Deposit/Retention Money (Suppliers)	16,92,832	-	-	-	-	16,92,832
Total	8,28,75,994	3,72,89,879	1,90,94,039	9,93,96,726	-	24,21,86,627

As at 1 April 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	+ 5 years	Total
Interest-bearing loans and borrowings- Interest Payable	-	32,56,341	88,88,600	2,23,14,838	-	3,44,59,779
Interest-bearing loans and borrowings- Principal Payable	-	60,00,000	1,82,00,000	11,31,96,075	-	13,73,96,875
Trade and other payables	-	2,60,27,811	-	-	-	2,60,27,811
Expenses Payable	-	1,56,39,856	-	-	-	1,56,39,856
Security Deposit (From Major Industrial Consumers)	26,52,720	-	-	-	-	26,52,720
Security Deposit Collected from the Consumers	2,20,42,750	34,517	1,05,302	13,02,143	-	2,41,46,712
Security Deposit Collected from Contractors	1,63,50,266	-	-	-	-	1,63,50,266
Reserve Money Deposit (EMD)	53,50,250	-	-	-	-	53,50,250
Security Deposit (Gulfine)	34,89,194	-	-	-	-	34,89,194
Security Deposit/Retention Money (Suppliers)	15,66,908	-	-	-	-	15,66,908
Total	5,20,58,088	4,49,57,728	2,71,93,902	13,69,73,656	-	26,10,85,371

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognized in statement of profit and loss as on 31st March 2017 and for the comparative period as on 31st March 2016.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major part of the revenue is contributed by either through cash sales or sales to government owned oil marketing companies like IOCL with a credit period ranging from 3 days to 45 days. Accordingly company does not expect any impairment loss on trade receivables.

The Board has established Credit Policy under which each customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The summary of the company's product wise Credit Period is tabulated below:

Product	Credit period
1. Compressed Natural Gas (CNG)	
(a) Oil Marketing Companies like IOCL, etc.	7 Days from the Invoice Receipt date
(c) Others	Cash and Carry Basis
2. Piped Natural Gas (Domestic)	15 Days from the Invoice date
3. Piped Natural Gas (Industrial)	3 Days from the Invoice Receipt date
4. Piped Natural Gas (Commercial)	15 Days from the Invoice Receipt date

Cash and cash equivalents: The company held cash and cash equivalents of INR 1,869.85 lakhs as at 31 March 2017 (31st March 2016: INR 602.96 lakhs and 1st April 2015: INR 834.81 Lakhs). The cash and cash equivalents are held with public sector banks and leading private sector bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.


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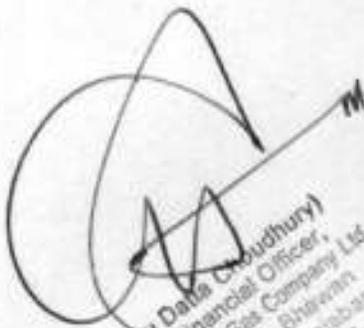


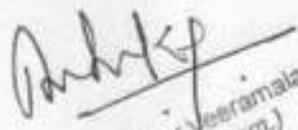
29. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserve attributable to the equity holders of the parent.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.


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Tripura Natural Gas Company Limited

Notes to financial statements

28 Accounting classifications and fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (and/or) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements. As at 31 March 2017, the Company held the following financial instruments carried at fair value on the statement of financial position:

Particulars	Carrying amount 31 March 2017	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	2,82,51,077			
Current				
Trade receivables	1,75,20,927			
Cash and cash equivalents	35,49,84,848			
Other Bank Balances	11,31,05,113			
Loans	1,75,108			
Other Financial Assets	4,96,82,057			
Bank Deposits	5,07,737			
Total	42,76,96,827	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	6,87,18,545			
Other financial liabilities	25,34,041			24,63,754
Current				
Trade payables	1,29,97,745			
Other financial liabilities	14,89,82,611			
Total	1,87,78,42,638			24,63,754

During the reporting period ending 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

As at 31 March 2016, the Company held the following financial instruments carried at fair value on the statement of financial position:

Particulars	Carrying amount 31 March 2016	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	1,63,33,430			
Other Financial Assets- Term Deposits	3,29,50,883			
Current				
Trade receivables	6,73,14,274			
Cash and cash equivalents	6,82,06,205			
Other Bank Balances	6,33,72,904			
Loans	10,20,249			
Other Financial Assets	7,83,18,526			
Total	29,55,16,513	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	8,45,18,545			
Other financial liabilities	22,96,662			17,51,368
Current				
Trade payables	1,93,19,683			
Other financial liabilities	11,41,71,649			
Total	22,07,28,738			17,51,368

During the reporting period ending 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

As at 01 April 2015, the Company held the following financial instruments carried at fair value on the statement of financial position:

Particulars	Carrying amount 01 April 2015	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	76,77,891			
Current				
Trade receivables	3,79,17,178			
Cash and cash equivalents	8,24,81,462			
Other Bank Balances	10,98,95,252			
Loans	63,94,716			
Other Financial Assets	2,29,96,817			
Total	25,57,86,445	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	10,86,75,921			
Other financial liabilities	13,95,743			13,62,143
Current				
Trade payables	2,80,27,811			
Other financial liabilities	9,67,21,117			
Total	22,66,28,594			13,62,143

Cash and short-term receivables, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these



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 Director (Com.)
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 Agartala, Tripura

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(N. GANGOPADHYAY)
 Managing Director,
 Tripura Natural Gas Co. Ltd.
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31 Transition to Ind AS

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2015, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 and 31 March 2017.

Exemptions applied:-

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS Optional exemptions:

Deemed cost-Previous GAAP carrying amount (PPE and Intangible Assets)

Ind AS 101, permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of conditions in prevailing as at the date of transition, except where the effect is expected to be not material. The company has elected to apply this exemption for such arrangements.

Ind AS Mandatory exemptions:

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

Derecognition of financial assets and financial liabilities

Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

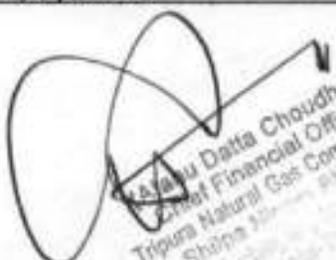
Classification and measurement of financial assets

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation of Equity between previous GAAP and Ind AS

(Amounts in INR)

Particulars	Notes to first time adoption	31 March 2016	01 April 2015
Equity as per Previous GAAP (Indian GAAP)		68,13,82,138	33,66,12,467
Add:			
Reversal of stores and spares consumed	a	1,32,58,070	
Reversal of prior period items	b	44,04,798	-
Income from unwinding of security deposits	c	1,84,817	
Deferred Tax Asset on Ind AS adjustments	g	-	18,29,326
Less:			
Reclassification of capital reserve into government grant	d	-1,37,14,245	
Reclassification of installation charges recovered from customers for the cost of pipeline to Deferred Revenue/Reclassification of capital reserve into government grant	e	-14,23,24,863	
Finance expense recognised for accretion of security deposits	c	-1,69,527	
Prior period adjustments restated	b		-44,04,798
Depreciation on stores and spares classified as PPE	a	-15,90,426	-9,62,943
Deferred Tax Asset on Ind AS adjustments	f	-39,81,544	
Total adjustments		-14,39,32,920	-35,38,415
Ind AS adjustments as at transition date		-35,38,415	-
Equity as per Ind AS		53,39,10,003	33,30,74,052


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Reconciliation of Total comprehensive income

(Amounts in INR)

Particulars	Notes to first time adoption	31 March 2016
Net Profit after tax as per previous GAAP (Indian GAAP)		9,36,57,602
Add:		
Reversal of stores and spares consumed	a	1,32,58,070
Income from unwinding of security deposits	c	1,84,817
Less:		
Finance expense recognised for accretion of security deposits	c	-1,69,527
Prior period adjustments restated	b	
Depreciation on stores and spares classified as PPE	a	-15,90,426
Deferred Tax Asset on Ind AS adjustments	f	-39,81,544
Total adjustments		77,01,390
Profit after taxes as per Ind AS		10,13,58,992
Other comprehensive income (net of taxes)		-
Total comprehensive income under Ind AS		10,13,58,992

Notes to first time adoptions

a) Under previous GAAP, machinery spares are usually charged to the profit and loss statement as and when consumed. Under Ind AS, spare parts are, retrospectively, recognized in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Depreciation of an asset begins when it is available for use. Spare parts are generally available for use from the date of its purchase. Accordingly, following amount of spares are capitalized, with depreciation calculated retrospectively from the date of its purchase.

	01-Apr-15	31-Mar-16
Spares recognized in accordance with Ind AS 16	47,92,603	1,33,41,300
Retrospective calculation of depreciation on above	(9,62,943)	(15,90,426)

b) Under previous GAAP, prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived. Under Ind AS, material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position. Accordingly, prior period adjustments of Rs. 44,04,798 made in financial year 2015-16 has been reversed; and impact of the same is taken in the opening balance sheet, i.e., April 1, 2015.

c) Under previous GAAP, interest free security/retention deposits are recorded at transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security/retention deposits under Ind AS. Difference between the fair value and transaction value of the security/retention deposits has been recognised as deferred revenue. The amount of increase in carrying amount of deposit is recognized as interest expense. The deferred revenue is amortized on a straight line basis over the deposit term in statement of profit and loss.

d) Under previous GAAP, grant received from Tripura Industrial Development Corporation Ltd. (TIDCL) for PNG supply to Industrial Growth Centre is credited to Capital Reserve. As per Ind-AS 20, Government grants are receipts from a source other than shareholders. Accordingly, capital reserve balance has been reclassified by setting up grant as deferred income in the balance sheet.

e) Company receives cash from customers and uses that amount of cash to construct an item of property, plant and equipment and then uses the item of property, plant and equipment to provide the customer with ongoing access to a supply of goods or services. Under Ind AS, such asset shall be recognised in the books of the company and the amount of capital reserve shall be reclassified to deferred revenue. The same shall be recognized in statement of profit and loss over a period no longer than the useful life of the asset.

f) Under Indian GAAP, transaction costs incurred in connection with borrowings are amortized upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

g) Under previous GAAP, the useful life of an intangible asset may not be indefinite. Under Ind AS, useful life of an intangible asset may be finite or indefinite. Ind AS 38 does not allow amortization of an intangible asset with indefinite life. Accordingly, depreciation on intangible asset - 'right to use' of INR 9.2 lakhs has been reversed in financial year 2015-16 as the useful life of the said asset is indefinite.

h) Under previous GAAP, Company capitalised all the costs incurred as a part of capital work in progress. However under Ind AS, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are included in cost of assets. Therefore, administration and general overhead costs included in the cost of property, plant and equipment amounting to INR 2.13 crores is adjusted from Statement of profit and loss.

i) Previous GAAP required recognition of deferred tax using the income statement approach; however, Ind-AS requires the Company to recognise deferred tax using the balance sheet approach. The effect on account of application of Ind-AS has been duly accounted.

j) Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, the Statement of Profit and Loss under previous GAAP has been reconciled with profit and loss statement and total other comprehensive income as per Ind - AS.

k) In the preparation of these Ind-AS Financial Statements, the Company has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.


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Tripura Natural Gas Company Limited

32.Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

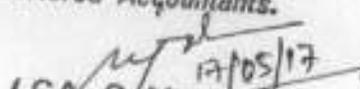
Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	5,78,500	850	5,79,350
Add : Permitted receipts	1,93,40,000	3,99,53,538	5,92,93,538
Less : Permitted payments	-	-	-
Less : Amount Deposited in Banks	1,98,95,000	3,94,32,538	5,93,27,538
Closing cash in hand as on 30.12.2016	23,500	5,21,850	5,45,350


(Atanu Datta Choudhury)
Chief Financial Officer,
Tripura Natural Gas Company Ltd.,
Shilpa Nigam Bhawan
Khejurbagan, Kumjaban,
Agartala-799008


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


(N. GANGOPADHYAY)
Managing Director,
Tripura Natural Gas Co. Ltd.,
Agartala, Tripura.

For S. A. Majumdar & Associates.
Chartered Accountants.


(CA. S/ Majumdar)
17/05/17



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

1. Corporate information

Tripura Natural Gas Company Limited ("TNGCL") is a company domiciled in India with registered office, in Agartala, Tripura.

GAIL (India) Limited entered into a contractual agreement with Tripura Industrial Development Corporation ("TIDC"), Assam Gas Company Limited ("AGCL") on February 15, 2005 as a major shareholder to make TNGCL the fastest growing CGD entity in entire Eastern India for distribution and marketing of Natural Gas and Compressed Natural Gas (CNG) for use in residential, commercial, industrial and automotive sector, in the state of Tripura. TNGCL has established itself as a pioneer in the CGD business and has been the 100% Piped Natural Gas (PNG) supplier to the Domestic and CNG customers in the state of Tripura. This had been possible to achieve with the commendable visionary leadership, exemplary problem solving skills and untiring efforts, along with other stake holders - Tripura Industrial Development Corporation (TIDC) & Assam Gas Company Ltd (AGCL)..

The financial statements of the company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the directors on 17-05-2017.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind-AS.

The financial statements have been prepared on a historical cost basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the relevant accounting policy.

The Company does not have any subsidiary, associates and joint ventures, hence these financial statements are individual financial statements and does not require any consolidated financial statements.

The financial statements are presented in Indian Rupees ("INR") and the values are rounded to the nearest crore, except otherwise indicated.

3. Significant accounting policies

3.1 Property, plant and equipment

(a) Tangible Assets

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of competent authority, subject to necessary adjustments in cost and depreciation in the year of settlement.



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation is provided in accordance with the useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

Leasehold lands are amortized over the lease period. Leasehold improvements are amortized over the remaining period of the primary lease or expected useful economic lives, whichever is shorter.

The asset's residual values, useful lives and method of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

(b) Capital Work in Progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

3.1 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

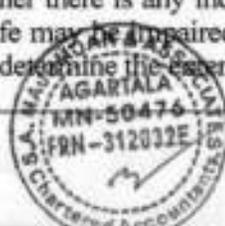
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Research and development costs

Development costs that are expected to generate probable future economic benefits are capitalized as intangible assets. All other research and development expenditure is recognized in profit and loss account as incurred.

3.2 Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipments and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

Carrying value of equity accounted investments are tested for impairment in accordance with the policy described above.

3.3 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

3.4 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.5 Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

At each balance sheet date, foreign currency monetary items (such as Cash, Receivables, Loans, Payables, etc.) are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items (such as Investments, Fixed Assets, etc.) which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

3.6 Revenue and other income

(a) Sale of goods

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of consideration that will be derived from sale of goods. Generally this coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Any retrospective revision in prices is accounted for in the year of such revision. The Company has



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

concluded that it is the principal in all of its revenue arrangements since it is the primary obligor, has pricing latitude and is also exposed to inventory and credit risks.

(b) Interest income

Interest income is recognized on a time proportion basis.

3.7 Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss. Further, the company makes provision as per actuarial valuation towards any shortfall in fund assets to meet statutory rate of interest in future period, to be compensated by the company to the Provident Fund Trust.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out annually, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absences and other benefits which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

3.8 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale, after netting off any income earned on temporary investment of such funds. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

3.9 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis. However, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

3.10 Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.11 Taxation

Tax expense represents the sum of tax currently payable and deferred tax.

a) Current Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

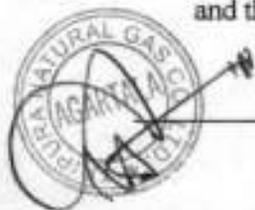
Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

3.12 Provisions, Contingent liabilities, Contingent assets and Commitments

General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.13 Government grants

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

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.14 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

• *Expected to be realised within twelve months after the reporting period or*
• *Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at*

Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.15 Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

ii) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

• Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Derecognition

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

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

4.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5 Standards Issued but not yet Effective

Ind - AS 115 "Revenue from Contract with Customers

Ind AS 115 was issued in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an



Accounting Policy Under Ind AS

Standalone Financial Statement of Tripura Natural Gas Company Limited for the year ended 31 March 2017

amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

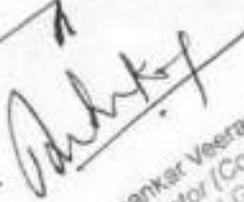
This standard will come into force from accounting period commencing on or after 1st April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

Amendments to Ind AS 7 "Statement of cash flows"

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

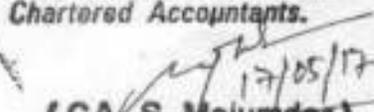
This amendment is effective for accounting period commencing on or after 1st April, 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.


(Atanu Datta Choudhury)
Chief Financial Officer,
Tripura Natural Gas Company Ltd.
Shilpa Nagar, Bhowan
Khatarganj, Kuchabari,
Agartala-786008


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


(N. GANGOPADHYAY)
Managing Director,
Tripura Natural Gas Co. Ltd.
Agartala, Tripura.

For S. A. Majumdar & Associates.
Chartered Accountants.


(CA. S. Majumdar)





TRIPURA NATURAL GAS CO LTD

(CIN: U23201TR1990SGC003451)

Registered Office: Shilpa Nigam Bhawan, Khejur Bagan,
Kunjaban, 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
DGM (TS)
Assam Gas Company Limited
- iv. Shri Kunal Mazumdar
DGM (O&M)
Assam Gas Company Limited



TRIPURA NATURAL GAS CO LTD

(CIN: U23201TR1990SGC003451)

Registered Office: Shilpa Nigam Bhawan, Khejur Bagan,
Kunjaban, Agartala, Tripura, India

Directors:

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