BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

Head Office: Near Sahida Market, S.S. Road Lakhtokia, Guwahati-1

☏: 0361- 2514362

Email:- bsco.srp@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAHMAPUTRA CRACKER & POLYMER LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Brahmaputra Cracker & Polymer Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Company's Act 2013,(SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Company's Act 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

BHAWANI SHARMA & CO. GUWAHATI FRN [redacted] CHARTERED ACCOUNTANTS

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Company's Act 2013 (" the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Emphasis of Matters

We draw your attention to the following observations. Our opinion is not qualified in respect of these matters.

a) We draw your attention to Note No. 22 to the Ind AS financial statements regarding the status of claims made against the Company, and that no claims has been acknowledged there against.

b) We draw your attention to Note No. 28 to the Ind AS financial statements regarding the subsidies under various scheme of NEIIP(North East Industrial Policy), the company has accounted subsidies amounting to Rs. 4680.02 lakhs on accrual basis, however, claims for subsidies amounting to 3485.53 lakhs is yet to be submitted/in the process of submission.

c) We draw your attention to Note No. 43 to the Ind AS financial statements relating to balance confirmations being sought from vendors, contractors and other authorities where balances were booked under loans and advances, debtors and creditors. Only 4 confirmations out of those requested by the management have been received by us.

d) We draw your attention to point (vii)(a) of Annexure-A to this report indicating that the company has not yet registered itself for ESI purpose.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) The matters to be reported on as per the directions of the Comptroller and Auditor General of India have been reported on in **"Annexure C"**.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in Note No. 22.

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

2. 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 B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **BHAWANI SHARMA & CO**
Chartered Accountants
Firm's registration number: **314006E**

Shailendra Sharma
Partner
Membership number: 058352

Place: New Delhi
Dated: 22/05/2019

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ANNEXURE -A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Brahmaputra Cracker & Polymer Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BRAHMAPUTRA CRACKER & POLYMER LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants ofIndia.

For **BHAWANI SHARMA & CO.**
Chartered Accountants
Firm's registration number: **314006E**

Shaliendra Sharma *(Partner)*
Membership number: 058352
Place: New Delhi
Dated: 22/05/2019

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

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ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 of Independent Auditors' Report to the members of the Brahmaputra Cracker and Polymer Limited on the Ind AS financial statements for the year ended 31 March 2019, we report that:

(i) In respect of the Company's fixed assets;

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the management in regular interval. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land & building which are freehold, are held in the name of Company, except for the 131 bigha of land for which process of obtaining land ownership document from Government of Assam is still under way pending necessary approval from Governments Authorities and also 59 bighas of Private Land of Railway Siding and 520 bighas of Land of Lakwa unit, though they are in possession of the company but title deed is yet to be transferred.

(ii) As explained to us, physical verification of inventory has been conducted by the management of the company. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.

(iii) According to the information & explanation given to us and on the basis of our examination of books of Accounts, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013.Consequently, the provisions of (iii)(a) to (iii)(c) are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investment and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March, 2019 and therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

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(vi) The Company has maintained the books of accounts relating to utilization of materials, labour and other items, pursuant to the Rules made by the Central Government for the maintenance of cost records prescribed under section 148(1) of the Companies Act 2013 during the period under audit.

(vii) According to the information and explanations given to us, in respect of statutory dues;

a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Goods & Service Tax, Custom Duty, cess and any other material statutory dues applicable to with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance and Excise Duty.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Goods and Service tax. Custom Duty, Cess and other material statutory dues were in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there were no material dues of Income Tax, Sales Tax, Excise duty, Customs Duty, Service Tax and Value Added Tax ,Goods and service Tax which have not been deposited with the appropriate authorities on account of any dispute except the following;

Nature of the Statute	Nature of dues	Forum where dues is Pending	Period to which amount Amount relates	Amount (In Lacs)
The Income Tax Act,1961	Income Tax	ITAT	A.Y.2015-16	58.83

(viii) Based on our audit procedure and according to the information & explanation given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments). According to information & explanations given to us, the Company had utilized the Term Loan obtained and loans were applied for the purpose for which it was taken.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

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(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards and the Act.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of 14866990 shares to Government of Assam ,one of its promoters during the year & the requirement under Section 42 of the Companies Act,2013 have been complied with & the amount raised have been used for the purposes for which the fund were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **BHAWANI SHARMA & CO.**
Chartered Accountants
Firm's registration number: **314006E**

Shaliendra Sharma
Partner
Membership number:058352

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 22/05/2019

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ANNEXURE - C

Report pursuant to directions issued by the office of C & AG u/s 143(5) of the Companies Act, 2013

The Annexure referred to in paragraph 1(g) in Independent Auditors' Report to the members of the **Brahmaputra Cracker and Polymer Limited** on the financial statements for the year ended 31 March 2019, we report that:

Sl. No.	Directions	Remarks
1.	Whether the company has system in place to process all the accounting transactions through IT System ? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all the accounting transactions through IT System. During the year under audit, there is no accounting transactions processed outside IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There are no cases of restructuring of existing loan/waiver/ write off of debts/loans/interest etc during the Year.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions ? List the cases of deviation.	Funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions. No deviation as such have been noticed during the year.

For **BHAWANI SHARMA & CO.**
Chartered Accountants
Firm's registration number: **314006E**

Shaliendra Sharma
Partner
Membership number: 058352

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 22/05/2019

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Brahmaputra Cracker and Polymer Limited
Balance Sheet as on 31 March 2019

₹ in lakh

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment	2	750,534.70	781,283.97
Capital work-in-progress	2	995.28	529.00
Intangible assets	3	1,240.68	1,430.60
Financial Assets			
- Others	4(e)	1,580.70	1,767.75
Deferred Tax Assets (Net)	14	17,164.56	11,165.46
Other Non Current Assets (Non Financial)	5	22,856.83	27,271.51
Subtotal (A)		**794,372.76**	**823,448.29**
Current Assets			
Inventories	6	36,886.61	41,268.50
Financial Assets			
- Investments	4 (a)	-	-
- Trade receivables	4(b)	13,077.07	18,222.24
- Loans	4(c)	41.07	35.16
- Cash and Cash Equivalents	4(d)	140.12	1,504.08
- Others	4(e)	1,348.61	741.37
Other Current Assets (Non Financial)	5	34,308.17	46,439.94
Subtotal (B)		**85,801.64**	**108,211.29**
Total Assets (A+B)		**880,174.40**	**931,659.58**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	7	141,767.00	140,280.30
Other Equity	8	-85,072.51	-90,483.09
Subtotal (C)		**56,694.49**	**49,797.21**
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
- Borrowings	*9*	273,135.23	277,522.23
- Trade payables	*10*	-	-
- Other Financial Liabilities	*11*	-	-
- Provisions	*12*	768.87	345.23
- Other Non Current Liabilities	*13*	419,399.67	419,468.15
Subtotal (D)		**693,303.76**	**697,335.61**
Current Liabilities			
Financial Liabilities			
- Borrowings	*9*	13,494.65	46,730.37
- Trade payables			
- Due to MSME Vendors	*10(a)*	632.61	555.54
- Due to Others	*10(b)*	15,798.10	37,935.95
- Other Financial Liabilities	*11*	47,093.19	43,105.42
- Provisions	*12*	30,590.40	35,547.37
- Other Current Liabilities	*13*	22,567.18	20,652.11
Subtotal (E)		**130,176.15**	**184,526.76**
Total Equity and Liabilities (C+D+E)		**880,174.40**	**931,659.58**
Accounting Policy	1		

Note No: 1 to 48 forms integral part of Financial Statement.

(A K Singh)
Managing Director

(P R Dash)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For Bhawani Sharma & Co
Chartered Accountants
FRN No.314006E

(Shailendra Sharma)
Partner
Mem No.058352

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 22/05/2019

Brahmaputra Cracker and Polymer Limited

Statement of Profit and Loss for the period ended 31 March 2019

₹ in lakh

	Particulars	Note No.	Year Ended 31st March 2019	Year Ended 31st March 2018
I.	**Revenue from operations**	15	267,693.09	174,867.82
II.	**Other income**	16	24,131.13	23,009.53
III.	**Total Revenue (I + II)**		**291,824.22**	**197,877.35**
IV.	**EXPENSES**			
	Excise Duty on sale of goods		-	4,377.74
	Cost of raw material and components consumed	17	179,859.41	114,839.94
	Change in Inventory of Finished Goods & WIP		10,247.71	-2,020.32
	Employee benefits expenses	18	9,823.69	8,087.48
	Depreciation and Amortization expense	19	38,665.10	38,783.04
	Finance costs	20	26,468.55	27,889.47
	Other expenses	21	25,803.65	19,044.06
	Total expenses (IV)		**290,868.11**	**211,001.41**
V.	**Profit/(loss) before Tax (III-IV)**		956.12	-13,124.06
VI	**Tax expense:**			
	Current tax		-	45.63
	Deferred Tax		-5,981.03	-5,130.46
VII.	**Profit/(Loss) for the period (V - VI)**		**6,937.15**	**-8,039.23**
	Other Comprehensive income			
VIII.	**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			
			-	-
IX.	**Items that will not be reclassified to profit or loss**			
	Changes in fair value of FVOCI equity instruments		-	-
	Remeasurement of post-employment benefit obligations		-57.94	-0.03
	Income tax relating to these items		18.08	0.01
			-39.86	-0.02
X	**Other comprehensive income net of tax (VIII + IX)**		**-39.86**	**-0.02**
XI	**Total comprehensive income (VII + X)**		**6,897.29**	**-8,039.25**
XII.	Earnings per equity share:(**in** `)			
	Basic		0.49	-0.57
	Diluted		0.49	-0.57

(A K Singh)
Managing Director

(P R Dash)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For Bhawani Sharma & Co
Chartered Accountants
FRN No.314006E

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

(Shailendra Sharma)
Partner
Mem No.058352

Place : New Delhi
Date : 22/05/2019

Brahmaputra Cracker and Polymer Limited
Cash Flow Statement For The Period Ended 31st March 2019

₹ in lakh

Particulars	2018-19	2017-18
Cash Flow From Operating Activity		
Net profit Before Tax & Extra Ordinary Items	956.12	(13,124.06)
Adjustment For:		
Depreciation/ Amortisation	38,665.10	38,783.04
Amortisation of Lease Rent	886.88	890.44
Profit on Sale of Land	(232.04)	(76.83)
Items Not Classified in Profit & Loss	(57.94)	(0.03)
Other Adjustments in Retained Earnings	-	(1,645.60)
Transfer From Capital Reserves (Govt Grant)	(19,751.48)	(17,288.13)
Interest Paid	26,468.55	27,889.47
Cash Flow before Working Capital Change	**46,935.19**	**35,428.29**
Adjustment For Working Cap Changes		
Changes in Financial Assets (Current)	21,045.68	(33,253.09)
Changes in Financial Assets (Non- Current)	3,695.29	24,032.64
Changes in Financial Liability (Current)	(30,610.19)	(5,817.09)
Changes in Financial Liability (Non-Current)	423.63	(85.27)
Cash Generated From Operating Activity	41,489.60	20,305.49
Current Tax	-	(45.63)
Cash Before Extra Ordinary Items	41,489.60	20,259.85
Extra-Ordinary Items	-	-
Net Cash From Operating Activity	**41,489.60**	**20,259.85**
Cash Flow From Investing Activity		
Addition/ Purchase of Fixed Assets	(7,725.90)	(5,369.70)
Capital Work In Progress	(466.28)	(523.42)
Sale of Land	251.59	80.64
Net Cash Flow From Investing Activity	**(7,940.59)**	**(5,812.48)**
Cash flow From Financing Activity		
Proceeds From Issue of Share Capital	-	1,486.70
Proceeds From Government Grant	20,609.03	10,492.17
Repayments of Borrowings	(53,690.46)	(16,080.32)
Borrowing From Related Party	20,000.00	-
Borrowing From Others	4,637.00	19,043.70
Interest paid	(26,468.55)	(27,889.47)
Net Cash Flow From Financing Activity	**(34,912.98)**	**(12,947.22)**
Net Increase/(Decrease) In Cash & Cash Equivalent	(1,363.97)	1,500.15
Opening Cash & Cash Equivalent	1,504.08	3.93
Closing Cash & Cash Equivalent	**140.12**	**1,504.08**

(A K Singh)
Managing Director

(P R Dash)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For Bhawani Sharma & Co
Chartered Accountants
FRN No.314006E

(Shailendra Sharma)
Partner
Mem No.058352

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 22/05/2019

Brahmaputra Cracker and Polymer Limited
Statement of Changes in Equity

(a) Equity Share Capital	In No.'s Lakh	Amount (In ₹ Lakh)
Equity Shares of ₹ 10 each issued, subscribed and fully paid		
As at March 2018	*14,028.03*	*140,280.30*
Issue of Share Capital	*148.67*	*1,486.70*
Issued, subscribed and fully paid up at Closing	***14,176.70***	***141,767.00***

For The Year Ended 31st March 2019:

In ₹ Lakhs

Attributable To The Equity Shareholders			
Particulars	**Retained Earnings**	**Other Comprehensive Income**	**Total**
As at 31 March 2018	**-91,969.77**	**-0.02**	**-91,969.79**
Opening Retained Earning	-91,969.79		
Profit For The Period	6,937.15	-39.86	6,897.29
As At 31 March 2019	**-85,032.65**	**-39.86**	**-85,072.51**

In No's Lakhs

Particulars	As at 31-Mar-19	As at 31-Mar-18
Shares Held by Holding/ Parent Company		
GAIL(India) Limited	*9,923.69*	*9,923.69*
Oil India Limited	*1,417.67*	*1,417.67*
Numaligarh Refinery Limited	*1,417.67*	*1,417.67*
Government of Assam	*1,417.67*	*1,269.00*
Total No. Of Equity Shares of Rs. 10 Each	***14,176.70***	***14,028.03***

Particulars	As at 31-Mar-19	As at 31-Mar-18
Shareholders holding more than 5% of Equity Shares		
GAIL(India) Limited	*70.00%*	*70.74%*
Oil India Limited	*10.00%*	*10.11%*
Numaligarh Refinery Limited	*10.00%*	*10.11%*
Government of Assam	*10.00%*	*9.05%*

(A K Singh)
Managing Director

(P R Dash)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For Bhawani Sharma & Co
Chartered Accountants
FRN No.314006E

(Shailendra Sharma)
Partner
Mem No.058352

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 22/05/2019

Brahmaputra Cracker and Polymer Limited

Note 2: Property, plant and equipment

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

₹ in lakh

Cost/ Valuation	Leasehold Land	Freehold Land	Building - Other than factory building	Building - Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F& F and Other Equipment	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 1st April 2018	-	387.47	21,839.71	28,447.80	28,247.74	3.63	767,489.83	10,039.24	4,869.68	748.81	362.32	529.00	862,436.24
Additions	-	-	0.64	-	48.64	-	7,961.25	40.31	2,123.22	361.16	54.44	466.28	10,589.65
Transferred on Business purchase													
Exchange differences													
Disposals													
Other				-			-2,863.77						-2,863.77
At 31st March 2019	-	387.47	21,840.35	28,447.80	28,296.38	3.63	772,587.30	10,079.55	6,992.90	1,109.96	416.76	995.28	870,162.12

Depreciation and impairment	Leasehold Land	Freehold Land	Building - Other than factory building	Building - Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F& F and Other Equipment	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 31 March 2018	-	-	1,364.11	2,654.03	7,236.94	2.19	61,530.32	5,666.54	1,958.47	522.86	216.78	-	81,152.24
Depreciation expense	-	-	269.92	1,458.42	2,931.61	0.57	29,063.41	3,063.91	1,551.17	82.39	53.79	-	38,475.17
Impairment													
Disposal													
Exchange differences													
Other													
At 31st March 2019	-	-	1,634.03	4,112.45	10,168.56	2.75	90,593.73	8,730.46	3,509.63	605.24	270.57	-	119,627.42

Net Book value	Leasehold Land	Freehold Land	Building - Other than	Building - Plant	Roads, Bridges &	Bunk Houses	Plant & Machinery	F& F and Other	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 31 March 2019	-	387.47	20,475.60	25,793.77	21,010.80	1.44	705,959.50	4,372.69	2,911.22	225.95	145.54	529.00	781,283.99
At 31 March 2018	-	387.47	20,206.32	24,335.36	18,127.83	0.87	681,993.57	1,349.09	3,483.27	504.72	146.19	995.28	750,534.70

Foot Note:

Refer to Note 11 with respect to PPE pledged as security

BHAWANI SHARMA & CO. ☆ CHARTERED ACCOUNTANTS ☆ GUWAHATI FRN: 3[illegible]E

Brahmaputra Cracker and Polymer Limited

Note 3: Intangible Assets

₹ in lakh

Cost	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited	Total
At 1st April 2018	**959.86**	**877.07**	**4.39**	**1,841.32**
Additions	-	-	-	-
Capitalised internal development costs	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Transfer to held for sale	-	-	-	-
Disposals	-	-	-	-
Exchange adjustments	-	-	-	-
Others	-	-	-	-
At 31st March 2019	**959.86**	**877.07**	**4.39**	**1,841.32**

₹ in lakh

Accumulated amortization and impairment	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited	Total
At 1st April 2018	**398.90**	**9.19**	**2.63**	**410.72**
Additions	189.05	-	0.88	189.92
Capitalised internal development costs				
Acquisitions through business combinations				
Transfer to held for sale				
Disposals				
Exchange adjustments				
Others				
At 31 March 2019	**587.95**	**9.19**	**3.51**	**600.65**

₹ in lakh

Net book value	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
At 31 March 2018	**560.96**	**867.88**	**1.76**	**1,430.60**
At 31 March 2019	**371.92**	**867.88**	**0.88**	**1,240.68**

BHAWANI SHARMA & CO.
GUWAHATI
FRN: 314006E
CHARTERED ACCOUNTANTS

Brahmaputra Cracker and Polymer Limited

Note 4: Financial assets (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
4(a) Investments	-	-
4(b) Trade receivables	***13,077.07***	***18,222.24***
Considered good - Secured	*6458.37*	*8,999.42*
Considered good - Unsecured	*6618.70*	*9,222.82*
Which have significant increase in Credit Risk		
Credit impaired		
4(c) Loans	***41.07***	***35.16***
Loans and advances to employees	41.07	35.16
(Considered Good & Unsecured Rs. 41.07, P F Yr 35.16)		
4(d) Cash and Cash Equivalents	***140.12***	***1,504.08***
Balances with banks:		
— On current accounts	140.12	17.08
— Deposits with original maturity of less than three months	-	1,487.00
4(e) Others	***2,929.31***	***2,509.12***
Interest accrued but not due	42.13	75.72
Term deposits exceeding 12 months	0.00	**0.00**
Security Deposit Paid	1,580.70	*1,767.75*
Claims recoverables		
Insurance	1,306.47	*665.65*
Total	**17,768.27**	**24,038.35**
Current	16,187.57	22,270.61
Non current	1,580.70	1,767.75
Total	**17,768.27**	**24,038.35**
** Other than Security Deposit all other Assets are treated as Current*		

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Note 5: Other Non Financial Assets **(In ₹ Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured (Considered good):		
Advance income tax	2.86	2.86
Income Tax Paid on Demand	172.40	172.40
Balance with Government Authorities		
GST Credit Receivable	15,896.97	36,965.78
- Current	*15,896.97*	*33,447.42*
- Non Current	-	*3,518.35*
TDS	316.58	559.91
Other advances	339.64	339.64
Recievable Against Subsidy Claims	9,689.34	6451.42
Capital Advances to suppliers/contractors:	764.50	2,476.54
Advances to suppliers/contractors:	5,615.21	1,572.74
Prepayments		
Pre-paid expenses	633.91	530.12
- Current	*623.41*	*530.12*
- Non Current	*10.50*	-
Pre-paid Lease Rent	23,733.60	24,640.03
- Current	*887.27*	*886.88*
- Non Current	*22,846.33*	*23,753.16*
Total	**57,165.00**	**73,711.45**
Current	34,308.17	46,439.94
Non Current	22,856.83	27,271.51
Total	**57,165.00**	**73,711.45**

BHAWANI SHARMA & CO.
GUWAHATI
FRN: 314006E
CHARTERED ACCOUNTANTS

Note 6: Inventories (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Raw materials , Stores , Spares and others		
Raw Materials & other Consumables	2,252.84	1,152.61
Stores & Spares	26,799.54	22,142.91
(b) Semi Finished Goods/By products		
Semi Process Stock	1,674.47	2,461.14
By Products	808.34	530.65
(c) Finished Goods		
LLDPE	3,877.31	12,867.91
HDPE	21.97	298.07
PP	1,452.14	1,815.21
Total	**36,886.61**	**41,268.50**

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Note 7: Equity share capital (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Share capital		
Authorised		
2,00,00,00,000 Equity Shares of Rs. 10 each	200,000.00	200,000.00
(Previous year 2,00,00,00,000 Equity shares of Rs. 10 each)		
	200,000.00	**200,000.00**
Issued, subscribed and fully paid up	141,767.00	140,280.30

Note 8: Other equity (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Other equity:		
Retained earnings	-90,483.09	-82,284.93
Add: Adjustment Pertaining to F Yr 2016-17	-	-1,645.61
Adjusted Opening Retained Earning	-90,483.09	-83,930.54
Add: Total comprehensive Income for Qtr	6,897.29	-8,039.25
Less: Transfer to statement of profit and loss		
Transferred to Share Capital	-1,486.70	-
Share Application Money Pending Allotment	-	1,486.70
Total	**-85,072.51**	**-90,483.09**

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Brahmaputra Cracker and Polymer Limited

Note 9: Borrowings

Particulars	Effective Interest Rate	Maturity	As at 31-Mar-19	As at 31-Mar-18
Secured				
Term loans:				
- Loan from State Bank of India	SBI 1yr MCLR plus 0.45%	5/31/2025	152,099.36	161,709.36
- Cash Credit from State Bank of India	SBI 1yr MCLR plus 0.25%		13,494.65	21,730.40
- SBI Short term loan	SBI 1yr MCLR plus 0.15%		-	24,999.96
Inter Corporate Loan				
- GAIL (I) Ltd	SBI 1yr MCLR plus 0.20%		20,000.00	-
From Other Parties :				
- Oil Industry Development Board		10/4/2027	101,035.88	115,812.88
Total			**286,629.88**	**324,252.60**
Less Current Borrowings			**13,494.65**	**46,730.36**
Total Non Current Borrowings			**273,135.23**	**277,522.24**

Schedule of Current Borrowings

Particulars	Effective Interest Rate	Maturity	As at 31-Mar-19	As at 31-Mar-18
From Other Party			-	-
Loan From Related Party				
Gail India Ltd			-	-
Deposits			-	-
Other Loans			13,494.65	46,730.36
			13,494.65	**46,730.36**

- Oil Industry Development Board

The long term loans are secured by way of 1st charge on all fixed assets both movable and immovable, present and future including tangible and intangible assets, ranking pari pasu, among SBI and OIDB. As per requirement of OIDB, an exercise has been carried out to identify and segregate the Assets of the Company which has been funded out of OIDB loan. OIDB informed that their Competent Authority has accorded approval for acceptance of the Assets earmarked for loan against OIDB for creation of first charge in favour of OIDB and accordingly, the charge in favour of OIDB was modified.

Terms of Repayment & Interest Rate : Total period of loan is 10 years from the date of drawal which includes 2 years moratorium. The repayment shall be in 8 yearly equal instalments. The first instalment become due at the end of 3rd year from the date of drawal. Rate of interest on loan depends on the month in which loan instalment is drawn by BCPL.

- Loan from State Bank of India

The long term loans are secured by way of 1st charge on all fixed assets both movable and immovable, present and future including tangible and intangible assets, ranking pari pasu, among SBI and OIDB. Now after creation of exclusive charge in favour of OIDB against assets funded by them, on the balance Fixed Assets, First charge on the fixed assets (moveable and immovable) of the Company at Lepetkata, both present (Gross Block: ~ Rs. 6,950 Crore) shall be created in favour of SBI shortly after satisfaction/midification of the pari passu charge created earlier.

The working capital loan is secured by 1st charge on current assets and 2nd Charge on the Fixed Assets (movable and immovable) of the BCPL, both present and future, in favour of SBI.

Terms of Repayment & Interest Rate : Repayment of loan is in 96 monthly instalments commencing from June 2017. The interest rate is SBI one year MCLR rate plus a spread of 0.45 % i.e 8.95 % as on 31st March'19.

- Inter Corporate Loan from GAIL

The loan is unsecured.

Terms of Repayment & Interest Rate : Repayment shall be in 8 (Eight) equated half yearly instalments starting from 01.09.2020. Interest rate is SBI one year MCLR rate plus a spread of 0.20 % i.e 8.75 % as on 31st March'19.

Note: An amount of Rs.194.14 Crore payable within next 12 months, has been transferred to "Financial liabilities" at Note no. 8

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Note 10 - Trade Payables (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade payables		
10 (a) Due to MSME Vendors	632.61	555.54
10 (b) (i) Due to Other Vendors	1,071.70	1,089.00
10 (b) (ii)Due to Related Party	14,726.40	36,846.95
Total	**16,430.72**	**38,491.49**
Current	16,430.72	38,491.49
Non current	-	-
Total	**16,430.72**	**38,491.49**

Note 11: Other Financial Liabilities (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Current maturities of long term debt:		
- Oil Industry Development Board	19,414.00	16,375.00
- State Bank of India	9,684.00	4,080.00
Interest Accrued On Borrowings	172.60	-
Share Application Money(Refundable)	-	0.30
<u>Others :</u>		
Deposits/Retention Money from Contractors and others	7,272.90	8,136.71
Price reduction schedule	7,288.24	9,081.62
Security Deposit	1,435.44	595.69
Earnest money deposit	133.80	248.59
Payable to Employees	62.74	54.07
Payable for Capital Expenditure	1,629.48	4,533.43
Total other financial liabilities at amortised cost	**47,093.19**	**43,105.42**
Current	47,093.19	43,105.42
Non current	-	-
Total	**47,093.19**	**43,105.42**

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Note 12: Provisions (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provisions		
Provision for employee benefits	480.32	317.20
Provision for gratuity	-	28.03
Provision for Income Tax	272.06	1,483.87
Pro. for Employees Benefits -Superannua	288.54	-
Provision for Liability (Contractors)	22,468.80	29,177.97
Others	7,849.55	4,885.53
Total	**31,359.27**	**35,892.60**
Current	30,590.40	35,547.37
Non current	768.87	345.23
Total	**31,359.27**	**35,892.60**

Note 13: Non Financial Liabilities (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Other non financial liabilities		
Government Grants	439,611.60	438,754.04
- Current	*20,211.93*	*19,285.89*
- Non Current	*419,399.67*	*419,468.15*
Statutory Liability Payables	711.47	955.73
Others	337.96	279.12
Advance from customers	1,305.83	131.38
Total	**441,966.85**	**440,120.26**
Current	22,567.18	20,652.11
Non current	419,399.67	419,468.15
Total	**441,966.85**	**440,120.26**

Note 14: Deferred taxation (In ₹ Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deferred tax asset/ liability	17,146.49	11,165.46
Deferred Tax Asset on OCI	18.08	
Deferred tax assets/(liabilities)-net	**17,164.56**	**11,165.46**

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

Note 15: Revenue from operations (In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Sale of products (including excise duty/GST)		
(a) Sale of HDPE/LLDPE	246,899.94	155,291.03
(b) Sale of Polypropelene	61,011.11	41,944.21
(c) Sale of HPG ,CBFS,Slop Oil,etc.	25,524.08	12,060.31
Total sale of products	**333,435.13**	**209,295.55**
Less: GST on Sales	51,835.39	24,506.91
Less: Discount on Sales	13,906.65	9,920.81
Total	**267,693.09**	**174,867.82**

Note 16: Other Income (In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Other non-operating Income:		
Interest on FDR's	180.78	108.48
Other Interest	258.31	224.68
Government grants	19,751.48	17,288.13
NEIIP Subsidy	-	4,001.25
Recoveries from Employees	86.83	69.80
Excess Provision Written Back	282.74	-
Misc.Receipts	3,570.99	1,317.18
Total	**24,131.13**	**23,009.53**

Note 17: Cost of raw material and components consumed (In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Raw materials consumed	167,726.74	103,895.58
Chemical & Catalyst	7,081.27	5,654.58
Stores & Spares Consumed	5,051.40	5,289.79
Total	**179,859.41**	**114,839.94**

BHAWANI SHARMA & CO.
GUWAHATI
FRN: 314006E
CHARTERED ACCOUNTANTS

Note 18: Employee Benefit Expenses (In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Salary, Wages and Allowances	6,458.98	4,878.89
Contribution to Provident and other Funds	1,002.65	593.37
Welfare Expenses	996.36	1,005.98
Secondment charges	1,365.70	1,609.25
Total	**9,823.69**	**8,087.48**

Note 19: Depreciation and amortization expense (In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Depreciation and Amortization Expenses	38,665.10	38,783.04
Total	**38,665.10**	**38,783.04**

Note 20: Finance cost (In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Interest on Term Loans from Banks	14,193.71	15,109.87
Interest on Short Term Loans from Banks	2,423.97	3,555.80
Interest on Loans from Other Institutions	9,750.88	9,596.55
Interest on Loans from Promoters	191.78	-
Other Borrowing Costs(Commitment and other Finance Charges)	181.62	180.17
Less: NEIIP Interest Subsidy	-273.41	-552.92
Total	**26,468.55**	**27,889.47**

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Note 21: Other Expenses

(In ₹ Lakh)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Power, Fuel and Water Charges:		
Power and Water charges	969.19	1,432.96
Repairs and Maintenance:		
Plant and Machinery	2,181.24	1,970.79
Building	512.98	407.75
Others	181.00	84.37
Insurance	216.42	437.42
Communication expenses	12.74	16.51
Printing and Stationery	17.97	22.09
Travelling Expenses	309.00	272.78
Books and Periodicals	6.19	5.10
Advertisenement and Publicity	68.69	100.04
Payment to Auditors:		
Audit Fess	6.00	4.00
Tax audit fees	0.45	0.45
Company Law Matters	-	0.46
Management services	0.14	-
Entertainment Exp	38.53	30.58
Recruitment and Trainning Expenses	65.72	59.29
Vehicle Hire and running Expenses	420.28	336.05
Rent Rates & Taxes	1,972.94	1,217.49
Consultancy Charges	15.88	4.77
Legal and Professional Charges	115.11	121.39
Directors sitting fees	2.40	2.21
Selling and Distribution Expenses	3,808.32	335.02
Commission on Sales	7,726.11	5,130.01
Security Expenses	3,078.76	2,943.86
CSR expenses	-	42.50
Net loss on Foreign currency Transaction and Translation	242.25	-104.56
Other Expenses	3,835.35	4,170.73
Total	**25,803.65**	**19,044.06**

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Notes to the Financial Statements for the year ended 31st March 2019

22. Contingent Liabilities and Commitments:

₹ in Lakh

(a) Contingent Liabilities:

	31-Mar-19	31-Mar-18
Claims against the Company not acknowledged as debts:		
Excise matters	-	-
Service Tax matters *	790.00	-
Sales tax matters	-	-
Entry Tax Matters	-	-
Court cases:		
Land Acquisition cases for Higher Compensation	1,295.63	1,295.63
Others (includes contingent liability for pay revision amounting to ₹.3,739.63 Lakhs)	4379.34	639.71
Claim by contractors Arbitration cases/other extra claims on capital account	50,680.10	48,381.10

* Details at note 38(b).

(b) Capital Commitments:

	31-Mar-19	31-Mar-18
Estimated amount of contracts remaining to be executed on capital account and not provided for	1105.48	5204.46

(c) Guarantees & other Commitment:

	31-Mar-19	31-Mar-18
Bank Guarantees in favour of Suppliers	3,757.44	2784.95
Letter of Credits issued:	1,969.80	4288.33

(d) Registration charges towards transfer of GAIL's Lakwa unit: ₹ 501 lakh (Previous year ₹ 680 lakh).

Note:

a. The Company does not expect any reimbursement in respect of the above contingent liabilities.

b. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution of the arbitration/ appellate proceedings.

c. The Company currently does not have any Contingent Assets.

23. In compliance of INDAS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information of provisions is as under:

Nature	Opening Balance	Additions During The Year	Utilisation During The Year	Reversals During The Year	Closing Balance
Excise	-	-	-	-	-
Service Tax	-	-	-	-	-
VAT/ Sales Tax	-	-	-	-	-
Goods & Service Tax	-	-	-	-	-
Legal Cases	-	-	-	-	-
Total	-	-	-	-	-

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The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

24. During the current financial year the Company has allotted equity shares of ₹ 10 each in favour of Government of Assam (GoA) against advance received in the previous financial year i.e. on 31.03.2018 as part of the balance equity contribution of ₹1,486.70 lakh against revised project cost (₹9,96,500.00 Lakh) of Assam Gas Cracker Project. With this contribution, the equity portion of the approved funding for enhanced cost of ₹1,04,500.00 Lakh has been completed. During the year the Company has received ₹20,000.00 lakh in FY 2018-19 and cumulatively ₹ 5,01,102 lakh (including interest earned) against the total Capital Subsidy of ₹ 5,23,945 lakh against approved cost of Assam Gas Cracker Project. The balance Capital Subsidy is expected to be allocated in the RE for FY 2019-20.

25. **Feed Stock Subsidy:** Based on the initial condition of approval of the project and recommendation of the Inter-Ministerial Committee (IMC) of the Government of India (GoI), the Company has submitted its proposal for sanction of Feed Stock subsidy to BCPL for 15 years of plant operation. The note is under active consideration by the Government. The estimated financial implication for 15 years of plant operation is ₹ 4,600 crore as against the amount of ₹ 4,614.54 crore considered by CCEA in 2011. The budgetary support would be sought after CCEA approval by the administrative Ministry/ department. Out of the above total subsidy requirement, an amount of ₹ 930 crore is estimated towards subsidy requirement from commissioning date till FY 2017-18. The necessary accounting to this effect shall be done once the approval of Government is obtained.

26. As per JV agreement signed among the promoters of the Company, Government of Assam (GoA) should extend exemption from Sales Tax/VAT on feedstock/raw material (input) for a period of 15 years from the date of commissioning of the plant. Accordingly, a proposal has been submitted for exemption of VAT on Natural Gas (one of the major Raw-Material for the Company) which is under active consideration of the GoA. Once the approval is obtained amount of ₹ 19586.48 Lakh (approx.) will be claimed for re-imbursement through budgetary support for the period from date of Commissioning of the plant till FY 2018-19 and to be accounted in the year of claim.

27. **Land & Building**

i. The Company is in possession of total 3904 bigha (Previous year 3912 bigha) of lease hold land and 190 bigha of free hold land of ₹ 9464.82 lakh and ₹ 387.47 lakh (Previous Year: ₹ 9489.48 lakh and ₹ 387.47 lakh) respectively. Out of which, title deeds for freehold (190 bigha) and leasehold (520 bigha) land amounting to ₹ 387.47 lakh and ₹ 1538.11lakh (Previous Year: ₹ 387.47 lakh and ₹ 1538.11 lakh) respectively are pending execution for transfer in the name of the Company. Although the Company enjoys complete ownership of the lease hold land which has been handed over by the Government of Assam (GoA) after acquisition of land from private owners under Land Acquisition Rule, but periodic patta for 3392 bigha of lease hold land for 30years has been issued in the name of the Company as per Land Registration Act of Assam, accordingly the lease hold land has been treated as operating lease under Ind-AS 17. Full payment has been settled on possession of the land and no lease amount is payable. The amount has been accounted as "Pre-paid Lease Rental" with amortisation over the lease period.

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ii. Under the compulsory acquisition scheme in public interest Government of Assam has taken possession of 6 (Six bigha) (previous year 2 (Two bigha) of Company's lease hold land with payment of compensation of ₹ 251.60 lakh (previous year ₹ 80.64 lakh) received and accounted for during the year.

28. The Company is registered under NEIIP (North-East Industrial Policy) and eligible for various subsidy schemes. Accordingly, the Company has accounted the following eligible subsidies under various schemes on accrual basis.

₹ in Lakh

Sl. No	Particulars of Subsidy	Opening Claim pending	Claim Submitted	Claim in Process of submission	Total Amount	Amount Received, if any.
1	Interest on working capital loan fund	0.00	552.92	273.41	826.33	0.00
2	Freight Subsidy	1845.78	2285.93	1405.87	5537.58	0.00
3	Insurance Subsidy	957.39	1354.53	1806.25	4118.17	942.50

The above subsidies relating to current year amounting to ₹4,680.02 have been adjusted with respective expenditure.

29. Capital Subsidy received from Government of India has been considered as deferred income in terms of Ind-As 20 and is recognized as income in the Statement of Profit and Loss over the useful life of the assets. In the current financial year an amount of ₹ 19,751.48 lakh has been credited (Previous year ₹19,183.15 lakh) to Statement of Profit and Loss.

30. Trade payables (shown in Note No 10) include outstanding gas bills amounting to ₹ 17,278.82 Lakh payable to M/s. Oil India Ltd (OIL) after adjustment of claim for ₹ 1,715.80 Lakh towards NG shortfall for FY 2018-19.

31. The proposal for revision of pay & other benefits for Board and below Board level officer duly recommended by Board has been submitted to Government, but the same has not been approved so far by the Government based on the conditions for implementation of Pay Revision as notified by Department of Public Enterprise, Government of India, with reference to 3rd Pay Revision Committee's recommendation. In view of the matter no liability has been provided till current financial year. However, ₹3,739.63 Lakhs being estimated amount of liability for the previous years including current financial year has been shown under contingent liability (Others) and if approval of Government is obtained with retrospective implementation, the same will be accounted in the year of approval.

32. **Disclosure as per requirements of Ind-AS 19 – "Employees Benefit".**

    i. The Company's contribution to provident fund is remitted to Employees Provident Fund maintained with Regional Provident Commissioner, Tinsukia, Assam, on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

    ii. **Gratuity:** The Company has a defined benefit gratuity plan fund invested with LIC and the fund is managed by a trust. Gratuity is paid to the staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to the nominee on death.

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iii. **Leave Encashment:** The Employees are entitled to accumulate Earned leave and half pay leave which can be availed during service period. Employees are also allowed to en-cash the accumulated Earned Leave during the service period and on resignation. Further, the accumulated Earned leave and Half Pay Leave can be en-cashed by the employees on superannuation or by nominee on death. The valuation of liability on leave salary at the yearend has been estimated based on actuarial valuation and differential liability over the previous year has been provided in the Statement of Profit and Loss.

iv. During the year the Company has received the approval to its proposal of "**Defined** Employees Superannuation Benefit and Post-Retirement Medical benefit" scheme from its Administrative Ministry, Government of India, effective from the date of issue of approval (February 06, 2018). However, in view of detailed scheme is under preparation, a provision of ₹ 288.54 Lakhs has been provided @ 6% of basic plus DA of Board level and below Board level officers as approved, in the current financial year covering a period from 08.02.2018 till 31.03.2019. Further as against the said provision, "Deposit with LIC" of ₹ 485.84 lakh (previous year ₹ 339.34 lakh) already exist and continuing with LIC till a suitable fund manager is appointed to manage the fund.

v. The reconciliation and disclosure of funded and non-funded defined benefit schemes in compliance to the Ind-As 19 are detailed hereunder.

a. Net employee benefit expense (recognized in employee cost) for the year ended 31st March, 2019 & 31st March, 2018.

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2018-19	2017-18	2018-19	2017-18
Current Service Cost	135.95	106.11	97.06	75.18
Past Service Cost	-	40.99	-	-
Net Interest Cost	0.68	6.22	17.89	12.07
Actuarial Gain/loss	-	-	219.00	336.49
Total expenses included in employee benefit expense	136.62	153.32	333.96	423.74

b. Amount recognized in Other Comprehensive Income for the year ended 31st March, 2019

₹ in Lakh

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (gain)/ loss on obligations	51.22	(4.91)
Return on plan assets (excluding amounts included in net interest expense)	-6.72	-4.94
Experience adjustments	53.96	15.50
Recognized in other comprehensive income	57.94	0.03

c. Changes in the present value of the defined benefit obligation for the year ended 31st March, 2019 and 31st March, 2018 are as follows:

₹ in Lakh

Particulars	**Gratuity**		**Leave encashment**	
	2018-19	2017-18	2018-19	2017-18
Current service cost	135.95	106.11	97.06	75.18
Interest cost	38.84	26.41	17.89	12.07
Transfer In	0.00	0.00	0.00	0.00

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Benefits paid	9.51	7.44	170.83	526.65
Actuarial (gain)/ loss on obligations	51.22	(4.91)	219.00	336.49
Defined benefit obligation	724.30	507.81	480.32	317.20

d. Changes in the fair value of plan assets for the year ended 31st March, 2019 and 31st March, 2018 are as follows:

₹ in Lakh

Particulars	**Gratuity**		**Leave encashment**	
	2018-19	2017-18	2018-19	2017-18
Interest income	38.16	20.18	0.00	0.00
Return on plan assets (excluding amounts included in net interest expense) – OCI	-6.72	-4.94	0.00	0.00
Contribution by Employer	258.86	224.40	0.00	0.00
Benefits paid	9.51	7.44	0.00	0.00
Service cost (Transfer in)	0.00	0.00	0.00	0.00
Closing fair value of plan assets	775.06	494.27	0.00	0.00

e. Details of the investment pattern for the above-mentioned funded obligations is as under:

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2018-19	2017-18	2018-19	2017-18
LIC Fund	775.06	494.27	0.00	0.00
Insurer managed funds	0.00	0.00	0.00	0.00

f. The principal assumptions used in determining above-mentioned obligations for the Company's plans are shown below:

₹ in Lakh

Particulars	**Gratuity**		**Leave encashment**	
	2018-19	2017-18	2018-19	2017-18
Discount rate (in %)	7.72	7.70	7.72	7.70
Salary Escalation (in %)	6.00	6.00	6.00	6.00
Rate of employee turnover (in %)	-	-	-	-
Attrition Rate (in %)	1.00	1.00	1.00	1.00
Inflation (in %)	6.00	6.00	6.00	6.00
Medical cost trend rate (in %)	NA	NA	NA	NA
Life expectation for (in years):	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE

g. A quantitative sensitivity analysis for significant assumption as at 31st March 2019 is as shown below:

₹ in Lakh

Gratuity Plan	**31-Mar-19**	**31-Mar-18**
Assumptions	Discount rate	Future salary increases

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Sensitivity Level (%)	0.50 increase	0.50 decrease	0.50 increase	0.50 decrease
Impact on defined benefit obligation-(Amount)	659.85	796.80	787.21	661.11

₹ in Lakh

Gratuity Plan	31-Mar-19		31-Mar-18	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level (%)	0.50 increase	0.50 decrease	0.50 increase	0.50 decrease
Impact on defined benefit obligation – (Amount)	460.87	560.72	559.41	460.20

₹ in Lakh

Leave encashment	**31-Mar-19**		**31-Mar-18**	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level (%)	0.50 increase	0.50 decrease	0.50 increase	0.50 decrease
Impact on defined benefit obligation- (Amount)	439.70	525.93	526.23	439.12

₹ in Lakh

Leave encashment	**31-Mar-19**		**31-Mar-18**	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level (%)	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation - (Amount)	289.74	348.10	348.30	289.36

h. The following payments are expected contributions to the defined benefit plan in future years:

₹ in Lakh

Particulars	**Gratuity**		**Leave encashment**	
	2018-19	2017-18	2018-19	2017-18
Within the next 12 months (next annual reporting period)	24.48	10.03	27.53	15.86
Between 2 and 5 years	37.63	26.37	29.68	20.39
Between 5 and 10 years	148.87	93.85	110.42	62.05
Beyond 10 years	3781.13	2795.14	2327.72	1613.50
Total expected payments	3992.11	2925.38	2495.36	1711.80

i. The average duration of the defined benefit plan obligation at the end of the reporting period is 26 years (31 March 2018: 26 years).

j. History of experience adjustment is as follows:

₹ in Lakh

Particulars	**Gratuity**				
	31-Mar-19	**31-Mar-18**	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**
Present value of obligation	724.30	507.81	346.65	221.88	142.43
Plan assets	775.06	494.27	262.07	252.56	218.93
Experience adjustments	53.96	15.50	-8.26	2.43	NA

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₹ in Lakh

Particulars	Leave encashment				
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Present value of obligation	480.32	317.20	420.10	273.48	194.16
Plan assets	0.00	0.00	0.00	0.00	0.00
Experience adjustments	220.72	348.41	73.82	65.43	NA

33. **Claim of Work Contract Tax from Govt. of Assam**

₹ in Lakh

Details of claim as under	Current Year	Previous Year
Opening Claim as on 01.04.2018	250.58	300.23
Claim lodged for the financial year 2018-19	2.10	250.58
Total Claim Lodged:	252.68	550.81
Less: Received during the year	0.00	300.23
(Add) / Less: Claim adjusted/reversed	0.00	0.00
Receivable as at 31.03.2019	252.68	250.58

34. **Taxability of interest income from short term deposit (STDRs) during Project period**

During construction period (from inception to 02.1.2016), interest income earned from parking of fund in short term deposits arising out of parking of fund from Capital subsidy, Loan & Equity which is linked to the project cost was treated as taxable income by Tax Authority . BCPL had preferred an appeal with ITAT, Guwahati. Subsequently, appeal effect order was passed on 14.06.2017 by the ITAT upholding that the aforesaid income will not be taxable for the A. Yr. 2009-10 and 2010-11 and against this order a refund amount of Rs. 776.92 Lakh was in the F Yr. 2017-18. Further, on request for rectification order, an amount of ₹ 3.24 lakhs and ₹ 35.01 lakhs was allowed by tax authority for A Yr. 2009-10 & A Yr. 2010-11 during the F Yr. 2018-19 towards short interest refunded.

Subsequent to the ITAT order for A. Yr. 2009-10 and A. Yr. 2010-11, submission was made to CIT (Appeal) to consider the matter pertaining to subsequent A. Yr. 2011-12 to 2014-15 in line with the ITAT judgment since matter for subsequent years was similar in nature. However, the final judgment was passed by the CIT (Appeal) on dated 12.03.2018 by holding interest income received against investments out of borrowed funds as taxable. Against this order a sum of Rs. 1430.12 Lakhs was received during F Yr. 2018-19 after adjustment of Income Tax on interest income generated out of investment of borrowed fund. Considering the decision of the CIT (Appeal) as unjust and deviating the ITAT decision for preceding A. Yr.'s, BCPL has preferred to file an appeal with the ITAT.

The current status of Income Tax appeals pending with different authority is as follows:

Assessment Year	Debt Income Considered Taxable	Tax Deposited on Debt Income	Status of Appeal
2011-12	383.21	127.29	Pending With ITAT
2012-13	53.87	16.65	Pending With ITAT
2013-14	183.76	59.62	Pending With ITAT

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2014-15	1679.16	663.59	Pending With ITAT
2015-16	190.39	-	Pending With ITAT

35. **Income Tax**

Current Tax provision has been kept as 'Nil' considering that BCPL is eligible for exemption under Section 80 IE of the Income Tax Act. However since the provisions of this section does not disallow levy of MAT provisions under Section 115 JB as such computation of Minimum Alternate Tax (MAT) payable has been made for the A. Yr. 2019-20. The taxable income under MAT is 'Nil' on account of adjustment of "Brought forward loss / unabsorbed Depreciation".

Particulars	₹ in Lakh
Profit After Tax as shown in the Profit and Loss Account	6,937.15
Less: Amount of Deferred Tax	5,981.03
Net Taxable Income	956.12
Less: Loss brought forward or unabsorbed depreciation whichever is less*	956.12
Net Taxable Income	Nil
Tax Rate: MAT @ 18.50 %	Nil
Net Current Tax Payable	Nil

*Balance of unabsorbed 'Business Loss' and 'Unabsorbed Depreciation' stands as follows:

₹ in Lakh

Nature	Period	Balance B/f	Adjusted During the F Yr.	Balance C/f
Business Loss	2016-2017	17,902.59	956.12	16,946.47
	2017-2018	26,025.88	-	6,025.88
Unabsorbed Depreciation	2016-2017	8,371.05	956.12	7,414.93
	2017-2018	35,168.08	-	35,168.08

36. **GST Credit and Utilisation:**

a) Following is the details of GST credit and utilisation for the period 2018-19:

₹ in Lakh

Location	Assam			Uttar Pradesh		
Particulars	**IGST**	**CGST**	**SGST**	**IGST**	**CGST**	**SGST**
Opening	0.00	36555.33	229.09	66.14	1.77	1.77
Credit Availed	19966.83	4471.26	4471.26	0.31	2.14	2.14
Credit Utilized	45078.08	2451.49	2451.49	0.00	0.00	0.00
IGST liability adjusted with CGST Credit	25111.25	25111.25	0.00	0.00	0.00	0.00
SGST paid in Cash	0.00	0.00	46.05	0.00	0.00	0.00
Closing	**Nil**	**13463.85***	**2294.92**	**66.45**	**3.91**	**3.91**

*CGST credit includes input credit relating to Duliajan of ₹. 3,010.09 Lakhs which is under litigation with the CESTAT.

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b) Service tax /Goods & Service Tax on Liquidated Damages /Price Retention Schedule(PRS)

Commissioner, GST has passed an order for recovery of certain amount against Service Tax on Liquidated Damages /Price Retention Schedule (PRS) for the period from 1.7.2012 to 30.6.2016. The aforesaid order was passed with reference to provisions of the Finance Act 1994 in service tax regime read with Section 174 of Central Goods & Service Tax (CGST) Act 2017.

BCPL has deposited ₹ 790 lakhs to exchequer account towards service tax demand & preferred an appeal before CESTAT which is yet to be disposed. The above amount has been shown under Contingent Liability under note no 24 above.

37. Financial risk management :

i. 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's Board of Directors have overall responsibility for the establishment and oversight of the company's risk management framework.

ii. The Company's principal financial liabilities comprise of loans, trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

iii. The Company is exposed to market risk, credit risk and liquidity risk.

The Company reviews its financial risk and take appropriate mitigation plan based on the requirement.

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 in 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.

iv. **Market Risk - Interest rate risk**

a. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's objective is to maximize low interest rate borrowings.

b. Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

₹ in Lakh

Particulars	Increase/decrease in basis points	Effect on profit before tax
31 March 2019		
SBI Loan	+100	+1646.35
	-100	-1646.35
31 March 2018		
SBI Loan	+100	+1918.40
	-100	-1918.40

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v. **Market risk - Foreign currency risk**

The Company transacts business in local currency and in foreign currency, primarily U.S. dollars, Euros & Japanese Yen mainly for import of catalysts & chemicals and spares for its imported equipment's through LCs. The Company does not have foreign currency loans, however, has foreign currency liabilities and outstanding foreign Letter of Credits. The exposure to foreign exchange risk of the Company is not substantial. The Company manages its foreign currency risk by keeping foreign currency exposure at minimum.

Foreign currency sensitivity:

The following table demonstrates the sensitivity in the USD, Euro, and other currencies, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities in foreign currency. The Company does not have monetary items that form part of net investment in foreign operation and therefore no impact on equity on this account.

₹ in Lakh

Particulars	Change in currency exchange rates	Effect on profit before tax
For the year ended March 31, 2019		
US Dollar	3%	-39.58
	-3%	39.58
EURO	6%	-21.23
	-6%	21.23
Japanese yen	7%	-20.77
	-7%	20.77
For the year ended March 31, 2018		
US Dollar	3%	-69.66
	-3%	69.66
EURO	6%	-53.62
	-6%	53.62
Japanese yen	7%	-79.53
	-7%	79.53

vi. **Equity price risk**

The Company does not have any equity risk.

vii. **Liquidity risk:**

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys an appropriate cash management system.

Liquidity risk - Maturity profile

₹ in Lakh

As at 31 March 2019	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Interest-bearing loans and borrowings	13,495	4,150	24,948	1,84,303	89,469	3,16,365
Interest Payable	1,174	6,206	18,021	61,500	5,633	92,533
Trade and other payables	16,430	-	-	-	-	16,430
Other financial liabilities	9417.15	4238.37	33437.67	-	-	47,093.19
Other – specify	-	-	-	-	-	-

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₹ in Lakh

As at 31 March 2018	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Interest-bearing loans and borrowings	21,587	4,150	41,304	1,51,372	1,26,860	3,45,275
Interest payable	1,781	6,472	18,744	67,902	12,692	1,07,593
Trade and other payables	38,491	-	-	-	-	38,491
Other financial liabilities	5,077	2,285	18,027		-	25,389
Other specify	-	-	-	-	-	-

viii. **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily for trade receivables, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made as per approved methodology. Credit limits of all authorities are reviewed by the Management on regular basis.

The aging analysis of trade receivables as of the reporting date is as follows:

₹ in Lakh

Particulars	Neither past due not impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of 31 March 2019	13,077	11,921	-	-	1,156	13,077
Trade receivables as of 31 March 2018	18,222	18,171	51	-	-	18,222

38. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

The Company maintains its capital structure as per approved funding pattern of the project cost of the Company by Government of India ensuring viability of the project. No changes were made in the objectives, policies or processes during the years ended 31stMarch 2019 and 31st March 2018.

However, the Company's gearing ratio, which is net debt divided by total capital plus net debt is furnished in the table below. The Company includes within net debt, interest-

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bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

₹ in Lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Interest-bearing loans and borrowings including payables	3,03,061	4,26,501
Less: Cash and Cash Equivalents	140	86,683
Net debt	3,02,920	3,39,818
Equity	1,41,767	1,40,280
Total capital	56,675	49,798
Capital and net debt	3,59,595	3,89,616
Gearing ratio	0.84	**0.87**

39. **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 (unadjusted) 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 2019 the company held the following financial instruments carried at fair value on the statement of financial position:

₹ in Lakh

Particulars	Carrying Amount 31.03.2019	Fair Value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non-current				
Loans and receivables	1,580.70	-	-	-
Current				
Trade receivables	13,077.07	-	-	-
Cash and cash equivalents	140.12	-	-	-
Loans	83.21	-	-	-
Total	**14,881.10**	-	-	-
Financial liabilities at amortised cost:				
Non-current				
Borrowings	2,73,135.23	-	-	-
Current		-	-	-
Borrowings	13,494.65	-	-	-
Other financial liabilities	47,093.19	-	-	-
Trade payables	16,430.72	-	-	-
Total	**3,50,153.79**	-	-	-

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As at 31 March 2018 the Company held the following financial instruments carried at fair value on the statement of financial position:

₹ in Lakh

Particulars	Carrying Amount 31.03.2018	Fair Value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non-current				
Loans and receivables	1,767.75	-	-	-
Current				
Trade receivables	18,222.25	-	-	-
Cash and cash equivalents	1504.08	-	-	-
Loans	110.88	-	-	-
Total	**21,604.96**	-	-	-
Financial liabilities at amortised cost:				
Non-current				
Borrowings	2,77,522.23	-	-	-
Current				
Borrowings	46,730.37	-	-	-
Other financial liabilities	43,105.42	-	-	-
Trade payables	38,491.49	-	-	-
Total	**4,05,849.51**	-	-	-

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 instruments.

The fair values of non-current financial assets (such as security deposits) and long-term variable-rate borrowings are considered to be same as their carrying values, as the impact of fair valuation is not material.

40. **Leases**

Non-cancellable Operating lease: Company as lessee

The Company does not have any non-cancellable Operating Lease.

Non-cancellable Operating lease: Company as lessor:

The company has not entered into non-cancellable lease arrangements to provide any Plant, Property and Equipment.

41. **Proposed dividend and tax :**

i. During the year the Company has earned an operational profit of Rs. 928.09 Lakh, however considering past bought forward losses, no dividend pay-out has been considered.

ii. As per section 115-O, domestic companies declaring dividends are liable to pay dividend distribution tax before crediting the dividend in the account of its shareholders. Since there is no dividend pay-out during the F. Yr. 2018-19 the said section is not applicable.

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42. **Related Party Disclosures**

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
Numaligarh Refinery Limited
Oil India Limited
Government of Assam

b. **Key management personnel :**

Sh. A K Singh- Managing Director.
Sh. Pruthiviraj Dash- Director (Finance).
Mrs. Ruli Das Sen- Company Secretary

c. **Entities where Key Management Personnel and their relatives control/ joint control or exercise significant influence : NIL**

₹ in Lakh

Particulars	31 March, 2019	31 March, 2018
Gail (India) Limited		
Manpower cost	1,365.65	1,609.25
Purchase of goods (Butene-1, propylene, NG etc.)	5348.50	7,248.85
Lease arrangements	4.14	**40.63**
Marketing Commission	6,558.90	4,312.50
Interest on Borrowing	191.78	0.00
Borrowing from Holding Company	20,000.00	0.00
Balance payable	1511.75	2,454.65
Numaligarh Refinery Limited		
Sale/ Purchase of goods	41320.02	18,327
Claims towards Freight and Price difference on out sourced Naptha	1055.29	3589.56
Balance payable	4072.47	0
Oil India Limited		
Sale/ Purchase of goods	51,865.65	36,710.07
Balance payable (NG supply)	17,278.82	34,119.06
Outstanding (infrastructure cost)	8,534.85	**14,534.85**
Key management personnel		
Remuneration to Sh. A K Singh- Managing Director	38,82,075/-	42,11,891/-
Remuneration to Sh. O.P. Tailor- Director (Finance) and CFO [Up To 30.06.2018]	7,43,633/-	27,46,708/-
Remuneration to Sh. Pruthiviraj Dash - Director (Finance) and CFO [From 11.10.2018 To 31.03.2019]	13,53,117/-	-
Remuneration to Mrs. Ruli Das Sen- Company Secretary	22,64,721/-	20,98,360/-

43. **Balance Confirmation**

Balance confirmation has been sought from certain vendors/contractors/authorities for balances grouped under loans and advances, deposits and sundry creditors. However reconciliation of accounts with parties is carried out as an ongoing process.

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44. **Claims due to Micro , Small & Medium enterprise**

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

₹ in Lakh

Particulars	2018-19	2017-18
i) The principal amount and the interest thereon remaining unpaid to any supplier as at the end of each accounting year;	632.61	555.54
ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year ended) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

45. **Segment Reporting**

(a) The Company has a single operating segment that is "Production and sales of polymers to downstream plastic industries". 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, 2019.

(b) Entity wise disclosures:

i. Information about products and services:
The Company is in a single line of business of "Production and sales of polymers to downstream plastic industries".

ii.Geographic Information's:
The company operates presently in the business of production and sale of polymers in India. Accordingly, revenue from customers and all assets are located in India only.

iii. Information about major customers:
During the year ended 31st March 2019, three major Customers contributed around 13.21% of the revenue amounting to ₹ 34,278.54 lakh (previous year ₹ 28,561.84 lakh).

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46. **Earnings per Share (EPS)**

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ in Lakh

Particulars	31-Mar-19	31-Mar-18
Gain/(-Loss) attributable to equity holders of the Company:		
Continuing operations	6897.29	-8039.25
Discontinued operation	-	-
Gain/(-Loss) attributable to equity holders of the Company for basic earnings	6897.29	-8039.25
Gain/(-Loss) attributable to equity holders of the Company adjusted for the effect of dilution	6897.29	-8039.25
Weighted Avg. No's of Equity shares for basic EPS * (in No.)	1417670000	1402803010
Effect of dilution:	-	-
Weighted Avg. No's of Equity shares adjusted for the effect of dilution *	-	-
Earnings per equity share: in ₹		
-Basic	0.49	-0.57
-Diluted	0.49	-0.57

47. **Impairment:** The project was commissioned recently and the plant is now fully stabilized and maintaining upward trend of capacity utilization. Accordingly, no impairment losses has been estimated and recognised in statement of Profit and Loses.

48. **CSR Expenditure:** At present the Company is incurring losses and has no obligation towards CSR expenditure. However, as a measure of social welfare activities for development of areas in proximity of the plant, an amount of ₹10.63 lakhs (previous year ₹ 42.50 lakhs) has been spent during the year through District Administration.

(A.K.Singh)
Managing Director

(Pruthiviraj Dash)
Director Finance

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For Bhawani Sharma & Co.
Chartered Accountants
FRN No.314006E

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

(Shailendra Sharma)
Partner
Mem No.058352

Place: New Delhi
Date: 22/05/2019

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

Notes to the Financial Statements for the year ended 31st March 2019

Corporate information

Brahmaputra Cracker and Polymer Limited ("BCPL") was incorporated on 8th January 2007 under the Companies Act, 1956 with authorized capital of `2,000 crore. This company was set up to implement the Assam Gas Cracker Project (AGCP) and formed through an agreement between GAIL, NRL, OIL and Govt. of Assam with equity participation of 70%, 10%, 10% and 10% respectively. The project is configured to use both Natural gas and Naphtha as the feed stock. Natural gas is supplied by OIL & ONGC and Naphtha is sourced from NRL. The site for main plant is located at Lepetkata; district Dibrugarh, Assam. Further, other Project facilities viz. C2+ recovery plant and Gas Dehydration Plant are located at Lakwa & Duliajan in Assam. The total Production Capacity is 220,000 TPA of Ethylene and 60,000 TPA Propylene with the main end products being High Density Polyethylene (HDPE) / Linear Low Density Polyethylene (LLDPE) and Polypropylene (PP).

The financial statements of the company for the year ended 31st March 2019 were authorized for issue in accordance with a resolution of the directors on 22nd May, 2019.

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). With effect from year ending 31st March 2017, the Company is preparing its financial statements in accordance with Ind-AS and the year ended 31st March 2019 is third year the financial statements are prepared in compliance to 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 standalone financial statements and does not require any consolidated financial statements.

The financial statements are presented in Indian Rupees ('INR') and the values are presented in lakh, except otherwise indicated.

1. Significant accounting policies

1.1 Property, Plant and Equipment (PPE)

A. Tangible Assets

i. Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses. All costs relating to acquisition of fixed assets till

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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 adjustment in cost and depreciation in the year of settlement.

ii. Stores & Spares which meets the definition of PPE (whether as components or otherwise) and satisfied recognition criteria, are capitalized. Major inspection/overhaul/repair 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. Similarly, 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. 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. iii. Technical knowhow /license fee incurred at the time of procurement of PPE are capitalized as part of the underlying assets. iv. Property, plant and equipment 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.

v. 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 prorata basis (monthly pro-rata for bought out assets).

vi. 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.

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

B. Intangible Assets

i. 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.

ii. 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.

iii. Intangible assets with indefinite useful lives (principally comprise those 'right of use' for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) 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.

1.2 Capital Work in Progress

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

ii. 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.

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1.3 Research and development costs

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is capitalized in case the same qualifies as an asset.

1.4 Depreciation /Amortisation

A. Tangible Assets

Depreciation on Tangible PPE (including enabling assets) is provided in accordance with the manner and 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), except for the assets as mentioned below where **different** useful life has been taken on the basis of external / internal technical evaluation:

i.

Particulars	Useful life
Mobile Phones provided for the use of employees	3 Years
Capital Stores/Spares recognized as PPE	3/5/10 Years

ii. Cost of the leasehold land is amortised over the lease period except perpetual leases.

iii. Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.

B. Intangible Assets

(i) Intangible assets comprising software and licenses are amortised on Straight Line Method (SLM) over the useful life from the date of capitalization which is considered not exceeding five years. Right of use (ROU) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually.

(ii) After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

C. Capital assets facilities installed at other premises / land

Capital assets facilities installed at the other's premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the useful life as specified in Schedule II of the Companies Act, 2013.

1.5 Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal/External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

1.6 Inventories

i. Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower.

ii. Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.

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iii. Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at/ or above cost.

iv. Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower. Surplus/Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

v. Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

1.7 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.

1.8 Foreign currency transactions

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

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

iii. At each balance sheet date, foreign currency monetary items (such as receivables, payables, etc.) are reported using the closing exchange rate (BC Selling Rate for Payables and TT Buying Rate for Receivables). 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.

iv. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

v. 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 nonmonetary 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).

1.9 Revenue and other income

(a) 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 exclude Goods and Service Taxes. It is measured at fair value of consideration received or receivable, net of returns, allowances, trade discounts and volume rebates. Any retrospective revision in prices is accounted for in the year of such revision.

(b) Claims on Customers (including interest on delayed realization from customers) are accounted for when there is significant certainty that the claims are realizable.

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(c) Other Interest income (e.g. on deposits with bank etc.) is recognized on a time proportion basis.

(d) The company is eligible to receive various subsidies under North-East Industrial Policy of the Central Government schemes announced from time to time. Accordingly the Company has preferred certain claims through Government of Assam, Department of Industries and Commerce. The subsidies are recognized on accrual basis when there exists significant certainty of its realization. The same is accounted for as income/reduction of corresponding expenses of the Company as appropriate.

1.10 Employee benefits

i **Short term 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.

ii. **Post-employment benefits:**

The cost of providing benefits under the defined benefit plan (i.e. gratuity) is determined using the projected unit credit method with actuarial valuations being carried out annually, which recognizes 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.

iii. Re-measurements 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.

iv. **Other long-term employee benefit obligations:**

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 obligation at the balance sheet date using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

1.11 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.

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

(A) Company as a lessee

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 at 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 as finance costs in the statement of profit and loss.

(B) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership is transferred by the Company to the lessee.

1.13 Liquidated damages/ Price Reduction Schedule

Amount recovered towards Liquidated Damages/Price Reduction Schedule are accounted for as and when the matter is settled. Liquidation damage if settled after capitalization of the PPE are charged to revenue, if below ₹ 50.00 lakh in each case otherwise adjusted in the cost of the relevant PPE.

1.14 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.

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(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.

1.15 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.

1.16 Provisions, Contingent liabilities, Contingent assets and Commitments

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.

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1.17 Government grants

- In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset.
- In case of Government grant received against expenses incurred are considered as income in the year in which it becomes receivable. These are reduced from the respective expenses and the balance is recognized in the statement of Profit & Loss as income of that year.

1.18 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent 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 least twelve months after the reporting period

All other assets are classified as non-current.

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.

1.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one comprehensive income if it is held within entity and a financial liability or equity a business model whose objective is instrument of another entity.

(a) 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

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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.

Subsequent measurement

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

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised 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

- **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.

(b) 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, loans and borrowings etc.

Subsequent measurement

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

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• **Financial liabilities at amortised 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. 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. 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.

(c) 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.

1.20 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, 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 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 judgments, 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

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1.20.1 Judgments

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

1.20.2 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 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 judgment and the use of estimates regarding the outcome of future events.

1.20.3 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 standalone 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.

1.20.4 Prior Period adjustments

As per Ind AS 8, material errors refers to those errors that relate to one or more prior periods for which financial statements have already been issued. If this happens, such material errors are corrected by adjusting the comparative information for the periods affected that are included in the current period's financial statements. If the error occurred before the earliest prior period presented, it will restate the opening balances of assets, liabilities and equity for the earliest prior period presented. However, where an error arising in a prior period is not material to prior period financial statements, it might be acceptable to correct the error in the current period rather than retrospectively considering , the materiality threshold limit of 1 % of turnover or 5 % of profit before taxes whichever is higher.

1.20.5 Impairment of 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

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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.

1.20.6 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.

1.21 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The impact on the Company's retained earnings as at 1 April 2018 is Nil.

The reasons for which there are no significant impact on account of application of IND AS 115 on the statement of profit or loss for the year ended 31 March 2019 are described below:

a. **Petrochemicals:**

The Company after dispatching goods from warehouse, does not have the ability to redirect the goods to any other customer and control of the goods transfers at the time of dispatch from warehouse. As such the revenue in this segment considered as at the point.

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b. Other Liquid Hydro Carbon:

In this segment the control of goods is transferred on dispatch of goods from factory, the company shall continue with current practice of recognizing revenue on dispatch from factory. Revenue from the sales Liquid hydrocarbons is recognized at the time of dispatch from the factory.

1.22 Standards Issued but not yet Effective

Ind - AS 116 "Leases"

This standard will come into force from accounting period commencing on or after 1st April, 2019. 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 116 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

(A.K.Singh) Managing Director	(Pruthiviraj Dash) Director Finance	(Ruli Das Sen) Company Secretary

As per our separate report on Even Date
For Bhawani Sharma & Co.
Chartered Accountants
FRN No.314006E

BHAWANI SHARMA & CO. GUWAHATI FRN: 314006E CHARTERED ACCOUNTANTS

(Shailendra Sharma)
Partner
Mem No.058352

Place: New Delhi
Date: 22/05/2019