RKP
ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ◆ Mobile : +91-94355 65649
Fax : +91-3842-231560 ◆ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

# INDEPENDENT AUDITOR'S REPORT

To
The Members of
Brahmaputra Cracker and Polymer Limited
1st Floor, House No. 6, Bhuban Road,
Uzanbazar,
Guwahati – 781001
Assam

## I. Report on the Audit of the Standalone Financial Statements:

### 1. Opinion

A. We have audited the accompanying standalone Ind AS Financial Statements of **BRAHMAPUTRA CRACKER & POLYMER LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss Account (including Statement of Other Comprehensive Income), Statement of Change in Equity, the Cash Flow Statement for the year then ended, and notes to the Financial Statements including a summary of Significant Accounting Policies and other explanatory information.

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, change in equity, and its cash flows for the year ended on that date.

### 2. Basis for Opinion

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

Cont'd...

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ◆ Mobile : +91-94355 65649
Fax : +91-3842-231560 ◆ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

**3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Matter | Audit Response on Key Audit Matter |
|---|---|---|
| 1. | Pursuant to implementation of 3rd Pay Revision Committee's recommendation regarding affordability of Pay revision, the Company has evaluated impact of increase in pay & other benefits for Board and below Board level officers. The Company has evaluated that, on account of recognition of feedstock subsidy from FY 2015-16, the profitability of the company has improved in the current financial year and vide DPE guideline, BCPL's position in respect of affordability stands Improved. Accordingly, the board has applied for pay revision to the Department of Chemicals and Petrochemicals under Ministry of Chemicals and Fertilizers vide letter dated 21.01.2019, and the Company has made provision amounting to ₹ 63.2 Crore for Board and below Board level officers.<br><br>*[Refer Note 26(i)]* | **Our audit procedures includes the following:**<br><br>1. We have obtained the copy of the notifications.<br>2. We have obtained the copy of application submitted with Department of Chemicals and Petrochemicals by the Management.<br>3. We have examined the process of evaluation of affordability by the Management as recommended by the 3rd Pay Revision Committee.<br>4. We performed testing of the arithmetical accuracy of the required calculation of all benefits on test check basis and also validated the appropriateness of disclosure in this regard. |

**4. Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

*Cont'd...*

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

Cont'd...

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

5. **Auditor's Responsibility:**

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

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

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

Cont'd...

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ◆ Mobile : +91-94355 65649
Fax : +91-3842-231560 ◆ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Cont'd*

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

6. **Emphasis of Matter:**

We draw attention to the following matters relating to the financial statements:

1. We invite attention to the fact that our opinion expressed in the present report is based on the limited information, facts, reports and inputs made available to us by the management through digital/electronic medium. We wish to highlight that due to COVID-19 pandemic and consequential lockdown and other restrictions imposed by the Government and local administration which have induced restriction on physical movement and strict timelines, the audit team could not visit the Company for undertaking the required audit and hence, the audit processes were carried out based on the remote access to the extent available / feasible.
2. We invite attention to *Note No. 42* to the standalone financial statement regarding uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials including valuation of inventories for the year ended 31st March 2020, this assessment and the outcome of the pandemic as made by the management is highly dependent on the circumstances as they evolve in the subsequent periods.
3. We invite attention to *Note No. 23B* to the standalone financial statement regarding subsidies claimed under various scheme of North East Industrial & Investment Promotion Policy (NEIIPP), the Company has recognized subsidies amounting to ₹ 49.05 Crore on accrual basis and adjusted the same with respective expenditure during the year. However, out of ₹ 49.05 Crore subsidies so recognized, application for Subsidies amounting to ₹ 45.13 Crore relating to Interest, Freight and Insurance Subsidies amounting to ₹ 6.09 Crore, ₹ 19.46 and ₹ 19.58 Crore respectively are yet to be submitted to the concerned Department by the Company.
4. We invite attention to *Note No. 25* to the standalone financial statement regarding trade payable in Ind AS financial statement, the Company sought adjustment in outstanding bills payable to Oil India Limited (OIL) of ₹ 30.52 Crore (Previous Year ₹ 17.16 Crore) against shortfall in supply of Natural Gas by the supplier OIL as per the terms mentioned in 'Gas Supply Agreement' entered with OIL. However, the said adjustment made by the company in the books is yet to be acknowledged by Oil India Limited (OIL).

However, our opinion is not modified in respect of above matters.

7. **Other Matter:**

1. The figures of the Standalone Financial Statement for the corresponding quarter ended 31st March ,2020 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the nine (9) months period ended 31st December, 2019. We have not issued a separate limited review report for the last quarter ended 31st March, 2020.

However, our opinion is not modified in respect of above matter.

*Cont'd...*

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ◆ Mobile : +91-94355 65649
Fax : +91-3842-231560 ◆ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the **"Annexure-A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Comptroller and Auditor General of India through directions/sub-directions issued under Section 143 (5) of the Companies Act 2013, on the basis of written representation received from the management, we give our report on the matter specified in the **"Annexure –B"** attached

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

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

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

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

   d. In our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016 as amended;

   e. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company, being a Government Company;

   f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure – C" to this report;

*Cont'd...*

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

g. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 22 to the financial statements;

   ii. The Company had not entered into any long-term contracts including derivative contracts for which there would have been any material foreseeable losses;

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

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS

RAVI KUMAR PATWA
Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 18:15:34 +05'30'

Dated at Silchar
The 29th day of May' 2020

(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E
UDIN – 20056409AAAAAB7924

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ◆ Mobile : +91-94355 65649
Fax : +91-3842-231560 ◆ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of **BRAHMAPUTRA CRACKER AND POLYMER PRIVATE LIMITED** on the Standalone Ind AS Financial Statements for the year ended 31st March, 2020

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

b) As explained to us, there is a regular programme of physical verification of Fixed Assets by the management which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us no material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management, title deeds of immovable properties are held in the name of the Company except for the cases as detailed below:

| Description of Asset | Area (in Bigha) | Gross Block as on 31.03.2020 (Rs. In Crore) | Net Block as on 31.03.2020 (Rs. In Crore) |
|---|---|---|---|
| Freehold Land | 190 | 3.87 | 3.87 |
| Leasehold Land | 520 | 5.54 | 4.79 |

II) a) As explained to us, the inventory has been physically verified by the management at reasonable intervals during the year.

b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate having regard to the size and the nature of its business.

III) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

Cont'd...

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loans/investment/guarantee/security granted during the year.

V) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Para. 3(v) of the CARO 2016 are not applicable to the Company.

VI) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of the same, as we understand that the said examination will be carried out during the course of Cost Audit.

VII) a) On the basis of test check carried out during the course of audit, we are of the opinion that, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax, Cess and other statutory dues applicable to it.

According to information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Income Tax, Service Tax, Goods & Service tax, Custom Duty, Cess and other statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited/ short deposited as on 31st March, 2020 are given herein below:

| Name of Statute | Nature | Period (A.Y) | Forum where the dispute is pending | Gross Disputed Amount (Rs. in Crore) | TDS Credit (Rs. in Crore) | Net Disputed Amount (Rs. in Crore) |
|---|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 2011-12 | ITAT-Guwahati | 1.29 | 1.27 | 0.02 |
| | | 2012-13 | | 0.18 | 0.17 | 0.01 |
| | | 2013-14 | | 0.62 | 0.60 | 0.02 |
| | | 2015-16 | | 0.65 | - | 0.65 |

*Cont'd...*

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

VIII) According to information and explanations given to us, the Company is regular in repayment of loans or borrowings from any financial institutions, banks, government or debentures holders during the year.

IX) According to information and explanations given by the management, the Company has not raised any moneys by way of initial public offer or further public offer including debt instruments; however, the term loan taken by the Company were applied for the purpose for which it was taken during the year.

X) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

XI) As per notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

XII) In our opinion and according to information & explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Para.3(xii) of the Order are not applicable to the Company.

XIII) According to information & explanations given by the management, and on the basis of audit procedure performed for the purpose, we are of the opinion that, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable Accounting Standards.

XIV) According to information & explanations given to us and on an overall examination of the records, we are of the view that, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Para. 3(xiv) is not applicable to the Company.

*Cont'd...*

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

XV) According to information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them.

XVI) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Para. 3(xvi) of the Order are not applicable to the Company.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS

RAVI KUMAR PATWA
Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 18:18:18 +05'30'

Dated at Silchar
The29th day of May' 2020

(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E
UDIN – 20056409AAAAAB7924

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

## ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

**Report Pursuant to Directions issued by the office of C & AG under sub-section 5 of Section 143 of the Companies Act, 2013 ('the Act')**

The Annexure referred to in Point No. 2 of Para 8, *"Report on Other legal and regulatory requirements"* in the Independent Auditors' Report to the members of the **BRAHMAPUTRA CRACKER & POLYMER LIMITED**("the Company") on the Ind AS financial statements for the year ended 31st Match 2020, we report that:

| Sl. No. | Directions | Remarks | Impact on FS |
|---|---|---|---|
| 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. | The Company maintain its Books of Account on IT System, SAP, which is an ERP system for processing accounting transactions. All accounting transactions are processed in accounts maintained on SAP. We did not notice any transaction which was processed outside the IT System. | NIL |
| 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. | As per the information and explanations obtained from the management, there were no restructuring of any 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. | NIL |

*Cont'd...*

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ◆ Mobile : +91-94355 65649
Fax : +91-3842-231560 ◆ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

| Sl. No. | Directions | Remarks | Impact on FS |
|---|---|---|---|
| 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. | The Company has received various grants as Capital Subsidy, Feedstock Subsidy, Insurance/Interest/Freight subsidy from NEIIPP. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company, these have been used for the purpose of which these were given. We have not came across any deviation. *[Refer to Note 23]* | NIL |

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS

RAVI KUMAR PATWA
Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 18:20:04 +05'30'

Dated at Silchar
The29th day of May' 2020

(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E
UDIN - 20056409AAAAAB7924

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

# ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

**Report on the Internal Financial Controls under Clause(i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **BRAHMAPUTRA CRACKER & POLYMER LIMITED**('the Company') as of 31stMarch' 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

**Management's Responsibility for Internal Financial Controls:**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

*Cont'd...*

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

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 Company's internal financial control systems over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting:**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

*Cont'd...*

RKP ASSOCIATES
Chartered Accountants

"Sarwam", 1st Floor, Janiganj Bazar, Silchar-788001, Assam, India
Phone : +91-3842-238915/231560 ♦ Mobile : +91-94355 65649
Fax : +91-3842-231560 ♦ E-mail : : rkpaca@hotmail.com
Web : www.rkpa.in
Branches : Guwahati, Patna, Siliguri, Kolkata

*Cont'd...*

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March'2020, 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. Our above opinion on Internal Financial Control of the Company is subject to our comment on impact of COVID-19 pandemic as detailed in Point No. 1 of Para 6 (Emphasis of Matter) of 'Independent Auditor's Report'.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS

Dated at Silchar
The 29th day of May' 2020

RAVI KUMAR PATWA
Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 18:20:56 +05'30'

(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E
UDIN – 20056409AAAAAB7924

# Brahmaputra Cracker and Polymer Limited
## Balance Sheet as at 31st March 2020

₹ In Cr

| Particulars | Note | As at 31 March 2020 (Audited) | As at 31 March 2019 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Property, Plant and Equipment | 2 | 7,221.00 | 7,505.35 |
| Capital work-in-progress | 2 | 11.47 | 9.95 |
| Intangible assets | 3(a) | 10.54 | 12.41 |
| Right-of-use assets | 3(b) | 234.44 | - |
| Financial Assets | | | |
| *- Others* | 4(e) | 670.66 | 15.81 |
| Deferred Tax Assets (Net) | 14 | - | 171.65 |
| Other Non Current Assets (Non Financial) | 5 | 0.03 | 228.57 |
| **Subtotal (A)** | | **8,148.14** | **7,943.73** |
| | | | |
| **Current Assets** | | | |
| Inventories | 6 | 489.24 | 368.87 |
| Financial Assets | | | |
| *- Trade receivables* | 4(b) | 2.87 | 130.77 |
| *- Cash and Cash Equivalents* | 4(d) | 42.92 | 1.40 |
| *- Others* | 4(e) | 1,852.62 | 110.38 |
| Other Current Assets (Non Financial) | 5 | 85.00 | 246.60 |
| **Subtotal (B)** | | **2,472.65** | **858.02** |
| | | | |
| **Total Assets (A+B)** | | **10,620.79** | **8,801.74** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity Share Capital | 7 | 1,417.67 | 1,417.67 |
| Other Equity | 8 | 655.38 | (850.73) |
| **Subtotal (C)** | | **2,073.05** | **566.94** |
| | | | |
| **LIABILITIES** | | | |
| **Non Current Liabilities** | | | |
| Financial Liabilities | | | |
| *- Borrowings* | *9* | 2,351.12 | 2,731.35 |
| *- Other Financial Liabilities* | *11* | 1.60 | - |
| *- Provisions* | *12* | 8.43 | 7.69 |
| *- Other Non Current Liabilities* | *13* | 4,179.61 | 4,194.00 |
| Deferred Tax Liabilities (Net) | *14* | 167.64 | - |
| **Subtotal (D)** | | **6,708.40** | **6,933.04** |
| | | | |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| *- Borrowings* | 9 | 423.12 | 134.95 |
| *- Trade payables* | | | |
| *- Due to MSME Vendors* | *10(a)* | 2.13 | 6.33 |
| *- Due to Others* | *10(b)* | 139.87 | 157.98 |
| *- Other Financial Liabilities* | *11* | 783.23 | 478.05 |
| - Provisions | *12* | 263.56 | 305.90 |
| *- Other Current Liabilities* | *13* | 227.43 | 218.56 |
| **Subtotal (E)** | | **1,839.34** | **1,301.76** |
| **Total Equity and Liabilities (C+D+E)** | | **10,620.79** | **8,801.74** |
| **Accounting Policy** | 1 | | |

Note No. 1 to 45 forms integral part of Financial Statements.

REEP HAZARIKA Digitally signed by REEP HAZARIKA Date: 2020.05.29 18:04:09 +05'30'

PRUTHIVIRAJ DASH Digitally signed by PRUTHIVIRAJ DASH Date: 2020.05.29 17:38:38 +05'30'

RULI DAS SEN Digitally signed by RULI DAS SEN Date: 2020.05.29 17:00:54 +05'30'

(Reep Hazarika)
**Managing Director**
DIN : 08667195

(Pruthiviraj Dash)
**Director Finance & CFO**
DIN : 08253888

(Ruli Das Sen)
**Company Secretary**

As per our separate report on Even Date
For RKP Associates
Chartered Accountants,
FRN No. 322473E

RAVI KUMAR PATWA Digitally signed by RAVI KUMAR PATWA Date: 2020.05.29 20:05:40 +05'30'

(Ravi Kumar Patwa)
Partner
Membership No. 056409

UDIN : 20056409AAAAAB7924

Place : Dibrugarh / Guwahati / Silchar

Date : 29th May, 2020

# Brahmaputra Cracker and Polymer Limited
## Statement of Profit and Loss
## for the year ended 31st March, 2020

₹ In Cr

| Sr. No. | Particulars | Note No. | For the Year Ended 31.03.2020 (Audited) | For the Year Ended 31.03.2019 (Audited) |
|---|---|---|---|---|
| I. | **Revenue from Operations** | 15 | 2,731.38 | 2,676.93 |
| II. | **Other Income** | 16 | 216.27 | 241.31 |
| III | **Total Revenue (I + II)** | | **2,947.65** | **2,918.24** |
| IV | **EXPENSES** | | | |
| | Cost of raw material and components consumed | 17 | 1,788.54 | 1,798.59 |
| | Change in Inventory of Finished Goods & WIP | | (102.50) | 102.48 |
| | Employee benefits expenses | 18 | 171.03 | 98.24 |
| | Finance costs | 20 | 252.43 | 264.69 |
| | Depreciation and Amortization expense | 19 | 390.85 | 386.65 |
| | Other expenses | 21 | 305.26 | 258.04 |
| | **Total expenses (IV)** | | **2,805.61** | **2,908.68** |
| V | **Profit/(loss) before Exceptional Item & Tax (III-IV)** | | 142.04 | 9.56 |
| VI | **Exceptional Items** | | 1,705.35 | - |
| VII | **Profit/(loss) before Tax (V+VI)** | | **1,847.39** | **9.56** |
| VIII | **Tax expense:** | | | |
| | Current Tax | | - | - |
| | Deferred Tax | | 339.79 | (59.81) |
| IX | **Profit/(Loss) for the period (VI - VII)** | | **1,507.60** | **69.37** |
| | **Other Comprehensive income** | | | |
| X | **Items that will not be reclassified to profit or loss** | | | |
| | Changes in fair value of FVOCI equity instruments | | - | - |
| | Remeasurement of post-employment benefit obligations | | (1.99) | (0.58) |
| | Income tax relating to these items | | 0.50 | 0.18 |
| | **Other comprehensive income net of tax (X)** | | **(1.49)** | **(0.40)** |
| XI | **Total comprehensive income (IX + X)** | | **1,506.11** | **68.97** |
| XII | **Earnings per equity share:( in Rs. )** | | | |
| | Basic | | 10.62 | 0.49 |
| | Diluted | | 10.62 | 0.49 |

Note No. 1 to 45 forms integral part of Financial Statements.

REEP HAZARIKA — Digitally signed by REEP HAZARIKA, Date: 2020.05.29 18:03:12 +05'30'
(Reep Hazarika)
Managing Director
DIN : 08667195

PRUTHIVIRAJ DASH — Digitally signed by PRUTHIVIRAJ DASH, Date: 2020.05.29 17:39:43 +05'30'
(Pruthiviraj Dash)
Director Finance & CFO
DIN :08253888

RULI DAS SEN — Digitally signed by RULI DAS SEN, Date: 2020.05.29 17:02:09 +05'30'
(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For RKP Associates
Chartered Accountants,
FRN No. 322473E

RAVI KUMAR PATWA — Digitally signed by RAVI KUMAR PATWA, Date: 2020.05.29 20:10:54 +05'30'

Place : Dibrugarh / Guwahati / Silchar

Date : 29th May, 2020

(Ravi Kumar Patwa)
Partner
Membership No. 056409

UDIN : 20056409AAAAAB7924

# Statement of Changes in Equity
## for the period ended 31st March 2020

| (a) Equity Share Capital | In No.'s Cr | Amount (In ₹ Cr) |
|---|---|---|
| **Equity Shares of ₹ 10 each issued, subscribed and fully paid** | | |
| ***As at March 2019*** | *141.77* | *1,417.67* |
| *Issue of Share Capital* | - | - |
| ***Issued, subscribed and fully paid up at Closing*** | ***141.77*** | ***1,417.67*** |

**For The Period Ended 31st Mar 2020:**

In ₹ Cr

| Attributable To The Equity Shareholders | | | |
|---|---|---|---|
| **Particulars** | **Retained Earnings** | **Other Comprehensive Income** | **Total** |
| **As at 31 March 2019** | **(850.33)** | **(0.40)** | **(850.73)** |
| Opening Retained Earning | (850.73) | | |
| Profit For The Period | 1,507.60 | (1.49) | 1,506.11 |
| **As At 31st March 2020** | **656.87** | **(1.49)** | **655.38** |

In No's Lakhs

| *Particulars* | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| ***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* | *1,417.67* |
| ***Total No. Of Equity Shares of Rs. 10 Each*** | ***14,176.70*** | ***14,176.70*** |

| *Particulars* | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| ***Shareholders holding more than 5% of Equity Shares*** | | |
| *GAIL( India) Limited* | *70.00%* | *70.00%* |
| *Oil India Limited* | *10.00%* | *10.00%* |
| *Numaligarh Refinery Limited* | *10.00%* | *10.00%* |
| *Government of Assam* | *10.00%* | *10.00%* |
| ***Total*** | ***100.00%*** | ***100.00%*** |

REEP HAZARIKA
Digitally signed by REEP HAZARIKA
Date: 2020.05.29 18:02:23 +05'30'

(Reep Hazarika)
**Managing Director**
DIN : 08667195

PRUTHIVIRAJ DASH
Digitally signed by PRUTHIVIRAJ DASH
Date: 2020.05.29 17:42:36 +05'30'

(Pruthiviraj Dash)
**Director Finance & CFO**
DIN : 08253888

RULI DAS SEN
Digitally signed by RULI DAS SEN
Date: 2020.05.29 17:03:09 +05'30'

(Ruli Das Sen)
**Company Secretary**

As per our separate report on Even Date
For RKP Associates
Chartered Accountants,
FRN No. 322473E

RAVI KUMAR PATWA
Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 20:16:29 +05'30'

(Ravi Kumar Patwa)
Partner
Membership No. 056409
UDIN : 20056409AAAAAB7924

Place : Dibrugarh / Guwahati / Silchar

Date : 29th May, 2020

# Cash Flow Statement For The Period Ended 31 March 2020

₹ In Cr

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| **Cash Flow From Operating Activity** | | |
| Net profit Before Tax & Extra Ordinary Items | 1,847.39 | 9.56 |
| **Adjustement For:** | | |
| Depreciation/ Amortisation | 390.85 | 386.65 |
| Amortisation of Lease Rent | - | 8.87 |
| Profit on Sale of Land | - | (2.32) |
| Items Not Classified in Profit & Loss | (1.99) | (0.58) |
| Accounting of Revenue Grant | (2,351.14) | - |
| Accounting of NEIPP Subsidy | (49.05) | (46.65) |
| Deferred Income (Capital Subsidy) | (205.95) | (197.51) |
| Interest Paid | 252.43 | 264.69 |
| Provision For Doubtful Debts | 17.17 | - |
| Provision For Obsolence of Stores/ Spares | 21.66 | - |
| **Cash Flow before Working Capital Change** | **(78.62)** | **422.70** |
| | | |
| **Adjustment For Working Cap Changes** | | |
| Changes in Financial Assets (Current) | 142.45 | 257.11 |
| Changes in Financial Assets (Non- Current) | (17.87) | 36.95 |
| Changes in Financial Liability (Current) | 129.65 | (306.10) |
| Changes in Financial Liability (Non-Current) | 2.34 | 4.24 |
| **Cash Generated From Operating Activity** | 177.94 | 414.90 |
| Current Tax | - | - |
| Deferred Tax | - | - |
| **Cash Before Extra Ordinary Items** | 177.94 | 414.90 |
| Extra-Ordinary Items | - | |
| **Net Cash From Operating Activity** | 177.94 | 414.90 |
| | | |
| **Cash Flow From Investing Activity** | | |
| Net Addition/ Purchase of Assets | (101.73) | (77.26) |
| Capital Work In Progress | (1.52) | (4.66) |
| Sale of Land | - | 2.52 |
| **Net Cash Flow From Investing Activity** | (103.25) | (79.41) |
| | | |
| **Cash flow From Financing Activity** | | |
| Proceeds From Government Grant | 201.06 | 206.09 |
| Repayments of Borrowings | (386.81) | (536.90) |
| Borrowing From Related Party | - | 200.00 |
| Borrowing From Others | 405.00 | 46.37 |
| Interest paid | (252.43) | (264.69) |
| **Net Cash Flow From Financing Activity** | (33.18) | (349.13) |
| | | |
| Net Increase/(Decrease) In Cash & Cash Equivalent | 41.52 | (13.64) |
| Opening Cash & Cash Equivalent | 1.40 | 15.04 |
| **Closing Cash & Cash Equivalent** | **42.92** | **1.40** |

REEP HAZARIKA Digitally signed by REEP HAZARIKA Date: 2020.05.29 18:01:24 +05'30'
(Reep Hazarika)
**Managing Director**
DIN : 08667195

PRUTHIVIRAJ DASH Digitally signed by PRUTHIVIRAJ DASH Date: 2020.05.29 17:43:29 +05'30'
(Pruthiviraj Dash)
**Director Finance & CFO**
DIN : 08253888

RULI DAS SEN
(Ruli Das Sen)
**Company Secretary**

As per our separate report on Even Date
For RKP Associates
Chartered Accountants,
FRN No. 322473E

RAVI KUMAR PATWA Digitally signed by RAVI KUMAR PATWA Date: 2020.05.29 20:22:04 +05'30'
(Ravi Kumar Patwa)
Partner
Membership No. 056409
UDIN : 20056409AAAAAB7924

Place : Dibrugarh / Guwahati / Silchar

Date : 29th May, 2020

# Notes to the Financial Statements for the year ended 31st March 2020

**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 2020 were authorized for issue in accordance with a resolution of the directors on 29th May, 2020.

**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.

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 Crore, 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 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.

**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.

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) 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 Company recognises revenue at different points upon satisfaction of performance obligation as described below:

i. **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.

ii. **Other Liquid Hydro Carbon:**

In this segment the control of goods is transferred on dispatch of goods from factory, and hence, revenue from the sales of Liquid hydrocarbons is recognized at the time of dispatch from the factory.

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

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

(e) 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 and conditions being fulfilled. The same is accounted for as income/reduction of corresponding expenses of the Company as appropriate.

(f) The company is eligible to receive Feed Stock Subsidy from the Central Government based on an approved methodology. The subsidies are recognized on accrual basis when there exists significant certainty of its realization and the conditions being met. The same is accounted for as operating income during the year.

(g) Insurance claims are accounted for on the basis of claims admitted by the insurers.

**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. (a) 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.

**ii. (b)** 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.

**iii 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.

**1.12 Leases**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, "Leases". Ind AS 116 replaces the existing leases standard, Ind AS 17, "Leases, and related interpretations". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lease accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for lessees.

The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

*Full retrospective Approach*

Under this option, the entity is required to determine the carrying amount of ROU assets and lease liabilities at the opening of the comparative period (1st April, 2018) as if those leases had been accounted for under Ind AS 116 since inception of the contract. Difference between the ROU assets and liabilities are adjusted to retained earnings as on 1st April, 2018. Previous year (i.e. FY 2018-19) Profit or Loss figures are required to be restated and the impact for changes of depreciation, interest cost and lease liabilities to be given in FY 2018-19. Third Balance Sheet as on 1st April, 2018 is also required.

*Modified Retrospective Approach*

Option A: Retrospective Calculation of ROU asset and Prospective calculation of leasehold Obligation. Under this option the ROU asset is calculated on the commencement of the lease and carrying value is calculated on the transition date (1st April, 2019). The lease liabilities are recognized based on incremental borrowing rate on the initial application date (1st April, 2019).

The difference between lease liabilities and ROU assets is adjusted to retained earnings as on 1st April, 2019.

Option B: Prospective calculation of leasehold obligation and ROU asset:

Under this option, the lease liabilities are recognized based on incremental borrowing rate on the initial application date (1st April, 2019) and the same amount is recognized for ROU assets. In this case leasehold obligation and ROU asset will be equal and there will be no impact to retained earnings on the date of transition.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company has decided to use the Modified Retrospective Approach (Option B) by capitalization of future lease rentals on the transition date i.e., 01.04.2019.

The Company's lease asset classes primarily consist of leases for land, vehicle hire and rental office premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

**The Company as a lessor**

A lease for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**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.

**(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.

**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 entity and a financial liability or equity instrument of another entity and can be held within business model.

**(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**

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 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:

- **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.

**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 refer 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 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.

REEP HAZARIKA

Digitally signed by REEP HAZARIKA
DN: c=IN, o=Personal, 2.5.4.20=47d787a5db39c84b8befed49c7f02a17fdb2267f2edeef1866b7787c6621b5d0, postalCode=786006, st=ASSAM, serialNumber=11004b04591c8456ab2ea56782a0a0f1fa8f8e5040a392eb77acce6c89a75556, cn=REEP HAZARIKA
Date: 2020.05.29 17:59:45 +05'30'

(Reep Hazarika)
Managing Director
DIN : 08667195

PRUTHIVIRAJ DASH

Digitally signed by PRUTHIVIRAJ DASH
DN: c=IN, o=Personal, postalCode=786007, st=Assam, 2.5.4.20=f6cbcd5bd9e1e5cc3a7e71cf746606e7ddfbcea422425bc65545cb0cf71378cf, serialNumber=4dfa714931b5fa86be57f9f5e55489a924acfba2c1871019f347655654782f22, cn=PRUTHIVIRAJ DASH
Date: 2020.05.29 17:48:57 +05'30'

(Pruthiviraj Dash)
Director Finance
DIN : 08253888

RULI DAS SEN

Digitally signed by RULI DAS SEN
DN: c=IN, o=Personal, postalCode=781005, st=Assam, 2.5.4.20=2d5bbc4b39fbab678b709825433594e71e91b81cafbaa6abebe9d6bb2f7f9655, serialNumber=eb19bb4f68a8a75aef4103aae4a2f56d0f98e003c1a7b6e5297b3e6341bbbfe1, cn=RULI DAS SEN
Date: 2020.05.29 17:05:32 +05'30'

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For RKP Associates
Chartered Accountants,
FRN No. 322473E

RAVI KUMAR PATWA

Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 20:27:32 +05'30'

(Ravi Kumar Patwa)
Partner
Membership No. 056409
UDIN : 20056409AAAAAB7924

Place: Dibrugarh/Guwahati/Silchar
Date: 29th May, 2020

**Brahmaputra Cracker and Polymer Limited**
**Notes to the Financial Statements for the year ended 31st March 2020**

**Note 2: Property, plant and equipment**

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

₹ In Cr

| 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 2019 | - | 3.87 | 218.40 | 284.48 | 282.96 | 0.04 | 7,725.87 | 100.80 | 69.93 | 11.10 | 4.17 | 9.95 | 8,701.62 |
| Additions | - | - | - | 0.19 | - | 0.46 | 68.74 | 0.59 | 32.99 | 1.77 | 0.19 | 8.18 | 104.94 |
| Transferred on Business purchase | | | | | | | | | | | | | - |
| Exchange differences | | | | | | | | | | | | | - |
| Disposals | | | | | | | | | | | | | - |
| Other | | | | | | | 9.84 | 0.05 | 0.24 | 0.78 | | 6.66 | 10.92 |
| At 31st March 2020 | - | 3.87 | 218.40 | 284.67 | 282.96 | 0.50 | 7,784.77 | 101.34 | 102.68 | 12.09 | 4.36 | 11.47 | 8,795.64 |

| 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 1st April 2019 | - | - | 16.34 | 41.12 | 101.69 | 0.03 | 905.94 | 87.30 | 35.10 | 6.05 | 2.70 | - | 1,196.27 |
| Depreciation expense | | | 1.77 | 14.59 | 28.21 | 0.09 | 308.38 | 8.61 | 15.27 | 0.87 | 0.58 | | 378.37 |
| Impairment | | | | | | | | | | | | | - |
| Disposal | | | | | | | | | | | | | - |
| Exchange differences | | | | | | | | | | | | | - |
| Other | | | | | | | | | | | | | - |
| At 31st March 2020 | - | - | 18.11 | 55.71 | 129.90 | 0.12 | 1,214.32 | 95.91 | 50.37 | 6.92 | 3.28 | - | 1,574.64 |

| Net Book value | 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 31st March 2019 | - | 3.87 | 202.06 | 243.35 | 181.28 | 0.01 | 6,819.94 | 13.49 | 34.83 | 5.05 | 1.46 | 9.95 | 7,505.35 |
| At 31st March 2020 | - | 3.87 | 200.29 | 228.96 | 153.06 | 0.38 | 6,570.45 | 5.43 | 52.31 | 5.17 | 1.08 | 11.47 | 7,221.00 |

Foot Note:
Refer to Note 9 with respect to PPE pledged as security

## Note 3(a): Intangible Assets

₹ In Cr

| Cost | Software / Licenses | Right of Use (Perpetual) | Right of Use (Limited useful life) | Total |
|---|---|---|---|---|
| | | | | |
| **At 1st April 2019** | **9.60** | **8.77** | **0.04** | **18.41** |
| Additions | - | - | - | - |
| Capitalised internal development costs | - | - | - | - |
| Acquisitions through business combinations | - | - | - | - |
| Transfer to held for sale | - | - | - | - |
| Disposals | - | - | - | - |
| Exchange adjustments | - | - | - | - |
| Others | - | - | - | - |
| **At 31st March 2020** | **9.60** | **8.77** | **0.04** | **18.41** |

₹ In Cr

| Accumulated amortization and impairment | Software / Licenses | Right of Use (Perpetual) | Right of Use (Limited useful life) | Total |
|---|---|---|---|---|
| | | | | |
| **At 1st April 2019** | **5.88** | **0.09** | **0.03** | **6.00** |
| Additions | 1.86 | - | **0.01** | 1.87 |
| Capitalised internal development costs | - | - | - | - |
| Acquisitions through business combinations | - | - | - | - |
| Transfer to held for sale | - | - | - | - |
| Disposals | - | - | - | - |
| Exchange adjustments | - | - | - | - |
| Others | - | - | - | - |
| **At 31st March 2020** | **7.74** | **0.09** | **0.04** | **7.87** |

₹ In Cr

| Net book value | Software / Licenses | Right of Use (Perpetual) | Right of Use (Limited useful life) | Total |
|---|---|---|---|---|
| **At 31 March 2019** | **3.72** | **8.68** | **0.01** | **12.41** |
| **At 31st March 2020** | **1.86** | **8.68** | **0.00** | **10.54** |

## Note 3(b): ROU Lease Asset

₹ In Cr

| Cost | Leased land | Leased Offices | Leased Vehicles | Total |
|---|---|---|---|---|
| | | | | |
| At 1st April 2019 | | | | |
| Additions | 240.17 | 0.37 | 4.50 | 245.04 |
| Capitalised internal development costs | - | - | - | - |
| Acquisitions through business combinations | - | - | - | - |
| Transfer to held for sale | - | - | - | - |
| Disposals | - | - | - | - |
| Exchange adjustments | - | - | - | - |
| Others | - | - | - | - |
| At 31st Mar 2020 | 240.17 | 0.37 | 4.50 | 245.04 |

₹ In Cr

| Accumulated amortization and impairment | Leased land | Leased Offices | Leased Vehicles | Total |
|---|---|---|---|---|
| | | | | |
| At 1st April 2019 | - | - | - | - |
| Additions | 8.98 | 0.12 | 1.50 | 10.61 |
| Capitalised internal development costs | - | - | - | - |
| Acquisitions through business combinations | - | - | - | - |
| Transfer to held for sale | - | - | - | - |
| Disposals | - | - | - | - |
| Exchange adjustments | - | - | - | - |
| Others | - | - | - | - |
| At 31st Mar 2020 | 8.98 | 0.12 | 1.50 | 10.61 |

₹ In Cr

| Net book value | Leased land | Leased Offices | Leased Vehicles | Total |
|---|---|---|---|---|
| At 1st April 2019 | - | - | - | - |
| At 31st Mar 2020 | 231.19 | 0.24 | 3.00 | 234.44 |

**Note 4: Financial assets** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| **4(a) Investments** | - | - |
| | | |
| **4(b) Trade receivables** | ***2.87*** | ***130.77*** |
| *Considered good - Secured* | - | *64.58* |
| *Considered good - Unsecured* | 2.87 | *66.19* |
| *Which have significant increase in Credit Risk* | 17.17 | - |
| *Credit impaired* | - | - |
| Less: Provision for Doubtful Debts | *(17.17)* | - |
| | | |
| **4(c) Loans** | - | - |
| | | |
| ***4 (d) Cash and Cash Equivalents*** | ***42.92*** | ***1.40*** |
| ***<u>Balances with banks:</u>*** | | |
| — On current accounts | 0.41 | *1.40* |
| — Deposits with original maturity of less than three months | 42.51 | - |
| | | |
| ***4(e) Others*** | ***2,523.28*** | ***126.19*** |
| *Interest accrued but not due* | 0.99 | *0.42* |
| Claims recoverables | | - |
| *Insurance* | - | *13.06* |
| *Recievable Against Subsidy/ Other Claims* | 2,497.42 | 96.89 |
| *- Current* | *1,851.63* | *96.89* |
| *- Non Current* | *645.79* | - |
| *Security Deposit Paid* | 24.87 | *15.81* |
| *- Current* | - | - |
| *- Non Current* | *24.87* | *15.81* |
| **Total** | **2,569.07** | **258.36** |
| Current | 1,898.41 | 242.55 |
| Non current | 670.66 | 15.81 |
| **Total** | **2,569.07** | **258.36** |

*All figures assigned are considered as 'Current' unless classified as 'Non-Current'

**Note 5: Other Non Financial Assets** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| **Unsecured (Considered good):** | | |
| Advance income tax | 0.03 | 0.03 |
| Income Tax Paid on Demand | 1.38 | 1.72 |
| | | |
| **Balance with Government Authorities** | | |
| GST Credit Receivable | 9.58 | 158.97 |
| *- Current* | *9.58* | 158.97 |
| *- Non Current* | - | - |
| TDS | 2.20 | 3.17 |
| | | |
| ***Loans*** | | |
| *Loans and advances to employees* | 0.41 | *0.41* |
| | | |
| **Other advances** | 0.08 | 3.40 |
| | | |
| **Capital Advances to suppliers/contractors:** | 6.92 | 7.65 |
| | | |
| **Advances to suppliers/contractors:** | 20.38 | 48.25 |
| | | |
| **Statutory Claims under Dispute** | 38.00 | 7.90 |
| | | |
| **Prepayments** | | |
| Pre-paid expenses | 6.05 | 6.34 |
| *- Current* | *6.02* | *6.23* |
| *- Non Current* | *0.03* | *0.11* |
| Pre-paid Lease Rent* | - | 237.34 |
| *- Current* | - | 8.87 |
| *- Non Current* | - | 228.46 |
| **Total** | **85.03** | **475.17** |
| Current | 85.00 | 246.60 |
| Non Current | 0.03 | 228.57 |
| **Total** | **85.03** | **475.17** |

*All figures assigned are considered as 'Current' unless classified as 'Non-Current'

* Refer Note No. 34

**Note 6: Inventories** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| | | |
| **(a) Raw materials , Stores , Spares and others** | | |
| Raw Materials & other Consumables | 14.29 | 22.53 |
| Stores & Spares | 315.16 | 268.00 |
| Less: Provision for Obsolesence | (21.66) | - |
| | | |
| **(b) Semi Finished Goods/By products** | | |
| Semi Process Stock | 15.60 | 16.74 |
| By Products | 4.41 | 8.08 |
| | | |
| **(c) Finished Goods** | | |
| LLDPE | 119.23 | 38.77 |
| HDPE | 3.48 | 0.22 |
| PP | 38.73 | 14.52 |
| **Total** | **489.24** | **368.87** |

**Note 7: Equity share capital** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| **Share capital** | | |
| **<u>Authorised</u>** | | |
| 2,00,00,00,000 Equity Shares of Rs. 10 each | 2,000.00 | 2,000.00 |
| (Previous year 2,00,00,00,000 Equity shares of Rs. 10 each) | | |
| | **2,000.00** | **2,000.00** |
| | | |
| **Issued, subscribed and fully paid up** | **1,417.67** | **1,417.67** |

**Note 8: Other equity** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| **Other equity:** | | |
| Retained earnings | (850.73) | (904.83) |
| Add: Total comprehensive Income | 1,506.11 | 68.97 |
| Less: Transfer to statement of profit and loss | | |
| Transferred to Share Capital | - | (14.87) |
| **Total** | **655.38** | **(850.73)** |

## Note 9: Borrowings

₹ In Cr

| Particulars | Effective Interest Rate | Maturity | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|---|---|
| | | | | |
| **Secured** | | | | |
| **Term loans:** | | | | |
| - Loan from State Bank of India | SBI 1yr MCLR plus 0.20% | 30/08/2025 | 1,404.60 | 1,520.99 |
| | | | | |
| **Short Term loans:** | | | | |
| - Cash Credit from State Bank of India | SBI 1yr MCLR plus 0.15% | Revolving | 18.12 | 134.95 |
| - ICICI WCL | ICICI 1M/3M MCLR | 01-05-2020<br>08-07-2020 | 105.00 | - |
| - AXIS WCL | Axis Bank 1M MCLR | 24-05-2020 | 100.00 | - |
| - SBI CAG Branch WCL | T-Bill Rate or 7% p.a. whichever is higher | 17-07-2020<br>20-06-2020<br>30-06-2020 | 200.00 | - |
| | | | | |
| **Inter Corporate Loan** | | | | |
| - GAIL (I) Ltd | SBI 1yr MCLR plus 0.20% | 01/03/2024 | 150.00 | 200.00 |
| | | | | |
| **From Other Parties :** | | | | |
| - Oil Industry Development Board | | 04/10/2027 | 796.52 | 1,010.36 |
| | | | | |
| **Total** | | | **2,774.24** | **2,866.30** |
| **Less Current Borrowings** | | | **423.12** | **134.95** |
| **Total Non Current Borrowings** | | | **2,351.12** | **2,731.35** |

**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 | 7.42% | | 423.12 | 134.95 |
| | | | **423.12** | **134.95** |

**- 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. Subsequently, SBI also agreed to the bifurcation of Assets between OIDB and SBI.

Till date OIDB has sanctioned and disbursed loan of Rs. 1757.07 crore, out of which an amount of Rs. 857 crore is secured by way of Corporate Guarantee/ Letter of Comfort by GAIL/other promoters. The outstanding balance of Loans secured by Corporate Guarantee/ Letter of Comfort as on 31.03.2020 is Rs. 472.98 crore. In one instance, BCPL has also has entered into a counter guarantee with GAIL on 21.12.2012 for Rs. 250 crore.

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: the weighted average rate of interest is around 7.60% p.a. payable quarterly.

**- 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/modification 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 0.20 % i.e. 8.25 % as on 31st March'20.

**- 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 8.05 % as on 31st March'20.

**Note: An amount of Rs.402.01 Crore payable within next 12 months, has been transferred to "Financial liabilities" at Note no.11.**

**Note 10 - Trade Payables** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| Trade payables | | |
| *10(a) Due to MSME Vendors* | 2.13 | 6.33 |
| *10(b)(i) Due to others* | 30.49 | 10.72 |
| *10(b)(ii) Due to Related Party* | 109.38 | 147.26 |
| **Total** | **142.00** | **164.31** |
| Current | 142.00 | 164.31 |
| Non current | - | - |
| **Total** | **142.00** | **164.31** |

*All figures assigned are considered as 'Current' unless classified as 'Non-Current'

**Note 11: Other Financial Liabilities** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| **Current maturities of long term debt:** | | |
| *- Oil Industry Development Board* | 213.84 | 194.14 |
| *- State Bank of India* | 138.17 | 96.84 |
| *- GAIL* | 50.00 | - |
| | | |
| **Interest Accrued On Borrowings** | 0.68 | 1.73 |
| | | |
| **Others :** | | - |
| *Deposits/Retention Money from Contractors and others* | 264.66 | 72.73 |
| *Price reduction schedule* | 66.32 | 72.88 |
| *Security Deposit* | 14.86 | 14.35 |
| *Earnest money deposit* | 0.38 | 1.34 |
| *Payable to Employees* | 0.05 | 0.63 |
| *Payable for Capital Expenditure* | 25.78 | 16.29 |
| Statutory Liability Payables | 6.70 | 7.11 |
| *Lease Hold Obligations (ROU)* | 3.39 | - |
| *- Current* | *1.79* | - |
| *- Non Current* | *1.60* | - |
| **Total other financial liabilities at amortised cost** | **784.83** | **478.05** |
| Current | 783.23 | 478.05 |
| Non current | 1.60 | - |
| **Total** | **784.83** | **478.05** |

*All figures assigned are considered as 'Current' unless classified as 'Non-Current'

**Note 12: Provisions** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| **Provisions** | | |
| Provision for employee benefits | 78.14 | 4.80 |
| *- Current* | *70.43* | - |
| *- Non Current* | *7.71* | *4.80* |
| Provision for gratuity | 0.72 | - |
| *- Current* | - | - |
| *- Non Current* | *0.72* | - |
| Provision for Income Tax | 2.72 | 2.72 |
| Pro. for Employees Benefits -Superannua | 0.76 | 2.89 |
| Provision for Liability (Contractors) | 117.96 | 224.69 |
| Others | 71.69 | 78.50 |
| **Total** | **271.99** | **313.59** |
| Current | 263.56 | 305.90 |
| Non current | 8.43 | 7.69 |
| **Total** | **271.99** | **313.59** |

*All figures assigned are considered as 'Current' unless classified as 'Non-Current'

**Note 13: Non Financial Liabilities** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| | | |
| Other non financial liabilities | | |
| Government Grants | 4,391.24 | 4,396.12 |
| *- Current* | *211.63* | *202.12* |
| *- Non Current* | *4,179.61* | *4,194.00* |
| Others | 10.93 | 3.38 |
| Advance from customers | 4.87 | 13.06 |
| **Total** | **4,407.04** | **4,412.55** |
| Current | 227.43 | 218.56 |
| Non current | 4,179.61 | 4,194.00 |
| **Total** | **4,407.04** | **4,412.55** |

*All figures assigned are considered as 'Current' unless classified as 'Non-Current'

**Note 14: Deferred taxation** ₹ In Cr

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|---|---|
| | | |
| Deferred tax asset/ liability | (167.64) | 171.65 |
| **Deferred tax assets/(liabilities)-net** | **(167.64)** | **171.65** |

**Note 15: Revenue from operations** ₹ In Cr

| Particulars | Period Ended | Period Ended |
|---|---|---|
| | 31-Mar-20 | 31-Mar-19 |
| | | |
| Sale of products (including excise duty/GST) | | |
| (a) Sale of HDPE/LLDPE | 1,862.07 | 2,469.00 |
| (b) Sale of Polypropelene | 527.10 | 610.11 |
| (c) Sale of HPG ,CBFS,Slop Oil,etc. | 246.76 | 255.24 |
| | | |
| **Total sale of products** | **2,635.93** | **3,334.35** |
| | | |
| Sale/ rendering of services | - | - |
| | | |
| Less: GST on Sales | 408.53 | 518.35 |
| Less: Discount on Sales | 141.81 | 139.07 |
| **Total** | **2,085.59** | **2,676.93** |
| Add: Other Operating Income | 645.79 | - |
| **Total** | **2,731.38** | **2,676.93** |

**Note 16: Other Income** ₹ In Cr

| Particulars | Period Ended | Period Ended |
|---|---|---|
| | 31-Mar-20 | 31-Mar-19 |
| **Other non-operating Income:** | | |
| Interest on FDR's | 1.49 | 1.81 |
| Other Interest | 2.61 | 2.58 |
| Government grants | 205.95 | 197.51 |
| Recoveries from Employees | 0.73 | 0.87 |
| Excess Provision Written Back | - | 2.83 |
| Misc.Receipts | 5.49 | 35.71 |
| **Total** | **216.27** | **241.31** |

**Note 17: Cost of raw material and components consumed** ₹ In Cr

| Particulars | Period Ended 31-Mar-20 | Period Ended 31-Mar-19 |
|---|---|---|
| | | |
| Raw materials consumed | 1,672.87 | 1,677.27 |
| Chemical & Catalyst | 73.36 | 70.81 |
| Stores & Spares Consumed | 42.32 | 50.51 |
| **Total** | **1,788.54** | **1,798.59** |

**Note 18: Employee Benefit Expenses** ₹ In Cr

| Particulars | Period Ended 31-Mar-20 | Period Ended 31-Mar-19 |
|---|---|---|
| | | |
| Salary, Wages and Allowances | 139.66 | 64.59 |
| Contribution to Provident and other Funds | 11.40 | 10.03 |
| Welfare Expenses | 10.41 | 9.96 |
| Secondment charges | 9.56 | 13.66 |
| **Total** | **171.03** | **98.24** |

**Note 19: Depreciation and amortization expense** ₹ In Cr

| Particulars | Period Ended 31-Mar-20 | Period Ended 31-Mar-19 |
|---|---|---|
| | | |
| Depreciation and Amortization Expenses | 390.85 | 386.65 |
| **Total** | **390.85** | **386.65** |

**Note 20: Finance cost** ₹ In Cr

| Particulars | Period Ended 31-Mar-20 | Period Ended 31-Mar-19 |
|---|---|---|
| | | |
| Interest on Term Loans from Banks | 136.20 | 141.94 |
| Interest on Short Term Loans from Banks | 17.07 | 24.24 |
| Interest on Loans from Other Institutions | 85.78 | 97.51 |
| Interest on Loans from Promoters | 17.37 | 1.92 |
| Interest on other Securities | 0.15 | - |
| Interest on Lease Obligations (ROU) | 0.31 | - |
| Other Borrowing Costs(Commitment and other Finance Charges) | 1.64 | 1.82 |
| Less: NEIIP Interest Subsidy | (6.09) | (2.73) |
| **Total** | **252.43** | **264.69** |

**Note 21: Other Expenses** ₹ In Cr

| Particulars | Period Ended 31-Mar-20 | Period Ended 31-Mar-19 |
|---|---|---|
| Power, Fuel and Water Charges: | | |
| Power and Water charges | 16.51 | 9.69 |
| Repairs and Maintenance: | | |
| Plant and Machinery | 31.37 | 21.81 |
| Building | 4.52 | 5.13 |
| Others | 1.99 | 1.81 |
| Provision for obsolence of Stores & Spares | 21.66 | - |
| Insurance | 3.32 | 2.16 |
| Communication expenses | 0.15 | 0.13 |
| Printing and Stationery | 0.14 | 0.18 |
| Travelling Expenses | 2.13 | 3.09 |
| Books and Periodicals | 0.05 | 0.06 |
| Advertisenement and Publicity | 0.37 | 0.69 |
| Payment to Auditors: | | |
| Audit Fess | 0.06 | 0.06 |
| Tax audit fees | 0.01 | - |
| Management services | 0.03 | - |
| Entertainment Exp | 0.30 | 0.39 |
| Recruitment and Trainning Expenses | 0.31 | 0.66 |
| Vehicle Hire and running Expenses | 3.17 | 4.20 |
| Rent Rates & Taxes | 6.24 | 19.73 |
| Consultancy Charges | 0.36 | 0.16 |
| Legal and Professional Charges | 1.14 | 1.15 |
| Directors sitting fees | 0.01 | 0.02 |
| Selling and Distribution Expenses | 45.24 | 38.08 |
| Provision for Doubtful Debts | 17.17 | - |
| Commission on Sales | 64.23 | 77.26 |
| Security Expenses | 33.62 | 30.79 |
| Net loss on Foreign currency Transaction and Translation | 1.61 | 2.42 |
| Other Expenses | 49.55 | 38.36 |
| **Total** | **305.26** | **258.04** |

## Notes to the Financial Statements for the year ended 31st March 2020

### 22. Contingent Liabilities and Commitments:

₹ in Cr.

**(a) Contingent Liabilities:**

| | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Claims against the Company not as debts: | | |
| Service Tax matters * | 7.90 | 7.90 |
| Court cases: | | |
| Land Acquisition cases for Higher Compensation | 33.70 | 12.96 |
| Others | 7.71 | 43.79 |
| Claim by contractors Arbitration cases/other extra claims on capital account | 499.65 | 506.80 |

* Details at note 30(b).

₹ in Cr.

**(b) Capital Commitments:**

| | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 11.64 | 11.05 |

₹ in Cr.

**(c) Guarantees & other Commitment:**

| | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Bank Guarantees in favour of Suppliers | 33.50 | 37.57 |
| Letter of Credits issued | 30.68 | 19.70 |
| Counter Guarantee to GAIL for OIDB Loan | 250.00 | 250.00 |

**(d)** Registration charges towards transfer of GAIL's Lakwa unit: ₹ 10.00 Cr. (Previous year ₹ 5.00 Cr.).

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. Government Grants:

### A. Capital Grants

**Capital Subsidy**: The Company has received Capital Subsidy of ₹ 200 Cr. in the current financial year and the cumulative capital subsidy of ₹ 5,221.03 Cr. till 31.03.2020 (including interest earned net of taxes) against the approved capital subsidy of ₹ 5,239.45 Cr. The balance capital subsidy of ₹ 18.42 Cr. shall be requested for release in RE 2020-21. 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. Accordingly in the current financial year an amount of ₹ 205.95 Cr. has been transferred (Previous year ₹ 197.51 Cr.) to the Statement of Profit & Loss as other income and the balance in Capital Subsidy account has been carried forward as "Government Grants" classified under "Non Financial Liability".

### B. Revenue Grants.

**Feed Stock Subsidy:** Based on the proposal submitted earlier by the Company in line with initial condition for implementation of Assam Gas Cracker Project and recommendation of an Inter Ministerial Committee, the Government of India has approved the feedstock subsidy for BCPL for 15 years of plant operation in current financial year. As per approved methodology for computation of feed stock subsidy, BCPL has carried out the revised study of the project to ascertain the IRR considering the current scenario w.r.t. polymer, naphtha & gas prices, actual capital cost, other costs etc. Accordingly, claim of ₹ 1705.35 Cr. for the period from 02.01.2016 to 31.03.2019 based on the audited financial statements has been submitted to the administrative Ministry and considered as "Exceptional Items" in Statement of Profit & Loss, whereas, feedstock subsidy of ₹ 645.79 Cr. for the current financial year has been accounted for as other operational Income on accrual basis based on the projection/ estimate as per the methodology.

**Exemption from Sales Tax / Vat on Feedstock / Raw Material:** In accordance with JV agreement signed among the promoters of the Company, Government of Assam (GoA) has considered the proposal of BCPL to extend exemption/reimbursement of VAT on natural gas (input) for a period of 15 years from the date of commissioning of the plant. Accordingly, the State Government (Government of Assam) has approved the exemption of VAT on natural gas to BCPL, however, the same is yet to be notified by the State Govt and based on the conditions/procedures to be prescribed in the notification, the Company will submit its claim for re-imbursement of estimated amount of ₹ 278.30 Cr. VAT amount paid on consumption of natural gas for the period from date of commissioning of plant till 31st March, 2020 and account the same in the year of claim.

**North East Industrial & Investment Promotion Policy (NEIIPP) Subsidy:** 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 Cr.

| 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 | 5.53 | 2.73 | 6.09 | 14.35 | 0.00 |
| 2 | Freight Subsidy | 41.32 | 21.48 | 19.46 | 82.26 | 0.00 |
| 3 | Insurance Subsidy | 13.54 | 14.57 | 19.58 | 47.69 | 0.00 |
| | Total Subsidy Claims | 60.39 | 38.78 | 45.13 | 144.30 | 0.00 |

The above subsidies relating to current year amounting to ₹ 49.05 Cr. have been adjusted with respective expenditure. The Interest Subsidy Claim of ₹ 2.73 Cr. submitted during the Current Financial Year is for the period from 01.04.2018 to 31.03.2019, Insurance Subsidy of ₹ 14.57 Cr. is for the period from 02.01.2018 to 01.01.2019 & Freight Subsidy of ₹ 14.06 Cr. for the period from 01.10.2018 to 31.03.2019 & ₹ 7.42 Cr. for the period from 01.04.2019 to 30.06.2019.

24. **Land & Building:** The Company is in possession of total 3904 bigha (Previous year 3904 bigha) of lease hold land and 190 bigha of free hold land of ₹ 94.65 Cr. and ₹ 3.87 Cr. (Previous Year: ₹ 94.65 Cr. and ₹ 3.87 Cr.) respectively. Out of which, title deeds for freehold (190 bigha) and leasehold (520 bigha) land amounting to ₹ 3.87 Cr. and ₹ 15.38 Cr. (Previous Year: ₹ 3.87 Cr. and ₹ 15.38 Cr.) 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 3384 bigha of lease hold land for 30 years 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 long term lease under Ind-AS 116. Full payment has been settled on possession of the land and no lease amount is payable. The amount will be amortised over the lease period.

25. **Trade payables** (shown in Note No 10 & 11) include outstanding gas bills amounting to ₹ 285.14 Cr. (Previous Year ₹ 172.79 Cr.) payable to M/s. Oil India Ltd (OIL) after adjustment of claim for ₹ 30.52 Cr. (Previous Year ₹ 17.16 Cr.) towards NG shortfall adjustment up to QTR III of the current financial year. Further the above payable amount includes ₹ 176.13 Cr. (previous year ₹ 121.90 Cr.) retained towards shortfall adjustment in supply of Natural Gas from OIL for the FY 2016-17, FY 2017-18 and differential for QTR IV of FY 2019-20 for which a Joint Committee of both M/s OIL and BCPL constituted to work out the differences considering force majeure as would be applicable based on Gas Supply Agreement.

**26. Disclosure as per requirements of Ind-AS 19 – "Employees benefit".**

i. **Revision of pay & other benefits:** The proposal for revision of pay & other benefits for Board and below Board level officer duly recommended by Board was submitted to the Government, but the same has not been approved so far by the Government due to non-fulfilment of the affordability clause and other conditions stipulated in the guideline notified by Department of Public Enterprise, Government of India, with reference to 3rd Pay Revision Committee's recommendation. With the accounting of feedstock subsidy from FY 2015-16, the profitability of the company has been improved in the current financial year and BCPL's position in respect of affordability stands Improved. With improved financials, BCPL shall submit a revise proposal to the administrative ministry shortly. Accordingly, necessary provision towards pay revision has been made in the books in the current financial year.

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

iii. **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. The valuation of liability on gratuity 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. The actuarial valuation has been carried out as per principle laid down in IND AS19 & Guidelines GN26 issued by Institute of Actuaries on India.

iv. **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. The actuarial valuation has been carried out as per principle laid down in IND AS19 & Guidelines GN26 issued by Institute of Actuaries on India.

v. **Superannuation Benefits:** The Company had received the approval to its proposal of "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). The Superannuation scheme has been approved by the management in the current financial year and the contribution adjusting the accumulated fund balance of ₹ 5.11 Cr. of the existing scheme has been deposited with LIC, a fund manager appointed to manage the fund considering the financial implication till 31.12.2019. The contribution expenses in the current financial year of ₹ 3.39 Cr. (Previous Year ₹ 2.88 Cr.) has been accounted @ 6% of basic plus DA of Board level and below Board level officers as approved.

vi. 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, 2020 & 31st March, 2019.

₹ in Cr.

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Current Service Cost | 1.75 | 1.36 | 1.09 | 0.97 |
| Past Service Cost | - | - | - | - |
| Net Interest Cost | -0.06 | 0.01 | 0.25 | 0.18 |
| Actuarial Gain/loss | - | - | 3.66 | 2.19 |
| Total expenses included in employeé benefit expense | 1.69 | 1.37 | 5.00 | 3.34 |

b. Amount recognized in Other Comprehensive Income for the year ended 31st March, 2020

₹ in Cr.

| Particulars | Gratuity | |
|---|---|---|
| | 2019-20 | 2018-19 |
| Actuarial (gain)/ loss on obligations | 1.98 | 0.51 |
| Return on plan assets (excluding amounts included in net interest expense) | -0.00 | -0.07 |
| Experience adjustments | 0.10 | 0.54 |
| Recognized in other comprehensive income | 1.99 | 0.58 |

c. Changes in the present value of the defined benefit obligation for the year ended 31st March, 2020 and 31st March, 2019 are as follows:

₹ in Cr.

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Current service cost | 1.75 | 1.36 | 1.09 | 0.97 |
| Interest cost | 0.46 | 0.39 | 0.25 | 0.18 |
| Transfer In | 0.00 | 0.00 | 0.00 | 0.00 |
| Benefits paid | 0.73 | 0.10 | 2.09 | 1.71 |
| Actuarial (gain)/ loss on obligations | 1.98 | 0.51 | 3.66 | 2.19 |
| **Defined benefit obligation** | 10.71 | 7.24 | 7.71 | 4.80 |

d. Changes in the fair value of plan assets for the year ended 31st March, 2020 and 31st March, 2019 are as follows:

₹ in Cr.

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Interest income | 0.52 | 0.38 | 0.00 | 0.00 |
| Return on plan assets (excluding amounts included in net interest expense) – OCI | -0.00 | -0.07 | 0.00 | 0.00 |
| Contribution by Employer | 1.84 | 2.59 | 0.00 | 0.00 |
| Benefits paid | 0.73 | 0.10 | 0.00 | 0.00 |
| Service cost (Transfer in) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Closing fair value of plan assets** | 9.38 | 7.75 | 0.00 | 0.00 |

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

₹ in Cr.

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2017-18 |
| LIC Fund | 9.38 | 7.75 | 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 Cr.

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Discount rate (in %) | 6.69 | 7.72 | 6.69 | 7.72 |
| 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 2020 is as shown below:

₹ in Cr.

| Gratuity Plan | 31-Mar-20 | | 31-Mar-20 | |
|---|---|---|---|---|
| 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) | 9.73 | 11.80 | 11.57 | 9.86 |

₹ in Cr.

| Gratuity Plan | 31-Mar-19 | | 31-Mar-19 | |
|---|---|---|---|---|
| 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) | 6.60 | 7.97 | 7.87 | 6.61 |

₹ in Cr.

| Leave encashment | 31-Mar-20 | | 31-Mar-20 | |
|---|---|---|---|---|
| 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) | 7.10 | 8.58 | 8.58 | 7.09 |

₹ in Cr.

| Leave encashment | 31-Mar-19 | | 31-Mar-19 | |
|---|---|---|---|---|
| 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) | 4.40 | 5.26 | 5.26 | 4.39 |

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

₹ in Cr.

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Within the next 12 months (next annual reporting period) | 0.10 | 0.24 | 0.07 | 0.27 |
| Between 2 and 5 years | 0.61 | 0.38 | 0.53 | 0.30 |
| Between 5 and 10 years | 1.70 | 1.49 | 1.41 | 1.10 |
| Beyond 10 years | 43.49 | 37.81 | 30.63 | 23.28 |
| Total expected payments | 45.90 | 39.92 | 32.64 | 24.95 |

i. The average duration of the defined benefit plan obligation at the end of the reporting period is 25 years (31 March 2019: 26 years).

j. History of experience adjustment is as follows:

₹ in Cr.

| Particulars | Gratuity | | | | |
|---|---|---|---|---|---|
| | 31-Mar-20 | 31-Mar-19 | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Present value of obligation | 10.71 | 7.24 | 5.08 | 3.47 | 2.22 |
| Plan assets | 9.38 | 7.75 | 4.94 | 2.62 | 2.53 |
| Experience adjustments | 0.10 | 0.54 | 0.16 | -0.08 | 0.02 |

₹ in Cr.

| Particulars | Leave encashment | | | | |
|---|---|---|---|---|---|
| | 31-Mar-20 | 31-Mar-19 | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Present value of obligation | 7.71 | 4.80 | 3.17 | 4.20 | 2.73 |
| Plan assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Experience adjustments | 2.32 | 2.21 | 3.48 | 0.74 | 0.65 |

## 27. Claim of Work Contract Tax from Govt. of Assam

₹ in Cr.

| Details of claim as under | Current Year | Previous Year |
|---|---|---|
| Opening Claim as on 01.04.2019 | 2.53 | 2.51 |
| Claim lodged for the financial year 2019-20 | 0.00 | 0.02 |
| Total Claim Lodged: | 2.53 | 2.53 |
| Less: Received during the year | 0.00 | 0.00 |
| (Add) / Less: Claim adjusted/reversed | 0.00 | 0.00 |
| **Receivable as at 31.03.2020** | 2.53 | 2.53 |

## 28. 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 Assessment Year (AY) 2009-10 and 2010-11 and against this order a refund amount of ₹ 7.77 Cr. was passed in the FY 2017-18. Further, on request for rectification order, for an amount of ₹ 0.03 Cr. and ₹ 0.35 Cr. was allowed by tax authority for AY 2009-10 & AY 2010-11 during the FY 2018-19 towards short interest refunded. This refund amount along with interest was received in the current FY 2019-20.

Subsequent to the ITAT order for AY 2009-10 and AY 2010-11, submission was made to CIT (Appeal) to consider the matter pertaining to subsequent AY 2011-12 to 2015-16 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 12.03.2018 for AY up to 2014-15 and on 18.01.2019 for AY 2015-16 by holding interest income received against investments out of borrowed funds as taxable. Against this order a sum of ₹ 14.30 Cr. was received during FY 2018-19 (for AY up to 2014-15 ) and ₹ 0.83 Cr. was received in the current financial year (for AY 2015-16) 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 a deviation with the ITAT decision for preceding AY's, BCPL has preferred an appeal before the ITAT.

The current status of Income Tax appeals pending with ITAT are as follows:

₹ in Cr.

| Assessment Year | Debt Income Considered Taxable | Tax Deposited on Debt Income | Status of Appeal |
|---|---|---|---|
| 2011-12 | 3.83 | 1.27 | Pending With ITAT |
| 2012-13 | 0.54 | 0.17 | Pending With ITAT |
| 2013-14 | 1.84 | 0.60 | Pending With ITAT |
| 2014-15 | 16.79 | 6.64 | Pending With ITAT |
| 2015-16 | 1.90 | - | Pending With ITAT |

## 29. Income Tax

During the current FY 2019-20, BCPL evaluated the prospects of migrating into the new tax regime as introduced vide amendment by the Finance Act 2020 under section 115BAA of the Income Tax Act. Under the new tax regime, income tax @ 22% is payable and there would not be any MAT liability under such option. Since the new tax regime is found to be more beneficial to the company based on various analyses, BCPL has adopted the new tax regime w.e.f. FY 2019-20.

Provision for Current Tax has been kept as 'Nil' as there is no taxable income in the FY 2019-20 after adjustment of brought forward Business loss. Since there is no liability to pay MAT under the new tax regime, MAT computation has not been done.

Balance of unabsorbed 'Business Loss' and 'Unabsorbed Depreciation' as per Income Tax Return for the AY 2019-20 stands as follow:

₹ in Cr.

| Nature | Period AY | Balance B/F | Adjusted During the Current FY | Balance C/F |
|---|---|---|---|---|
| Business Loss | 2016-2017 | 225.93 | 225.93 | 0.00 |
| | 2017-2018 | 438.54 | 438.54 | 0.00 |
| Unabsorbed Depreciation | 2016-2017 | 233.49 | 233.49 | 0.00 |
| | 2017-2018 | 481.70 | 481.70 | 0.00 |
| | 2018-2019 | 354.28 | 328.45 | 25.83 |
| | 2019-2020 | 189.64 | 0.00 | 189.64 |

**30. GST Credit and Utilisation:**

**a) Following are the details of GST credit and utilisation for the period 2019-20:**

₹ in Cr.

| Location | Assam | | | Uttar Pradesh | | |
|---|---|---|---|---|---|---|
| Particulars | IGST | CGST | SGST | IGST | CGST | SGST |
| Opening | 0.00 | 134.64 | 22.95 | 0.66 | 0.04 | 0.04 |
| Credit Availed | 161.09 | 53.75 | 53.75 | 0.00 | 0.02 | 0.02 |
| Credit Utilized | 364.58 | 20.89 | 20.89 | 0.25 | 0.00 | 0.00 |
| IGST liability adjusted with CGST Credit | 199.45 | 147.99 | 51.46 | 0.00 | 0.00 | 0.00 |
| Duliajan Unit Credit Reversal | 0.00 | 30.10 | 0.00 | 0.00 | 0.00 | 0.00 |
| Taxes Paid in Cash | 4.04 | 15.29 | | | | |
| Closing | 0.00 | 4.70 | 4.35 | 0.41 | 0.06 | 0.06 |

*Input Tax Credit of ₹. 30.10 Cr. availed pertaining to Duliajan Unit was disputed by the department. The decision of the department was challenged by BCPL before the CESTAT. The CESTAT pronounced the order during the current financial year and the decision was not in favour of BCPL Accordingly the said GST Credit has been reversed under protest and has been kept in other non financial assets (Note 5). BCPL is in process to challenge the CESTAT order before the honourable Guwahati High Court.

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

Commissioner, GST had passed an order during the FY 18-19 for recovery of certain amount against Service Tax on Liquidated Damages /Price Retention Schedule (PRS) for the period from 01.07.2012 to 30.06.2016. 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 had deposited ₹ 7.90 Cr. 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 22 above.

## 31. 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 & advances, 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.

**i. 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 Cr.

| Particulars | Increase/decrease in basis points | Effect on profit before tax |
|---|---|---|
| **31 March 2020** | | |
| SBI Loan | +100 | +15.93 |
| | -100 | -15.93 |
| **31 March 2019** | | |
| SBI Loan | +100 | +16.46 |
| | -100 | -16.46 |

**ii. 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 Butene 1, 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 Cr.

| Particulars | Change in currency exchange rates | Effect on profit before tax |
|---|---|---|
| **For the year ended March 31, 2020** | | |
| US Dollar | 3% | -0.37 |
| | -3% | 0. 37 |
| EURO | 6% | -0.47 |
| | -6% | 0.47 |
| Japanese yen | 7% | -0.73 |
| | -7% | 0.73 |
| **For the year ended March 31, 2019** | | |
| US Dollar | 3% | -0.40 |
| | -3% | 0.40 |
| EURO | 6% | -0.21 |
| | -6% | 0.21 |
| Japanese yen | 7% | -0.21 |
| | -7% | 0.21 |

**iii. Equity price risk**

The Company does not have any equity risk.

**iv. 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 Cr.

| As at 31 March 2020 | On Demand | Less than 3 Months | 3 to 12 Months | 1 to 5 Years | > 5 Years | Total |
|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings | 18.12 | 369.82 | 437.19 | 1,893.19 | 463.51 | 3181.83 |
| Interest Payable | 1.46 | 57.03 | 155.51 | 460.45 | 18.49 | 692.94 |
| Trade and other payables | 142.00 | - | - | - | - | 142.00 |
| Other financial liabilities | 305.69 | 7.87 | 67.66 | 1.60 | - | 382.82 |
| Other – specify | - | - | - | - | - | - |

₹ in Cr.

| 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 | 134.95 | 41.50 | 249.48 | 1,843.03 | 894.69 | 3163.65 |
| Interest payable | 11.74 | 62.06 | 180.21 | 615.00 | 56.33 | 925.34 |
| Trade and other payables | 164.31 | - | - | - | - | 164.31 |
| Other financial liabilities | 104.72 | 9.47 | 72.88 | - | - | 187.07 |
| Other specify | - | - | - | - | - | - |

### v. 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 on the reporting date is as follows:

₹ in Cr.

| 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 2020 | - | - | - | - | 2.87 | 2.87 |
| Trade receivables as of 31 March 2019 | 130.77 | 119.21 | - | - | 11.56 | 130.77 |

## 32. 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 31$^{st}$March 2020 and 31$^{st}$ March 2019.

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

₹ in Cr.

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Interest-bearing loans and borrowings including payables | 2,916.24 | 3,030.61 |
| Less: Cash and Cash Equivalents | 42.92 | 1.40 |
| Net debt | 2,873.32 | 3,029.21 |
| | | |
| Equity | 1,417.67 | 1,417.67 |
| Total capital | 2,072.55 | 566.76 |
| Capital and net debt | 4,945.87 | 3,595.97 |
| Gearing ratio | 0.58 | 0.84 |

**33. 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 2020 the company held the following financial instruments carried at fair value on the statement of financial position:

₹ in Cr.

| Particulars | Carrying Amount 31.03.2020 | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Financial assets at amortised cost:** | | | | |
| **Non-current** | | | | |
| Loans and receivables | 24.87 | - | - | - |
| Other Financial Assets (It includes Feed Stock) | 645.79 | | | |
| **Current** | | | | |
| Trade receivables | 2.87 | - | - | - |
| Cash and cash equivalents | 42.92 | - | - | - |
| Other Financial Assets (It include Feed Stock & NEIIPP Subsidy) | 1852.62 | - | - | - |
| **Total** | **2569.07** | - | - | - |
| | | | | |
| **Financial liabilities at amortised cost:** | | | | |
| **Non-current** | | | | |
| Borrowings | 2,351.12 | - | - | - |
| Other financial liabilities | 1.60 | | | |
| **Current** | | - | - | - |
| Borrowings | 423.12 | - | - | - |
| Other financial liabilities | 783.23 | - | - | - |
| Trade payables | 142.00 | - | - | - |
| **Total** | **3701.07** | - | - | - |

As at 31 March 2019 the Company held the following financial instruments carried at fair value on the statement of financial position:

₹ in Cr.

| Particulars | Carrying Amount 31.03.2019 | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Financial assets at amortised cost:** | | | | |
| **Non-current** | | | | |
| Loans and receivables | 15.81 | - | - | - |
| **Current** | | | | |
| Trade receivables | 130.77 | - | - | - |
| Cash and cash equivalents | 1.40 | - | - | - |
| Other Financial Assets (It includes Feed Stock & NEIIPP Subsidy) | 110.38 | - | - | - |
| **Total** | **258.36** | - | - | - |
| | | | | |

| Particulars | Carrying Amount 31.03.2019 | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Financial liabilities at amortised cost:** | | | | |
| **Non-current** | | | | |
| Borrowings | 2,731.35 | - | - | - |
| **Current** | | | | |
| Borrowings | 134.95 | - | - | - |
| Other financial liabilities | 478.05 | - | - | - |
| Trade payables | 164.31 | - | - | - |
| **Total** | **3,508.66** | - | - | - |

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.

## 34. Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental cost of capital of 1 Year SBI MCLR + 0.25% i.e. 8.70% and the right of use asset at its carrying amount.

On transition date (01.04.2019), the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 245.04 Cr. (ROU Land amounting ₹ 240.17 Cr., ROU Vehicle ₹ 4.5 Cr. and ROU Office ₹0.37 Cr.) and a lease liability of ₹ 4.87crore (Leased Vehicle Liability amounts to ₹ 4.50 Cr. and Leased Office Liability is ₹ 0.37 Cr.). The difference of ₹ 240.17 Cr. is on account of reclassification of prepaid rent expenditure of land to ROU asset. Pre-paid lease rent on land which were being amortized as 'Rent Expense' over period of 30 Years till 31.03.2019 has been reclassified as long term lease assets in line of IND AS 116. As such in place of rental expense, the expenditure is now being shown as amortization cost. There is no material impact of this reclassification other than classification from "rent expense' to amortization expense, since the cost was incurred in past. As on 31.03.2020, ROU Asset balance stands at ₹ 234.44 crore and Lease Liability at ₹ 3.39 crore.

The summarized impact of new Ind AS 116 on the financials of the Company is:

₹ in Cr.

| ROU Asset | Amortization | Interest | Total Cost | Rent Expense | Vehicle Expense | Total Cost |
|---|---|---|---|---|---|---|
| | On Adoption of IND AS | | | Before Adoption of IND AS | | |
| Hired Vehicle | 1.5 | 0.29 | 1.79 | - | 1.66 | 1.66 |
| Office Premise | 0.12 | 0.02 | 0.14 | 0.13 | - | 0.13 |
| Prepaid Rent | 8.98 | - | 8.98 | 8.98 | - | 8.98 |
| **Total Cost** | | | **10.91** | | | **10.77** |
| Additional Impact of Transition to Ind AS 116 for 2019-20 on P&L | | | | | | **0.14** |

## 35. Proposed dividend and tax :

i. During the year the Company has earned an operational profit, however no dividend pay-out has been considered. The profit during the year is primarily due to accounting of the feedstock subsidy, which is still to be released. There was no budgetary provision towards the feedstock subsidy in the union Budget BE 2020-21 and therefore release of the same is not expected before 4th QTR of 2020-21. Moreover it is difficult to estimate whether Govt. will release the full amount of subsidy at one go or release in parts. To meet the cash flow requirements, the company availed short term loans from commercial banks and the same will continue till actual subsidy is released by the Govt. Under these circumstances, the dividend payout has not been considered by the company in 2019-20.

ii. As per section 115-O of Income Tax Act, 1961, 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 FY 2019-20 the said section is not applicable.

## 36. Related Party Disclosures:

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. Reep Hazarika - 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

**d. The transactions carried out with the related parties during the existence of related party relationship as per Ind AS 24 in the ordinary course of business:**

₹ in Cr.

| Particulars | FY 19-20 | FY 18-19 |
|---|---|---|
| **Gail (India) Limited** | | |
| Manpower cost | 9.56 | 13.66 |
| Purchase of goods (Butene-1, propylene, NG etc.) | 17.17 | 53.48 |
| Lease arrangements | 0.00 | 0.04 |
| Marketing Commission | 53.67 | 65.59 |
| Expenditure towards DRC | 1.49 | 0.00 |
| Interest on Borrowing | 17.37 | 1.92 |
| Borrowing from Holding Company | 200.00 | 200.00 |
| Balance payable at the reporting date | 40.95 | 15.12 |
| **Numaligarh Refinery Limited** | | |
| Sale/ Purchase of goods | 458.40 | 413.20 |
| | | |

| Particulars | FY 19-20 | FY 18-19 |
|---|---|---|
| Claims towards Freight and Price difference on out sourced Naphtha | 0.00 | 10.55 |
| Balance payable at the reporting date | 31.91 | 40.72 |
| **Oil India Limited** | | |
| Sale/ Purchase of goods | 547.53 | 518.66 |
| Balance payable (NG supply) at the reporting date | 285.14 | 172.79 |
| Outstanding (infrastructure cost) at the reporting date | 20.35 | 85.35 |
| | | |
| **Key management personnel** | | |
| Remuneration to Sh. A K Singh- Managing Director (Up to 12.02.2020) Short Term Benefits – ₹ 0.35 Cr. , Post Retirement Benefits – ₹ 0.79 Cr. | 1.14 | 0.39 |
| Remuneration to Sh. Reep Hazarika – Managing Director (Short Term Benefits Only) | 0.04 | 0.00 |
| Remuneration to Sh. Pruthiviraj Dash - Director (Finance) and CFO (Short Term Benefits Only) | 0.33 | 0.14 |
| Remuneration to Mrs. Ruli Das Sen- Company Secretary (Short Term Benefits Only) | 0.25 | 0.23 |
| Sitting Fees Paid to Independent Directors | 0.01 | 0.02 |

## 37. 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.

## 38. Claims due to Micro , Small & Medium enterprise

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

₹ in Cr.

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| i. The principal amount and the interest thereon remaining unpaid to any supplier as at the end of each accounting year; | 2.13 | 6.33 |
| 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; | 0.00 | 0.00 |
| 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; | 0.00 | 0.00 |
| iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and | 0.01 | 0.00 |
| 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. | 0.00 | 0.00 |

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.

## 39. 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 31st March 2020.

(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 2020, three major Customers contributed around 9.10% of the revenue amounting to ₹ 183.02 Cr. (previous year ₹ 342.79 Cr.).

## 40. Earnings per Share (EPS)

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

₹ in Cr.

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Gain/(-Loss) attributable to equity holders of the Company: | | |
| Continuing operations | 1,506.11 | 68.97 |
| Discontinued operation | - | - |
| **Gain/(-Loss) attributable to equity holders of the Company for basic earnings** | 1,506.11 | 68.97 |
| | | |
| **Gain/(-Loss) attributable to equity holders of the Company adjusted for the effect of dilution** | 1,506.11 | 68.97 |
| | | |
| Weighted Avg. No's of Equity shares for basic EPS * (in No.) | 1417670000 | 1417670000 |
| Effect of dilution: | - | - |
| | | |
| **Weighted Avg. No's of Equity shares adjusted for the effect of dilution *** | - | - |
| **Earnings per equity share: in ₹** | | |
| **-Basic** | 10.62 | 0.49 |
| **-Diluted** | 10.62 | 0.49 |

41. **Impairment:** The project was commissioned recently and the plant is now fully stabilized. During the current financial year & the previous financial, the plant operated at more than 100% capacity. With the accounting of feedstock subsidy, the net worth of the company has been significantly improved & the future projections are also healthy. Further there is no indication that the assets of the company require impairment testing as per IND AS 36. Accordingly, no impairment losses has been estimated and recognised in statement of Profit and Loses.

42. **COVID-19:** With the outbreak of COVID-19 in the month of December'19 & its rapid spread around the world resulted in lockdown in almost all parts of the world, which has severally impacted the oil & polymer prices. The Polymers prices were in continuous downward trend since January'20. The NRV of Finished Products in the Month of April'20 was lower than the cost of production & considering the prevailing market condition & company valuation policy, the Finished Goods Inventory has been valued at the NRV applicable in April'20. Since the cost of production was higher than the NRV of Finished Goods, the Raw Material inventory has been valued at the replacement Cost. The total impact in the statement of profit & loss in the current financial year is of ₹ 26.32 Cr. due to COVID-19.

    With the announcement of nation-wide lockdown, there was major disruption of logistics and supply chain. The transporters were finding it increasingly difficult to ply their trucks to lift the polymers of BCPL due to shortage in drivers. The sales volume in the month of March'20 dipped to 7232 MT as against 21992 MT in the month of February'20.

43. **Deferred Tax Liability:** On accounting of feedstock subsidy a large part of previously unadjusted amount of unabsorbed depreciation & business loss has been utilized to set off current year's profit resulting in reversal of available Deferred Tax Assets. Further, due to timing difference of depreciation available under Income Tax Act and Companies Act, Deferred Tax Liabilities (Net) has been created to the extent of ₹ 167.64 Cr. Accordingly, deferred tax expenditure has been accounted for to the extent of ₹ 339.79 Cr. for FY 2019-20, resulting in reversal of Deferred Tax Asset to the extent of ₹ 171.65 Cr.

44. **Provision for obsolescence**: A provision of ₹ 21.66 Cr has been provided in the current financial year towards obsolesce in the value of project surplus materials in line of adopted accounting policy where in 'Surplus/ Obsolete Stores and Spares are valued at cost or net realizable value whichever is lower'.

**45. CSR Expenditure**: The Company was incurring losses till the FY 17-18 and has started generating profit only from the FY 18-19, therefore the company has no obligation towards CSR expenditure as per the provisions of the law. However, as a measure of social welfare activities for development of areas in proximity of the plant, an amount of ₹ 0.09 Cr. (previous year ₹ 0.11 Cr.) has been spent during the current financial year.

REEP HAZARIKA
Digitally signed by REEP HAZARIKA
DN: c=IN, o=Personal, 2.5.4.20=47d787a5db39c84b8befed49c7f02a17fdb2267f2edeef1866b7787c6621b5d0, postalCode=786006, st=ASSAM, serialNumber=11004b04591c8456ab2ea56782a0a0f1fa8f8e5040a392eb77acce6c89a75556, cn=REEP HAZARIKA
Date: 2020.05.29 17:56:04 +05'30'

(Reep Hazarika)
Managing Director
DIN : 08667195

PRUTHIVI RAJ DASH
Digitally signed by PRUTHIVIRAJ DASH
DN: c=IN, o=Personal, postalCode=786007, st=Assam, 2.5.4.20=f6cbcd5bd9e1e5cc3a7e71cf746606e7ddfbcea422425bc65545cb0cf71378cf, serialNumber=4dfa714931b5fa86be57f9f5e55489a924acfba2c1871019f347655654782f22, cn=PRUTHIVIRAJ DASH
Date: 2020.05.29 17:53:54 +05'30'

(Pruthiviraj Dash)
Director Finance
DIN : 08253888

RULI DAS SEN
Digitally signed by RULI DAS SEN
DN: c=IN, o=Personal, postalCode=781005, st=Assam, 2.5.4.20=2d5bbc4b39fbab678b709825433594e71e91b81cafbaa6abebe9d6bb2f7f9655, serialNumber=eb19bb4f68a8a75aef4103aaa4a2f56d9f98e003c1a7b6e5297b3e6341bbbfe1, cn=RULI DAS SEN
Date: 2020.05.29 17:07:07 +05'30'

(Ruli Das Sen)
Company Secretary

As per our separate report on Even Date
For RKP Associates
Chartered Accountants,
FRN No. 322473E

RAVI KUMAR PATWA
Digitally signed by RAVI KUMAR PATWA
Date: 2020.05.29 20:33:29 +05'30'

(Ravi Kumar Patwa)
Partner
Membership No. 056409
UDIN : 20056409AAAAAB7924

Place: Dibrugarh / Guwahati / Silchar

Date: 29th May, 2020