BRAHMAPUTRA CRACKER AND POLYMER LIMITED
Annual Accounts: 2016-17

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

Annual Accounts: 2016-17

Contents:

BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

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

Email:- bsco.srp@gmail.com

☎: 0361- 2514362

INDEPENDENT AUDITOR'S REPORT

To

The Members

Brahmaputra Cracker and Polymer Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

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

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Emphasis of Matters

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

a) We draw attention to para 20(D) of Note 2 to the Ind AS financial statements regarding the status of Claims made against the Company, and that no claims has been acknowledged there against.

b) We draw attention to para 22 of Note 2 to the Ind AS financial statements relating to balance confirmations being sought from vendors, contractors and other authorities where balances were booked under loans and advances, debtors and creditors. Only 4 confirmations out of those requested by the management have been received by us.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

BHAWANI SHARMA & CO. Guwahati FRN:3[redacted] Chartered Accountants

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

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

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

h) With respect to the other matters required 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 Ind AS financial statements – Refer Para 20 of Note 2 to the Ind AS financial statements;

ii. the Company did not have any long term contracts including derivatives contracts for which there were 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;

iv. the Company has provided requisite disclosures in its Ind As financial statement as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Para 24 of Note 2 to the Ind AS financial statements.

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

BHAWANI SHARMA & CO. Guwahati FRN 314006E Chartered Accountants

Shailendra Sharma
Partner
Membership number: 058352

Place: Guwahati
Dated: 06/06/2017

ANNEXURE - A

The Annexure referred to in paragraph 1 of Independent Auditors' Report to the members of the **Brahmaputra Cracker and Polymer Limited** on the Ind AS financial statements for the year ended 31 March 2017, we report that:

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

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

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the 131 bigha of land for which process of obtaining land ownership document from Government of Assam is still under way pending necessary approval from Governments Authorities and also 59 bighas of Private Land of Railway Siding and 1464 bighas of Land of Lakwa unit, though they are in possession of the company but title deed is yet to be transferred.

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

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

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) We have been informed that, no cost records have been prescribed by the Central Government under section 148(1) of the Companies Act 2013 during the period under audit.

BHAWANI SHARMA & CO. Guwahati FRN:3140 Chartered Accountants

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 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 were no material dues of income tax, sales tax, duty of excise, duty of customs, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to information & explanations given to us, the Company had utilized the Term Loan obtained and loans were applied for the purpose for which it was taken. However, during the construction phase, company had invested the surplus fund in short term deposit(STDR) with bank with a view to reduce the cost of capital. However, subsequently the same are utilised for the stated objective.

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

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

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

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

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

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

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of 95289957 shares to GAIL (India) Ltd ,one of its promoters during the year.

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

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

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

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

Shailendra Sharma
Partner
Membership number:058352

Place: Guwahati
Dated: 06/06/2017

Branch Office :-6202/2, Block-1st Shiv Shakti Mansion, Dev Nagar, Karol Bagh, New Delhi – 110005
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ANNEXURE - B

The Annexure referred to in paragraph 2 (f) of Independent Auditor's Report to the members of the **Brahmaputra Cracker and Polymer Limited** on the financial statements for the year ended 31 March 2017,

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 and Polymer Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of 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 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.

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

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 March 31, 2017, 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.

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

Shailendra Sharma *(Partner)*
Membership number: 058352
Place: Guwahati
Dated: 06/06/2017

BHAWANI SHARMA & CO. Guwahati FRN.314006E Chartered Accountants

BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

Head Office: Near Sahida Market, S.S. Road Lakhtokia, Guwahati-1 ☏: 0361- 2514362 Email:- bsco.srp@gmail.com

ANNEXURE - C

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

The Annexure referred to in paragraph 2(g) in Independent Auditors' Report to the members of the **Brahmaputra Cracker and Polymer Limited** on the financial statements for the year ended 31 March 2017, we report that:

Sl. No.	Directions	Remarks
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively ? If not please state the area of freehold and leasehold land for which title/lease deeds are not available ?	The transfer of lease deed in the name of Company for 959 bighas of leased hold land and transfer of title deed for 505 bighas of Freehold land belongs to GAIL's Lakwa unit is pending as on the date of reporting due to non-execution of Assets Transfer Agreement. Further out of 3581 bighas acquired by company through Government of Assam, the periodic pattas were issued by concerned Authority of Govt of Assam except for Government land of 131 bighas and 59 bighas of private land (Railway siding)though entire land is in possession of Company.
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and amount involved.	There are no cases of waiver/ write off of debts/loans/interest etc during the Year.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	Proper records are maintained for inventories lying with third parties. However company has not received any assets as gift from Govt. or other authorities

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

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

Shaliendra Sharma
Partner
Membership number: 058352

Place: Guwahati
Dated: 06/06/2017

Branch Office :-6202/2, Block-1st Shiv Shakti Mansion, Dev Nagar, Karol Bagh, New Delhi – 110005
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Brahmaputra Cracker and Polymer Limited
Balance Sheet as at 31 March 2017

(₹ in lakh)

Particulars	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non Current Assets				
Property, Plant and Equipment	3	8,14,496.83	7,99,163.75	19,756.72
Capital work-in-progress	3	5.58	38,612.91	5,66,079.01
Other Intangible assets	4	1,631.08	913.45	853.79
Financial Assets				
Loans	5	2,046.52	761.97	676.11
Deferred tax assets	17	6,034.99	-648.07	-
Other Non Current Assets	7	51,919.66	72,389.81	2,55,661.34
Subtotal (A)		**8,76,134.66**	**9,11,193.82**	**8,43,026.97**
Current Assets				
Inventories	9	37,774.29	25,238.11	-
Financial Assets				
Trade Receivables	6	5,603.84	54.87	-
Cash and Cash Equivalents	8	3.93	2,611.10	11,477.69
Loans	5	95.32	123.39	409.94
Other Current Assets	7	29,980.67	23,368.31	18,390.09
Subtotal (B)		**73,458.05**	**51,395.78**	**30,277.72**
Total Assets (A+B)		**9,49,592.71**	**9,62,589.60**	**8,73,304.69**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	10	1,40,280.30	1,17,371.01	1,17,371.01
Other Equity	11	-82,284.93	-27,525.16	-270.57
Subtotal (C)		**57,995.37**	**89,845.85**	**1,17,100.44**
LIABILITIES				
Non Current Liabilities				
Financial Liabilities				
Borrowings	12	2,82,149.72	2,80,496.82	2,11,428.31
Other Financial Liabilities	14	-	-	-
Provisions	15	430.50	270.55	189.65
Other Non Current Liabilities	16	4,26,790.00	4,45,550.00	4,64,310.00
Subtotal (D)		**7,09,370.22**	**7,26,317.37**	**6,75,927.96**
Current Liabilities				
Financial Liabilities				
Borrowings	12	43,474.77	18,034.14	459.52
Trade payables	13	38,958.95	12,685.33	
Other Current Financial Liabilities	14	43,654.11	51,200.28	42,370.19
Other Current Liabilities	16	20,148.43	20,448.48	6,117.93
Provisions	15	35,990.86	44,058.15	31,328.65
Subtotal (E)		**1,82,227.12**	**1,46,426.38**	**80,276.29**
Total Equity and Liabilities (C+D+E)		**9,49,592.71**	**9,62,589.60**	**8,73,304.69**
Accounting Policy	1			
Notes to the financial statements	2			

(A K Singh)
Managing Director

(O P Tailor)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

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

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

(Shailendra Sharma)
Partner
Mem No.058352

Place: New Delhi
Date: 06.06.2017

Brahmaputra Cracker and Polymer Limited
Statement of Profit and Loss for the year ended 31 March, 2017

(₹ in lakh)

	Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
I.	**Revenue from operations**	18	77,849.11	192.44
II.	**Other income**	19	19,459.24	4,781.78
III.	**Total Revenue (I + II)**		**97,308.35**	**4,974.22**
IV.	**EXPENSES**			
	Excise Duty on sale of goods		9,110.46	22.99
	Cost of raw material and components consumed	20	60,316.80	10,477.91
	Employee benefits expenses	21	7,664.93	2,085.62
	Depreciation and amortization expense	22	35,168.08	8,427.94
	Finance costs	23	30,276.87	6,860.83
	Other expenses	24	15,965.17	3,032.81
	Amortization of Preliminary and Other Expenses		-	668.04
	Total expenses (IV)		**1,58,502.31**	**31,576.14**
V.	**Profit/(loss) before Tax (III-IV)**		-61,193.96	-26,601.92
VI	**Tax expense:**			
	Current tax		221.38	-
	Deferred Tax		-6,674.56	649.50
VII.	**Profit/(Loss) for the period (V - VI)**		**-54,740.78**	**-27,251.42**
	Other Comprehensive income			
VIII.	**Items that maybe reclassified to profit or loss**			
	Exchange differences on translation of foreign operations		-	-
	Changes in fair value of FVOCI debt instruments		-	-
	Income tax relating to these items		-	-
			-	-
IX.	**Items that will not be reclassified to profit or loss**			
	Changes in fair value of FVOCI equity instruments		-	-
	Remeasurement of post-employment benefit obligations		-27.49	-4.61
	Income tax relating to these items		8.50	1.42
			-18.99	-3.19
X	**Other comprehensive income net of tax (VIII + IX)**		**-18.99**	**-3.19**
XI	**Total comprehensive income (VII + X)**		**-54,759.77**	**-27,254.61**
XII.	Earnings per equity share:(in ₹)			
	Basic		4.10	2.34
	Diluted		4.10	2.34

(A K Singh)
Managing Director

(O P Tailor)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

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

BHAWANI SHARMA & CO. Guwahati FRN:314006E Chartered Accountants

(Shailendra Sharma)
Partner
Mem No.058352

Place :
Date :

Brahmaputra Cracker and Polymer Limited

Statement of Changes in Equity for the period ended 31 March 2017

(a) Equity Share Capital	Amount	Amount
	Number (in lakh)	₹ in lakh
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2015	11,737.10	117,371.01
Issue of share capital	-	-
As at 31 March 2016	11,737.10	117,371.01
Issue of share capital	2,290.93	22,909.29
As at 31 March 2017	14,028.03	140,280.30

For the year ended 31 March 2017:

(₹ in lakh)

Attributable to the equity shareholders			
	Retained earnings	Other comprehensive income	Total
As at 1 April 2015	-270.56	-	-270.56
Profit for the period	-27,251.42	-3.19	-27,254.61
As at 31 March 2016	**-27,521.98**	**-3.19**	**-27,525.17**
Profit for the period	-54,740.78	-18.99	-54,759.77
As at 31 March 2017	**-82,262.76**	**-22.18**	**-82,284.94**

BHAWANI SHARMA & CO.
Guwahati
FRN:314006E
Chartered Accountants

Brahmaputra Cracker and Polymer Limited

Note 3: Property, plant and equipment

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

(₹ in lakh)

Cost/ Valuation	Leasehold Land	Freehold Land	Building - Other than factory building	Building - Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F& F and Other Equipment	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 1 April 2015	7,109.34	-	16,137.12	-	-	1.96	-	890.77	2,194.79	238.57	293.51	566,988.55	26,866.06
Additions	19,923.91	387.47	5,391.90	27,820.09	28,109.34	-	716,209.40	8,978.05	842.07	12.91	50.24	-	807,725.38
Transferred on Business purchase	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-92.63	-	-	-	-	-	-1.71	-	-	-	-94.34
Other	-	-	-	-	-	-	-	-	-	-	-	-528,375.64	-
At 31 March 2016	27,033.25	387.47	21,436.39	27,820.09	28,109.34	1.96	716,209.40	9,868.82	3,035.15	251.48	343.75	38,612.91	834,497.10
Additions	-	-	385.24	450.54	-	-	47,631.20	88.94	97.21	937.75	3.20	-	49,594.08
Transferred on Business purchase	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-27,033.25	-	-	-	-	-	-	-	-	-	-	-38,607.33	-27,033.25
At 31 March 2017	-	387.47	21,821.63	28,270.63	28,109.34	1.96	763,840.60	9,957.76	3,132.36	1,189.23	346.95	5.58	857,057.93

Depreciation and impairment	Leasehold Land	Freehold Land	Building - Other than	Building - Plant	Roads, Bridges &	Bunk Houses	Plant & Machinery	F& F and Other	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 1 April 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	509.10	-	377.18	243.68	1,150.96	1.62	6,584.60	491.10	460.93	99.87	53.27	-	9,972.31
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-4.10	-	-	-	-	-	-	-	-	-	-4.10
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-0.13	-	-	-	-0.13
At 31 March 2016	509.10	-	373.08	243.68	1,150.96	1.62	6,584.60	491.10	460.80	99.87	53.27	-	9,968.08
Depreciation expense	-	-	840.18	986.29	2,908.77	-	28,069.88	937.22	502.17	262.81	115.83	-	34,623.15
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-509.10	-	-	-	-	-	-	-	-	-	-	-	-509.10
At 31 March 2017	-	-	1,213.25	1,229.98	4,059.73	1.62	34,654.48	1,428.32	962.97	362.69	169.09	-	44,082.13

Net Book value	Leasehold Land	Freehold Land	Building - Other than	Building - Plant	Roads, Bridges &	Bunk Houses	Plant & Machinery	F& F and Other	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 1 April 2015 (As per Indian GAAP)	7,109.34	-	16,137.12	-	-	1.96	-	890.77	2,194.79	238.57	293.51	566,988.55	26,866.06
Ind AS Adjustments (as at 1 April 2015)	-7,109.34	-	-	-	-	-	-	-	-	-	-	-909.54	-7,109.34
At 1 April 2015 (As per Ind AS)	-	-	16,137.12	-	-	1.96	-	890.77	2,194.79	238.57	293.51	566,079.01	19,756.72
At 31 March 2016 (As per Indian GAAP)	26,524.15	387.47	21,063.31	27,576.40	26,958.38	0.34	709,624.80	9,377.72	2,574.35	151.62	290.48	38,612.91	824,529.01
Ind AS Adjustments (as at 31 March 2016)	-26,524.15	-	-20.26	-	-	-	1,181.60	-0.08	-0.21	-2.16	-	-	-25,365.26
At 31 March 2016 (As per Ind AS)	-	387.47	21,043.05	27,576.40	26,958.38	0.34	710,806.40	9,377.64	2,574.14	149.45	290.48	38,612.91	799,163.75
At 31 March 2017 (As per Indian GAAP)	-	387.47	20,608.37	27,040.65	24,049.61	0.34	729,186.12	8,529.44	2,169.39	826.55	177.85	5.58	812,975.80
Ind AS Adjustments (as at 31 March 2017)		-	-20.26	-	-	-	1,543.75	-0.08	-0.21	-2.16	-		1,521.03
At 31 March 2017 (As per Ind AS)	-	387.47	20,588.11	27,040.65	24,049.61	0.34	730,729.87	8,529.36	2,169.18	824.38	177.85	5.58	814,496.83

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Note 4: Intangible Assets

(₹ in lakh)

Cost	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
At 1 April 2015	27.76	821.64	4.39	**853.79**
Additions	21.69	55.43	-	**77.12**
Capitalised internal development costs	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Transfer to held for sale	-	-	-	-
Disposals	-2.40	-	-	**-2.40**
Exchange adjustments	-	-	-	-
Others	-	-	-	-
At 31 March 2016	**47.05**	**877.07**	**4.39**	**928.51**
Additions	912.81	-	-	**912.81**
Capitalised internal development costs	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Transfer to held for sale	-	-	-	-
Disposals	-	-	-	-
Exchange adjustments	-	-	-	-
Others	-	-	-	-
At 31 March 2017	**959.86**	**877.07**	**4.39**	**1,841.32**

(₹ in lakh)

Accumulated amortization and impairment	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
At 1 April 2015	-	-	-	-
Amortization expense	16.58	9.19	0.88	**26.65**
Impairment losses	-	-	-	-
Reversals of Impairment losses	-	-	-	-
Transfer to held for sale	-	-	-	-
Disposals	-2.40	-	-	**-2.40**
Exchange adjustments	-	-	-	-
Others	-	-	-	-
At 31 March 2016	**14.18**	**9.19**	**0.88**	**24.25**
Additions	194.30	-	**0.88**	**195.18**
Capitalised internal development costs	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Transfer to held for sale	-	-	-	-
Disposals	-	-	-	-
Exchange adjustments	-	-	-	-
Others	-	-	-	-
At 31 March 2017	**208.48**	**9.19**	**1.76**	**219.43**

(₹ in lakh)

Net book value	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
At 1 April 2015 (As per Indian GAAP)	27.76	821.64	4.39	853.79
Ind AS Adjustments (as at 1 April 2015)	-	-	-	-
At 1 April 2015 (As per Ind AS)	**27.76**	**821.64**	**4.39**	**853.79**
At 31 March 2016 (As per Indian GAAP)	**32.87**	**867.88**	**3.51**	**904.26**
Ind AS Adjustments (as at 31 March 2016)		**9.19**		**9.19**
At 31 March 2016 (As per Ind AS)	**32.87**	**877.07**	**3.51**	**913.45**
At 31 March 2017 (As per Indian GAAP)	**751.38**	**867.88**	**2.63**	**1,621.89**
Ind AS Adjustments (as at 31 March 2017)		**9.19**		**9.19**
At 31 March 2017 (As per Ind AS)	**751.38**	**877.07**	**2.63**	**1,631.08**

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Brahmaputra Cracker and Polymer Limited

Note 5: Financial assets

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Loans			
Security Deposit Paid	2,046.52	761.97	679.72
Interest accrued but not due	79.89	112.03	393.75
Loans and advances to employees	15.43	9.33	10.55
Term deposits exceeding 12 months	-	2.03	2.03
Total loans	**2,141.84**	**885.36**	**1,086.05**
Current	95.32	123.39	409.94
Non-Current	2,046.52	761.97	676.11
	2,141.84	**885.36**	**1,086.05**

Note 6: Trade receivables

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Trade receivables	5,603.84	54.87	-
Total Trade receivable	**5,603.84**	**54.87**	-
Current	**5,603.84**	**54.87**	-
Non-current	-	-	-
	5,603.84	**54.87**	-

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Note 7: Other non financial assets

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Unsecured (Considered good):			
Advance income tax	2.86	2.86	808.02
		-	-
Balance with Government Authorities		-	-
CENVAT Credit Receivable	48,452.40	18,311.25	12,264.00
TDS	548.97	527.99	929.77
Vat credit receivable	-	34,751.50	38,928.60
Advance Entry Tax	-	-	6.01
		-	-
Claims recoverables		-	-
Contractors	-	20.04	21.95
Insurance	1,016.24	1,636.46	234.33
Suppliers	-	-	-
Employees	-	-	-
		-	-
Other advances recoverable in cash or in kind	722.96	1,045.44	1,917.47
		-	-
Capital advances:	-	11,322.22	209,406.23
		-	-
Advances to suppliers/contractors:	4,954.37	940.14	1,030.95
		-	-
Prepayments		-	-
Pre-paid expenses	602.52	676.07	1,394.76
Pre-paid Lease Rent	25,600.02	26,524.15	7,109.34
Total	**81,900.33**	**95,758.12**	**274,051.43**
Current	29,980.67	23,368.31	18,390.09
Non current	51,919.66	72,389.81	255,661.34
	81,900.33	**95,758.12**	**274,051.43**

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Brahmaputra Cracker and Polymer Limited

Note 8: Cash and Cash Equivalents

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Balances with banks:			
— On current accounts	3.93	1,384.72	8,377.69
— Deposits with original maturity of less than three months	-	1,226.38	3,100.00
Cash on hand	-	-	-
Cheques/drafts on hand	-	-	-
	3.93	**2,611.10**	**11,477.69**

Note 9: Inventories

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(a) Raw materials , Stores , Spares and others		-	-
Raw Materials & other Consumables	576.44	565.71	-
Stores & Spares	21,245.19	18,449.89	-
(b) Semi Finished Goods/By products	-	-	-
Semi Process Stock	2,290.99	3,466.52	-
By Products	305.99	306.50	-
(c) Finished Goods	-	-	-
LLDPE	7,041.44	2,160.03	-
HDPE	2,024.50	0.06	-
PP	2,620.79	0.03	-
Excise duty on Finished Goods	1,668.95	289.37	-
	-		
Total	**37,774.29**	**25,238.11**	-

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Note 10: Equity share capital

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Share capital			
Authorised			
2,00,00,00,000 Equity Shares of Rs. 10 each	200,000.00	200,000.00	200,000.00
(Previous year 2,00,00,00,000 Equity shares of Rs. 10 each)			
	200,000.00	**200,000.00**	**200,000.00**
Issued, subscribed and fully paid up			
1,40,28,03,010 Equity shares of Rs. 10 each	140,280.30	117,371.01	117,371.01
(Previous year 1,17,37,10,113 Equity shares of Rs. 10 each)			
	140,280.30	**117,371.01**	**117,371.01**

Note 11: Other equity

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Other equity:			
Retained earnings	-82,284.93	-27,525.16	-270.57
Other reserves:		-	-
- Capital reserves	-	-	-
Less: Transfer to statement of profit and loss			
	-	-	-
Total	**-82,284.93**	**-27,525.16**	**-270.57**

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Brahmaputra Cracker and Polymer Limited

Note 12: Borrowings

(₹ in lakh)

Particulars	Effective Interest Rate	Maturity	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Secured					
Term loans:					
- Loan from State Bank of India	SBI 1yr MCLR plus 0.45%	5/31/2024	165,719.85	166,353.95	103,190.81
- Axis Bank Term Loan			-	7,500.00	-
- Tata Capital FSL Term Loan			-	7,500.00	-
- Cash Credit from State Bank of India	SBI 1yr MCLR plus 0.25%		18,444.70	3,033.33	-
- SBI Short term loan	SBI 1yr MCLR plus 0.15%		25,000.00	-	-
- SBI CAG Branch			30.07	-	-
- Bank overdrafts			-	0.81	459.52
				-	-
From Other Parties :				-	-
- Oil Industry Development Board		12/31/2022	116,429.88	104,767.87	86,362.50
Oil India Limited	SBI rate plus 0.50%	2/21/2017	-	9,375.00	21,875.00
				-	-
Total			**325,624.50**	**298,530.96**	**211,887.83**
Total Non Current Borrowings			**282,149.73**	**280,496.82**	**211,428.31**
Total Current Borrowings			**43,474.77**	**18,034.14**	**459.52**

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Brahmaputra Cracker and Polymer Limited

Note 13 - Trade Payables

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Trade payables			
Due to others:	38,848.61	12,674.84	-
Transporters	110.35	10.49	-
		-	-
Total	**38,958.96**	**12,685.33**	-
Current	38,958.96	12,685.33	-
Non-current	-	-	-
Total	**38,958.96**	**12,685.33**	-

Note 14: Financial Liabilities

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Financial liabilities at amortised cost			
Deposits/Retention Money from Contractors and others	9,607.58	7,345.48	6,635.50
Price reduction schedule	9,955.16	11,294.70	12,430.52
Earnest money deposit	141.66	203.85	142.39
Security Deposit	2,353.52	1,087.35	563.77
Payable to Employees	41.40	7.27	27.08
Other payables- Money due from Assam Govt	-	14.97	14.97
Payable to GAIL for Lakwa Assets	-	9,631.55	-
Payable for Capital Expenditure	5,504.79	7,027.48	12,218.46
Current maturities of long term debt:		-	-
- Oil Industry Development Board	12,650.00	11,394.63	7,212.50
- Oil India Limited	-	3,193.00	3,125.00
- State Bank of India	3,400.00	-	-
Total other financial liabilities at amortised cost	**43,654.11**	**51,200.28**	**42,370.19**
Total other financial liabilities	**43,654.11**	**51,200.28**	**42,370.19**
Current	**43,654.11**	**51,200.28**	**42,370.19**
Non current	-	-	-

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Brahmaputra Cracker and Polymer Limited

Note 15: Provisions

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Provisions			
Provision for employee benefits	420.10	273.48	194.16
Provision for gratuity	14.50	-	-
Provision for Income Tax	1,299.88	1,214.01	2,678.43
Provision for Liability (Contractors)	30,891.35	35,406.27	26,456.93
Provision for Custom duty	-	-	20.33
Provision for Excise duty	1,668.95	289.37	-
Provision for Suppliers	-	2,015.11	1,067.46
Others	2,126.58	5,130.46	1,100.99
Total	**36,421.36**	**44,328.70**	**31,518.30**
Current	35,990.86	44,058.15	31,328.65
Non- Current	430.50	270.55	189.65
	36,421.36	**44,328.70**	**31,518.30**

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Brahmaputra Cracker and Polymer Limited

Note 16: Non Financial Liabilities

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Other non financial liabilities			
Government Grants	445,550.00	464,310.00	469,000.00
Tax (VAT, ST, TDS & WCT)	536.64	1,460.37	1,394.26
Others	298.34	227.90	33.67
Advance from customers	553.45	0.21	-
Total	**446,938.43**	**465,998.48**	**470,427.93**
Current	20,148.43	20,448.48	6,117.93
Non current	426,790.00	445,550.00	464,310.00
	446,938.43	**465,998.48**	**470,427.93**

Note 17: Deferred taxation

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deferred tax asset/ liability	6,034.99	-648.07	-
Deferred tax assets/liabilities-net	**6,034.99**	**-648.07**	**-**

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Brahmaputra Cracker and Polymer Limited

Note 18: Revenue from operations

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Sale of products (including excise duty)		
(a) Sale of HDPE/LLDPE	69,474.76	176.31
(b) Sale of Polypropelene	9,427.97	9.21
(c) Sale of HPG ,CBFS,Slop Oil,etc.	2,769.32	6.92
Total sale of products	**81,672.05**	**192.44**
Sale/ rendering of services	-	-
Less: Discount on Sales	3,822.94	-
Total	**77,849.11**	**192.44**

Note 19: Other Income

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Other non-operating Income:		
Interest on FDR's	122.37	74.83
Other Interest	84.05	-
Government grants	18,760.00	4,690.00
Recoveries from Vendors/Customers	-	2.47
Recoveries from Employees	57.34	14.48
Misc.Receipts	435.48	-
	19,459.24	**4,781.78**

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Brahmaputra Cracker and Polymer Limited

Note 20: Cost of raw material and components consumed

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Raw materials consumed	69,222.68	13,574.52
Inventory at the beginning of the year	-	3,125.90
Add: Purchases of Stock-in-Trade	-	-
Less: Inventory at the end of the year	-8,905.88	-6,222.51
	60,316.80	**10,477.91**

Note 21: Employee Benefit Expenses

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Salary, Wages and Allowances	4,447.43	1,248.09
Contribution to Provident and other Funds	511.90	206.87
Welfare Expenses	863.22	76.83
Secondment charges	1,842.38	553.83
	7,664.93	**2,085.62**

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Brahmaputra Cracker and Polymer Limited

Note 22: Depreciation and amortization expense

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Depreciation and Amortization Expenses	35,168.08	10,049.21
Less: Transferred to IEDC	-	-1,621.27
	35,168.08	**8,427.94**

Note 23: Finance cost

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Interest on Term Loans from Banks	16,228.45	4,098.25
Interest on Loans from Other Institutions	9,518.80	2,320.14
Interest on Loans from Promoters	819.99	315.85
Recoveries from Vendors/Customers	-	-
Other Bborrowing Costs(Commitment and other Finance Charges)	3,709.63	126.59
		-
	30,276.87	**6,860.83**

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Note 24: Other Expenses

(₹ in lakh)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Power, Fuel and Water Charges:	-	-
Power and Water charges	1,060.08	220.57
Gas used as fuel	-	-
Repairs and Maintenance:	-	-
Plant and Machinery	2,124.34	654.58
Building	215.53	211.61
Others	597.73	171.32
Insurance	1,887.98	3.08
Communication expenses	46.55	15.86
Printing and Stationery	20.69	1.17
Travelling Expenses	156.77	33.68
Books and Periodicals	3.62	-
Advertisenement and Publicity	76.88	118.95
Payment to Auditors:	-	-
Audit Fess	4.00	2.00
Tax audit fees	0.45	-
Company Law Matters	-	-
Management services	1.13	-
Travelling and Out of Pocket Expenses	1.44	0.35
Entertainment Exp	24.85	9.87
Recruitment and Trainning Expenses	48.52	139.70
Vehicle Hire and running Expenses	329.64	118.69
Rent Rates &Taxres	1,011.11	26.17
Lease charges	-	-
Survey Charges	-	-
Consultancy Charges	42.39	4.68
Legal and Professional Charges	121.23	0.69
Dataprocessing expenses	95.93	0.46
Donations	6.00	-
R&D Expenses	-	-
Directors sitting fees	1.62	-
Loss on Sale/Writeoff of assets	-	-
Bad debt/Claims/Advances/Inventories written off	-	-
Provision for Bad debt/Claims/Advances and obsolesenecs of Stores and capital items	-	-
Excise duty on Stocks(Net)	1,668.95	289.37
Expenses on enabling Facilities	-	-
Selling and Distribution Expenses	104.64	5.37
Commission on Sales	1,983.22	-
Dealers Commission	-	-
Security Expenses	2,373.60	462.29
CSR expenses	42.74	31.21
Net loss on Foreign currency Transaction and Translation	167.50	140.27
Other Expenses	1,746.04	370.87
	15,965.17	**3,032.81**

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BRAHMAPUTRA CRACKER AND POLYMER LIMITED

NOTE 2: NOTES TO THE FINANCIAL STATEMENTS

1. As per notification issued by Ministry of Company Affairs, Government of India, the Company is covered in Phase I of roadmap for financial reporting under Ind-As. Accordingly, the financial statements for the year ended 31 March 2017 are the first, the Company has prepared in accordance with Ind-AS. For all the years since inception 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).

2. During the year the Company has received approval for its revised project cost of ₹996,500.00 lakh along with funding pattern for the enhanced cost of ₹104,500.00 Lakh. Based on the approved funding pattern from Government of India (GOI), the Company has received equity contribution from its promoters except from Govt. of Assam to the tune of ₹1,486.70 lakh. The Company has submitted its requirement to Administrative Ministry for release of entire Capital Subsidy as part of funding pattern approved, however, Government of India has sanctioned ₹10,000.00 lakh in the budget allocation which will be released in the FY 2017-18 and balance is expected to be allocated in the RE for FY 2017-18 or BE 2018-19. The debt component of the approved funding pattern will be drawn only either after complete drawl of equity and capital subsidy or based on the requirement. The proposal has also been submitted for revenue subsidy of ₹67,878.00 lakh (provisional) for the initial period since 2nd January, 2016 till 31st March, 2017 to meet the cash losses incurred on account of reasons beyond control of the Company viz. stabilization period after commissioning and feed stock constraints.

3. The Company has commissioned its GSU and C2+recovery Unit at Lakwa, Dist.: Shivsagar,Assam on 4th December, 2016 and accordingly, the expenditure on modification and acquisition cost of plant assets from GAIL, total amounting to ₹34,419.31 lakh (Previous year ₹21,653.51 lakh considered under capital work-in-progress) has been capitalized.

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4. The infrastructure cost reimbursable to M/s. ONGC amounting to ₹10,715.47 lakh (Previous year ₹10,715.47 lakh accounted as Capital work in Progress) has been allocated to respective plant & machinery of GSU and C2+ recovery unit at Lakwa proportionately.

5. Incidental Expenditure during construction period (IEDC) amounting to ₹ 17,471.83 lakh (Previous year ₹ 6,346.28 lakh) to the extent related to the assets of Lakwa Unit has been allocated proportionately to those assets.

6. 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 resulting credit of ₹18,760.00 lakh to Statement of Profit and Loss for the FY 2016-17 (previous year ₹4,690.00 lakh considering three months operation period in FY 2015-16).

7. The process and offsite stock at the yearend has been valued at lower of weighted average cost or net realizable price based on percentage completion method as per technical assessment.

8. As per long term agreement with M/s. Oil India Limited (one of the promoter) for supply of Natural Gas (feedstock) for 15 years, the Company is in process of ascertaining the amount adjustable towards short supply of Natural Gas in quantity and quality through a Joint Committee of both Companies. On finalization of the amount, the Company will carry out necessary adjustment in the accounts in subsequent year.

9. **Insurance.**

   Insurance claim of ₹ 149.02 Lakh (Previous year ₹ 1,443.98 Lakh) has been recognized in the books. Insurance claims are being recognized when the amount thereof can be measured reliably and ultimate collection is reasonably certain by reducing from the respective CWIPs/assets/expenses.

10. In view of recommendation of 3rd Pay Revision Committee for revision of pay & other benefits for Board and below Board level officers of Central Public Sector enterprises, which, on approval of Government of India, will be retrospectively effective from 01.01.2017, an amount of ₹ 241.30 Lakh has been estimated for such revision considering three months impact and provided in the accounts.

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

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

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

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

iv. In compliance to the Board's approval in 41st meeting, the Company has created Employees Superannuation Benefit Trust and adopted Employees group Superannuation benefit scheme of Life Insurance Corporation of India Limited (LIC) in the financial year 2013-14. An amount of ₹ 339.34 lakh contributed towards the scheme and has been accounted as "Deposit with LIC" and shown as other advances recoverable under "Other non-financial Assets". The proposal in this respect submitted to Administrative Ministry for approval of the scheme in line with the DPE guideline. After approval necessary accounting shall be done including providing contribution to the fund.

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

a. Net employee benefit expense (recognized in employee cost) for the year ended 31st March, 2017.

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	90.31	65.62	66.75	92.72
Net Interest Cost	-2.55	-6.12	16.25	11.90
Actuarial Gain/loss	-	-	177.07	65.43
Total expenses included in employee benefit expense	87.76	59.50	260.07	170.05

b. Amount recognized in Other Comprehensive Income for the year ended 31st March, 2017

₹ in Lakh

Particulars	Gratuity	
	2016-17	2015-16
Actuarial (gain)/ loss on obligations	24.68	2.44
Return on plan assets (excluding amounts included in net interest expense)	-2.80	-2.18
Experience adjustments	5.61	4.35
Recognized in other comprehensive income	27.49	4.61

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c. Changes in the present value of the defined benefit obligation for the year ended 31st March, 2017 and 31st March, 2016 are as follows:

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
Current service cost	90.31	65.63	66.75	92.72
Interest cost	16.39	11.39	16.26	11.90
Transfer In	0	0	0	0
Benefits paid	6.62	0	13.94	90.73
Actuarial (gain)/ loss on obligations	24.69	2.43	177.07	65.43
Defined benefit obligation	346.65	221.88	399.46	260.79

d. Changes in the fair value of plan assets for the year ended 31st March, 2017 and 31st March, 2016 are as follows:

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
Interest income	18.94	17.51	0	0
Return on plan assets (excluding amounts included in net interest expense) – OCI	-2.80	-2.18	0	0
Contribution by Employer	0	17.51	0	0
Benefits paid	6.62	0	0	0
Service cost (Transfer in)	0	0	0	0
Closing fair value of plan assets	346.65	221.88	0	0

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

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
LIC Fund	262.07	252.56	-	-
Insurer managed funds	-	-	-	-

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

Particulars	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
Discount rate (in %)	7.50	8.00	7.50	8.00
Salary Escalation(in %)	6.00	6.00	6.00	6.00
Rate of employee turnover (in %)	4.47	3.03	4.47	3.03
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

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g. A quantitative sensitivity analysis for significant assumption as at 31st March 2017 is as shown below:

₹ in Lakh

Gratuity Plan	31-Mar-17		31-Mar-17	
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)	313.70	383.90	374.21	319.96

₹ in Lakh

Gratuity Plan	31-Mar-16		31-Mar-16	
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)	200.35	246.29	240.75	202.32

₹ in Lakh

Leave encashment	31-Mar-17		31-Mar-17	
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)	381.37	463.88	464.09	380.91

₹ in Lakh

Leave encashment	31-Mar-16		31-Mar-16	
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)	247.95	302.38	302.64	247.54

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

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
Within the next 12 months (next annual reporting period)	3.25	2.19	4.19	3.05
Between 2 and 5 years	20.39	13.60	38.59	23.91
Between 5 and 10 years	60.18	27.48	70.60	40.06
Beyond 10 years	1,818.45	1,477.11	2,101.84	1,730.60
Total expected payments	1,902.27	1,520.38	2,215.22	1,797.62

i. The average duration of the defined benefit plan obligation at the end of the reporting period is 27 years (31 March 2016: 29 years).

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j. History of experience adjustment is as follows:

₹ in Lakh

Particulars	Gratuity				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Present value of obligation	346.65	221.88	142.43	NA	NA
Plan assets	262.07	252.56	218.93	NA	NA
Experience adjustments	-8.26	2.43	NA	NA	NA

₹ in Lakh

Particulars	Leave encashment				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Present value of obligation	420.10	273.48	194.16	NA	NA
Plan assets	0	0	0		
Experience adjustments	73.82	65.43	NA	NA	NA

12. Claim of Work Contract Tax from Govt. of Assam

₹ in Lakh

Details of claim as under	Current Year	Previous Year
Opening Claim as on 01.04.2016	993.94	1,875.77
Claim lodged for the financial year 2016-17	300.23	993.94
Total Claim Lodged:	1,294.17	2,869.71
Less: Received during the year	994.00	1,876.00
(Add) / Less: Claim adjusted/reversed	(0.06)	(0.23)
Receivable as at 31.03.2017	300.23	993.94

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

During the period from inception till 02.01.2016, the company was in construction stage. Accordingly, the interest income earned by parking of funds in short term deposits (STDRs) are inextricably linked with setting up of the project and not taxable as per legal opinion obtained by Company. The banks were, however, deducting TDS. An application under section 264 of Income Tax Act 1961 has been filed with CIT (TDS), Guwahati against rejection of application in Form No. 13 for issue of No-Deduction Certificate.

In the light of above position, company has opted not to deposit advance tax on interest income from short term deposits out of parking of funds from Equity, Loan & Subsidy till commissioning of the project. However, as an abundant precaution, necessary tax provisions have been made pending disposal of the petitions.

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The Company has filed refund claim against the TDS deducted by banks and tax deposited earlier. The cases are pending with CIT (Appeal), Shillong and ITAT, Kolkata.

The year wise tax provision and refund claimed pending are furnished hereunder.

₹ in Lakh

F Yr	Adv. Tax	Provision	Refund Claimed	Refund Allowed	Demand	Adjusted	Net Paid	O/S As on 31.03.2017
2008-09	90.64	317.53	277.13	317.61	319.23	129.34	189.89	-
2009-10	123.67	162.77	185.09	129.34	194.49	-	194.49	-
2010-11	120.60	180.32	109.91	117.74	183.95	160.00	22.95	-
2011-12	32.37	404.23	142.86	160.00	463.31	247.01	216.30	-
2012-13	2.86	717.09	221.53	247.01	834.12	-	834.12	-
2013-14	-	1,211.82	295.95	-	922.41	-	138.36	784.05
2014-15	-	223.58	99.00	-	-	-	-	-
2015-16	-	-	477.48	-	-	-	-	-

14. **Income Tax**

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

₹ in Lakh

Statement of profit or loss	31-Mar-17	31-Mar-16
Current income tax:		
Current income tax charge	221.38	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:	-	-
Relating to origination and reversal of temporary differences	-6674.57	649.50
Tax expense	-6453.19	649.50

b) Income tax related recognized in other comprehensive income:

₹ in Lakh

Other Comprehensive Income	31-Mar-17	31-Mar-16
Net loss/ (gain) on re-measurements of defined benefit plans	-8.49	-1.42
Income tax charged to OCI	-8.49	-1.42

Deferred tax liability/assets have been recognized after considering the adjustment of capital subsidy against gross assets as per Income tax Act and Rules, regulations applicable there under and in respect of unabsorbed depreciation as they may be used to offset taxable profits in future of the Company. The Company has considered all available positive and negative evidences, including future reversals of existing taxable temporary differences, tax-planning strategies, and results of recent operations.

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15. Recognition of Cenvat Benefit

CENVAT credit up to 31.03.2017 as per return filed with Excise Department comes to₹47,894.07 lakh (Previous year ₹50,522.01 lakh) which has been reconciled with the CENVAT credit Account reflected in books of accounts. The difference of ₹558.33 lakh is deferred credit portion of CENVAT, (previous year ₹1,287.88 lakh) which will be recognized during next FY 2017-18. During the FY 2016-17, ₹9,703.16 lakh (Previous year ₹22.99 lakh) has been utilized out of available credit.

16. Financial risk management :

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

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

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

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

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

Market Risk

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

iv. Market Risk - Interest rate risk

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

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b. Interest rate sensitivity

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

₹ in Lakh

Particulars	Increase/decrease in basis points	Effect on profit before tax
31 March 2017		
SBI Loan	+100	-2,133.45
	-100	+2,133.45
31 March 2016		
SBI Loan	+100	-1,702.33
	-100	+1,702.33
Axis Loan	+100	-75.00
	-100	+75.00
Tata Capital	+100	-75.00
	-100	+75.00

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

The Company transacts business in local currency and in foreign currency, primarily U.S. dollars, Euros & Japanese Yen mainly for import of catalysts & chemicals and spares for its imported equipments 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.

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₹ in Lakh

Particulars	Change in currency exchange rates	Effect on profit before tax
For the year ended March 31, 2017		
US Dollar	+3%	-28.99
	-3%	+28.99
EURO	+6%	-2.07
	-6%	+2.07
Japanese yen	+7%	-44.72
	-7%	+44.72
For the year ended March 31, 2016		
US Dollar	+1%	-14.75
	-1%	+14.75
EURO	+4%	-47.19
	-4%	+47.19
Japanese yen	+8%	Nil
	-8%	Nil

vi. Equity price risk

The Company does not have any equity risk.

vii. Liquidity risk:

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

Liquidity risk - Maturity profile

₹ in Lakh

As at 31 March 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	18,445	3,470	37,580	150,592	132,338	342,425
Interest payable	-	6,925	20,203	82,434	25,898	134,260
Trade and other payables	38,959	-	-	-	-	38,959
Other financial liabilities	5,688	2,192	19,725		-	27,605
Other specify	-	-	-	-	-	-

₹ in Lakh

As at 31 March 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	3,033	1,875	27,713	103,086	178,257	313,964
Interest Payable	-	7,036	20,789	86,215	39,208	153,249
Trade and other payables	12,686	-	-	-	-	12,686
Other financial liabilities	734	1,651	6,946	27,282	-	36,613
Other – specify	-	-	-	-	-	-

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₹ in Lakh

As at 1 April 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	1,875	8,463	72,186	140,151	222,675
Interest Payable	-	5,280	15,714	65,636	36,670	123,300
Trade and other payables	-	-	-	-	-	-
Other financial liabilities	1,391	2,500	8,609	19,532	-	32,032
Other - specify	-	-	-	-	-	-

viii. Credit risk

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

Trade receivables

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

Financial Instruments and Cash Deposits

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

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

₹ in Lakh

Particulars	Neither past due not impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of 31 March 2017	5,603.84	5,603.84	-	-	-	5,603.84
Trade receivables as of 31 March 2016	54.87	54.87	-	-	-	54.87
Trade receivables as of 01 April 2015	-	-	-	-	-	-

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17. 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 31st March 2017 and 31st March 2016.

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 Lakh

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Interest-bearing loans and borrowings including payables	544,986	516,512	378,008
Less: cash and cash equivalents	78,334	67,396	70,100
Net debt	466,652	449,115	307,908
Equity	1402.80	1173.71	1173.71
Total capital	57,995	89,846	117,100
Capital and net debt	524,648	538,961	425,009
Gearing ratio	0.89	0.83	0.72

18. 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

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Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements:

As at 31 March 2017 the Company held the following financial instruments carried at fair value on the statement of financial position:

₹ in Lakh

Particulars	Carrying amount	Fair value		
	31 March 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	2,046.52	-	-	-
Current				
Trade receivables	5,603.84	-	-	-
Cash and cash equivalents	3.93	-	-	-
Loans	95.31	-	-	-
Total	7,749.60	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	2,82,149.73	-	-	-
Current				
Borrowings	43,474.76			
Other financial liabilities	43,654.11			
Trade payables	38,958.96			
Total	4,08,237.56	-	-	-

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

₹ in Lakh

Particulars	Carrying amount	Fair value		
	31 March 2016	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	761.97	-	-	-
Current				
Trade receivables	54.87	-	-	-
Cash and cash equivalents	2,611.10	-	-	-
Loans	123.39	-	-	-
Total	3,551.32	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	2,80,496.82	-	-	-
Current				

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Borrowings	18,034.14	-	-	-
Other financial liabilities	51,200	-	-	-
Trade payables	12,685	-	-	-
Total	**362,417**	-	-	-

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

₹ in Lakh

Particulars	Carrying amount	Fair value		
	01 April 2015	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	676.10	-	-	-
Current				
Trade receivables	-	-	-	-
Cash and cash equivalents	11,477.69	-	-	-
Loans	409.94	-	-	-
Total	**12,563.73**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	2,11,428.31	-	-	-
Current				
Borrowings	459.52	-	-	-
Other financial liabilities	42,370.19	-	-	-
Trade payables	-	-	-	-
Total	**2,54,258.02**	-	-	-

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.

19. First time adoption - Ind AS 101

A. Transition to Ind AS

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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

B. Exemptions applied:-

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

i. **Ind AS Optional exemptions:**

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

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

(b) Leases

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

ii. Ind AS Mandatory exemptions:

a. Estimates

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

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b. Derecognition of financial assets and financial liabilities:

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

c. Classification and measurement of financial assets:

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

d. Reconciliation of Equity between previous GAAP and Ind AS:

₹ in Lakh

Particulars	Notes to first time adoption	31 March 2016	01 April 2015
Equity as per Previous GAAP (Indian GAAP)		5,54,387.30	5,86,100.45
		-	-
Add:		-	-
Interest earned on STDR's made out of capital subsidy need to be reclassified to Other Income	a	-	1,895.02
Reversal of depreciation on transaction cost capitalised	b	9.19	-
Reversal of depreciation on right to use	c	8.87	-
Deferred Tax Asset on Ind AS adjustments	f	101.44	-
Less:		-	-
Reclassification of capital reserve into government grant	a	-4,66,205.02	-4,70,895.02
Amortisation of transaction cost incurred on SBI Loan	b	-63.14	-
Reversal of administration and general overheads capitalised	d	-212.87	-
Depreciation on stores and spares classified as PPE	e	-74.94	-
Total adjustments		-4,66,436.47	-4,69,000.00
Ind AS adjustments as at transition date		1,895.02	
Equity as per Ind AS		89,845.85	1,17,100.44
Reconciliation of Total comprehensive income			
Particulars	**Notes to first time adoption**		**31 March 2016**
Net Profit after tax as per previous GAAP (Indian GAAP)			-27,023.15
Add:			

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Reclassification of re-measurement gains/ losses on defined benefit plans on gratuity	g	4.61
Reversal of depreciation on right to use	c	9.19
Reversal of depreciation on transaction cost capitalised	b	8.87
Deferred Tax Asset on Ind AS adjustments	f	100.01
Less:		
Amortisation of transaction cost incurred on SBI Loan	b	-63.14
Reversal of administration and general overheads capitalised	d	-212.87
Depreciation on stores and spares classified as PPE in retained earnings	e	-74.94
Total adjustments		-228.26
Profit after taxes as per Ind AS		-27,251.41
Other comprehensive income (net of taxes)		-3.19
Total comprehensive income under Ind AS		-27,254.60

iii. **Notes to first time adoptions**:

a) Under previous GAAP, Capital Subsidy received from the Government of India by way of contribution towards the capital outlay is credited to Capital Reserve. Capital Reserve also includes interest on Short Term Deposit Receipts (STDR's) made out of capital subsidy. As per Ind-AS 20, Government grants are receipts from a source other than shareholders. Accordingly, capital reserve balance has been reclassified by setting up grant as deferred income in the balance sheet. Likewise, interest earned on STDR's has been adjusted from reserves and recorded as "Other non-operating income" under head "Other Income".

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

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

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

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

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

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

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

20. **Contingent liabilities and Commitments (To the extent not Provided for):**

A. Leases

Non-cancellable Operating lease: Company as lessee

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

Non-cancellable Operating lease: Company as lessor:

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

B. Contingent Liabilities :

Commitments :

₹ in Lakh

	31-Mar-17	31-Mar-16	01-Apr-15
a. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	-	4,313.00	72,289.00

C. Proposed dividend and tax :

i. As the Company has recently started its operations and incurred losses during the year under reporting, no dividend payout has been considered.

ii. The Company is covered under Income tax exemption for 10 yars of operation. However, deferred tax assets/liabilities as applicable has been provided in the account.

D. Other Monies for which the Company is contingently liable :

(a) Court cases : ₹4,093.57 lakh (previous year ₹5,025.00 lakh)
Arbitration cases:₹48,707.00 lakh (previous year ₹ 48,081.00 lakh)

(b) Other contingent liability:

(i) Bank Guarantees issued:₹924.26 lakh (previous year ₹250.32 lakh)

(ii) Letter of Credits issued: ₹1,639.80 lakh (Previous year ₹2,668.29 lakh)

(iii) VAT and registration charges towards transfer of GAIL's Lakwa unit: ₹ 680 lakh (Previous year ₹ 680 lakh).

(iv) M/s. NRL has claimed ₹ 117 lakh (previous year Nil) towards delayed payment of dues against supply of Naphtha which has not been accepted at BCPL. Further BCPL has also lodged claim of ₹. 368 lakh against M/s. NRL towards difference in price of NRL and outsourced Naphtha as per agreement. However, the matter is yet to be resolved mutually subsequently. On settlement of claim and counter claim, the necessary accounting shall be done.

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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.

21. Related Party Disclosures

A. Names of Related parties and nature of related party relationships:

a. Entities which exercise control/ joint-control/ significant influence over the company :

Gail (India) Limited
Numaligarh Refinery Limited
Oil India Limited
Government of Assam

b. Key management personnel :

Mr. A K Singh- Managing Director.
Mr. O.P. Tailor- Director (Finance) and CFO.
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 following table provides the total amount due to or due from the related parties as on March 31, 2017, March 31, 2016 and April 1, 2015.

₹ in Lakh

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Gail (India) Limited			
Manpower cost	1,842.38	2,515.39	2,290.14
Purchase of goods (Butene-1, propylene, NG etc.)	4,958.44	1,201.55	21.71
Lease arrangements	40.71	43.67	42.93
Equity Contribution	1,9833.34	-	-
Other(Marketing Commission)	1,765.62		
Balance payable	883.13	209.42	201.84
Numaligarh Refinery Limited			
Sale/ Purchase of goods	10,808.06	7,662.63	-
Equity Contribution	1,486.70	-	-
Balance payable	1,875.44	1,05103	
Oil India Limited			
Sale/ Purchase of goods	38768.71	26,824.87	856.27
Equity Contribution	1,486.70	-	-
Other (Interest on Inter-Corporate Loan)	799.74	2,224.58	2,624.99
Balance payable (NG supply)	35787.28	14,452.57	138.43
Outstanding (infrastructure cost)	14,534.85	14,534.85	14,534.85

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22. 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.

23. Claims due to Micro , Small & Medium enterprise

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

₹ in Lakh

Particulars	2016-17	2015-16
i) The principal amount and the interest thereon remaining unpaid to any supplier as at the end of each accounting year;	83.35	13.00
ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due andpayable for the period of delay inmaking payment (which have beenpaid but beyond the appointed dayduring the year ended) but withoutadding the interest specified underthis Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

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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.

24. **DISCLSOURE ON SPECIFIED BANK NOTES (SBNs)**

During the year the Company has not dealt with any Cash/Bank notes and there was no cash/bank notes at the beginning and end of the FY 2016-17.Therefore the disclosure under MCA notification no. G.S.R. 308(E) dated March 31, 2017 is not applicable.

25. **Segment Reporting**

(a) The Company has a single operating segment that is "Production and sales of polymers to downstream plastic industries". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended March 31, 2017.

(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 Informations:

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 2017, three major Customers contributed around 15% of the revenue amounting to ₹ 12,972.83 lakh. As the Company's commercial operation commenced in January, 2016 and only three months operation was there during the year ended 31st March, 2016, the Company's sales was not comparable, therefore, the information for previous year has not been provided.

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

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

₹ in Lakh

	31-Mar-17	31-Mar-16
Loss attributable to equity holders of the Company:		
Continuing operations	-54,740.77	-27,251.42
Discontinued operation	-	-
Loss attributable to equity holders of the Company for basic earnings	-54,740.77	-27,251.42
Loss attributable to equity holders of the Company adjusted for the effect of dilution	-54,740.77	-27,251.42
Weighted average number of Equity shares for basic EPS * (in No.)	1335607295	1166885040
Effect of dilution:	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	-	-
Earnings per equity share: in Rs.		
-Basic	-4.10	-2.34
-Diluted	-4.10	-2.34

(A K Singh)
Managing Director

(O.P.Tailor)
Director Finance & CFO

(Ruli Das Sen)
Company Secretary

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

(Shailendra Sharma)
Partner
Mem. No.058352

Place:

Date:

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

NOTE 1: **Significant Accounting Policy**

1. 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 Project, AGCP, was approved by the Government of India on 18 April 2006 at a cost of ₹ 5460 crore, however, the project witnessed cost and time overrun and the Revised Cost Estimate-I (RCE-I) of ₹ 8920 crore was approved by CCEA in November, 2011 which has been further revised to ₹ 9965 Crore and approval of the same been received from its Administrative Ministry (MoCF) by Government of India. The Company has commissioned its project at all location and started its commercial operation with production of around 1 lakh MTs of Polymer in its very first year of operation.

The financial statements of the company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the directors on 06.06.2017.

2. Basis of preparation

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

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

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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 lakhs, except otherwise indicated.

3. Significant accounting policies

3.1 Property, plant and equipments

(a) Tangible Assets

Property, plant and equipments 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.

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

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

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

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

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

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

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(b) Capital Work in Progress

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

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

3.2 Intangible Assets

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

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

Intangible assets with indefinite useful lives (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.

Research and development costs

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

3.3 Impairment of assets

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

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria are capitalized as property, plant and equipment.

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

3.5 Cash and cash equivalents

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

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

3.6 Foreign currency transactions

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

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

At each balance sheet date, foreign currency monetary items (such as receivables, payables, etc.) are reported using the closing exchange rate.

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

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

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

3.7 Revenue and other income

The Company derives revenues primarily from sale of petrochemicals, which comprises of LLDPE- HDPE, Polypropylene, Pyro- gasoline and fuel oil.

(a) Sale of goods

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

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rebates. Any retrospective revision in prices is accounted for in the year of such revision.

(b) Interest income

Interest income is recognized on a time proportion basis.

3.8 Employee benefits

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.

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.

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. Re-measurements 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.

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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.9 Borrowing costs

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

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

3.10 Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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

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

3.11 Earnings per share

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

3.12 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.

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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.

3.13 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.

3.14 Government grants

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

When the grant relates to an asset, the cost of the asset is shown at gross

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value and grant thereon is treated as capital grant which is recognized as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

3.15 Current versus non-current classification

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

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at 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.

3.16 Financial instruments

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

(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.

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Subsequent measurement

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

- Financial assets carried at amortised cost

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

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss

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

Derecognition

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement

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

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- **Financial liabilities at amortised cost**

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

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Derecognition

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

(c) Offsetting of financial instruments

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

4. Significant accounting judgements,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

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the financial statements. Changes in estimates are accounted for prospectively.

4.1 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:

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.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the 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.

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.

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

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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.

5. Standards Issued but not yet Effective

Ind - AS 115 "Revenue from Contract with Customers

Ind AS 115 was issued in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

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

Amendments to Ind AS 7 "Statement of cash flows"

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

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

(A K Singh)	(O.P.Tailor)	(Ruli Das Sen
Managing Director	**Director Finance & CFO**	**Company Secretary**

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

BHAWANI SHARMA & CO. ★ Chartered Accountants ★ Guwahati FRN:314006E

(Shailendra Sharma)
Partner
Mem. No.058352

Place:
Date:

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2017

₹ in Lakh

	PARTICULARS	2016-2017	2015-2016
A	**Cash flow from Operating Activities:**		
	Net Profit before Tax and Extra ordinary items	(61,193.96)	(26,601.92)
	Adjustment for:		
	Depreciation/Amortisation	35,168.08	8,427.94
	Amortisation of Preliminary Expenditure	-	668.04
	Items not classified in Profit & Loss	(18.99)	(3.19)
	Transfer from capital reserve	(18,760.00)	(4,690.00)
	Interest Paid	30,276.87	6,860.83
	Cash Flow from operating activity Before Working Capital Change	**(14,528.00)**	**(15,338.30)**
	Adjustment for:		
	Changes in Financial Assets(Non-Current)	12,502.54	183,165.70
	Changes in Financial Assets(Current)	(24,669.47)	(29,984.62)
	Changes in Financial Liabilities(Non-Current)	(18,600.05)	(18,679.08)
	Changes in Financial Liabilities(Current)	8,897.74	44,325.34
	Cash generated from operations	**(36,397.24)**	**163,489.04**
	Current Tax	(221.38)	-
	Deferred Tax	6,674.57	(649.50)
	Cash before Extraordinary Items	**(29,944.05)**	**162,839.54**
	Extra ordinary Items	-	-
	Net cash from operating activities	**(29,944.05)**	**162,839.54**
B	**Cash outflow from investing activities:**		
	Additions/purchases of fixed assets	(51,218.77)	(787,894.65)
	Capital work-in-progress	38,607.33	527,466.09
	Net cash outflow from investing activities	**(12,611.44)**	**(260,428.56)**
C	**Cash flow from financing activities:**		
	Proceeds from issue share capital	22,909.29	-
	Changes in Borrowings	28,555.90	90,893.26
	Interest Paid	(30,276.87)	(6,860.83)
	Transfer from capital reserve	18,760.00	4,690.00
	Net cash inflow from financing activities	**39,948.32**	**88,722.43**
	Net increase in cash & cash equivalents (A+B+C)	(2,607.17)	(8,866.59)
	Opening cash and cash equivalents	2,611.10	11,477.69
	Closing cash and cash equivalents:	**3.93**	**2,611.10**

(A K Singh)
Managing Director

(O P Tailor)
Director Finance & CFO

(Buli Das Sen)
Company Secretary

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

BHAWANI SHARMA & CO.
Guwahati
FRN:314006E
Chartered Accountants

(Shailendra Sharma)
Partner
Mem No.058352

Place :
Date :