

**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, 2018, 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 the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.

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

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### **Auditor's Responsibility**

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

In conducting 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 and the Order issued under section 143(11) of the Act.

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, 2018, 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.

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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 24 of Note 1 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 32 of Note 1 to the Ind AS financial statements regarding the subsidies under various scheme of NEIP(North East Industrial Policy), the company has accounted subsidies amounting to Rs. 6,272.61 lakhs on accrual basis, however, claims for subsidy amounting to 2998.90 lakhs is yet to be submitted/in the process of submission.
- c) We draw attention to para 47 of Note 1 to the Ind AS financial statements relating to balance confirmations being sought from vendors, contractors and other authorities where balances were booked under loans and advances, debtors and creditors. Only 4 confirmations out of those requested by the management have been received by us.
- d) We draw 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, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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;

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- e) On the basis of the written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) The matters to be reported on as per the directions of the Comptroller and Auditor General of India have been reported on in "Annexure C"; 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Para 24 of Note 2 to the Ind AS financial statements;
  - the Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
  - there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;

For **BHAWANI SHARMA & CO**

Chartered Accountants

Firm's registration number: **314006E**

**Shailendra Sharma**

Partner

Membership number: 058352

Place: Guwahati

Dated: 21/05/2018

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**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 2018, we report that:

- (i) In respect of the Company's fixed assets;
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the management in regular interval. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land & building which are freehold, are held in the name of Company, except for the 131 bigha of land for which process of obtaining land ownership document from Government of Assam is still under way pending necessary approval from Governments Authorities and also 59 bighas of Private Land of Railway Siding and 520 bighas of Land of Lakwa unit, though they are in possession of the company but title deed is yet to be transferred
- (ii) As explained to us, physical verification of inventory has been conducted by the management of the company. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) According to the information & explanation given to us and on the basis of our examination of books of Accounts, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. Consequently, the provisions of (iii)(a) to (iii)(c) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investment and providing guarantees and securities, as applicable.



- (v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March, 2018 and therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The Company has maintained the books of accounts relating to utilization of materials, labour and other items, pursuant to the Rules made by the Central Government for the maintenance of cost records prescribed under section 148(1) of the Companies Act 2013 during the period under audit.
- (vii) According to the information and explanations given to us, in respect of statutory dues;
- a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax Goods & Service Tax, and Value Added Tax. Custom Duty, Excise Duty, Service Tax, cess and any other material statutory dues applicable to with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance and Excise Duty.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Customs Duty, Excise duty Service Tax, Goods and Service tax. Cess and other material statutory dues were in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there were no material dues of Income Tax, Sales Tax, Excise duty, Customs Duty, Service Tax and Value Added Tax ,Goods and service Tax which have not been deposited with the appropriate authorities on account of any dispute except the following;

<u>Nature of the Statute</u>	<u>Nature of dues</u>	<u>Forum where dues is Pending</u>	<u>Period to which amount relates</u>	<u>Amount (In Lacs)</u>
The Income Tax Act,1961	Income Tax	ITAT	A.Y.2011-12 to A.Y.2014-15	914.12
The Income Tax Act, 1961	Income Tax	CIT (A)	A.Y.2015- 16	261.87

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- (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 utilized 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.
- (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 not made preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (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.

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**BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)**

(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**

  
**Shalendra Sharma**

*Partner*

Membership number: 058352

Place: Guwahati

Dated: 21/05/2018

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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 2018,

**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 2018 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.



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.

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**Opinion**

In our opinion, to the best of our information and explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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

  
**Shalindra Sharma (Partner)**

Membership number: 058352

Place: Guwahati

Dated: 21/05/2018

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# BHAWANI SHARMA & CO. (CHARTERED ACCOUNTANTS)

## 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 2018, 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 330 bighas of leased hold land and transfer of title deed for 190 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

  
**Shaliendra Sharma**

**Partner**

Membership number: 058352

Place: Guwahati

Dated: 21/05/2018

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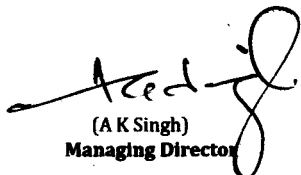


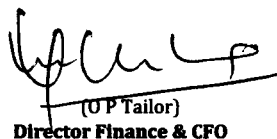
**Brahmautra Cracker and Polymer Limited**  
**Balance Sheet as at 31 March 2018**

(₹ in lakh)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2	781,283.97	814,496.83
Capital work-in-progress	2	529.00	5.58
Other Intangible assets	3	1,430.60	1,631.08
Financial Assets	4	1,767.75	2,046.52
Deferred tax assets	16	11,165.46	6,034.99
Other Non Current Assets	6	27,271.51	51,919.66
<b>Subtotal (A)</b>		<b>823,448.29</b>	<b>876,134.66</b>
<b>Current Assets</b>			
Inventories	8	41,268.50	37,774.29
Trade Receivables	5	18,222.25	5,603.84
Cash and Cash Equivalents	7	1,504.08	3.93
Financial Assets	4	110.88	95.32
-Other Current Assets	6	47,105.58	29,980.67
<b>Subtotal (B)</b>		<b>108,211.29</b>	<b>73,458.05</b>
<b>Total Assets (A+B)</b>		<b>931,659.58</b>	<b>949,592.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	9	140,280.30	140,280.30
Other Equity	10	-90,483.09	-82,284.93
<b>Subtotal (C)</b>		<b>49,797.21</b>	<b>57,995.37</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	11	277,522.23	282,149.73
Other Financial Liabilities	13	-	-
Provisions	14	345.23	430.50
Other Non Current Liabilities	15	419,468.15	426,790.00
<b>Subtotal (D)</b>		<b>697,335.61</b>	<b>709,370.23</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	11	46,730.37	43,474.77
Trade payables	12	35,752.84	38,958.95
Other Current Financial Liabilities	13	45,844.07	43,654.11
Other Current Liabilities	15	20,652.11	20,148.43
Provisions	14	35,547.37	35,990.86
<b>Subtotal (E)</b>		<b>184,526.76</b>	<b>182,227.12</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>931,659.58</b>	<b>949,592.71</b>
<b>Accounting Policy</b>	1		

Note No: 1 to 52 forms integral part of Financial Statement.

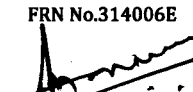
  
(A K Singh)  
Managing Director

  
(U 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

  
(Shailendra Sharma)  
Partner  
Mem No.058352

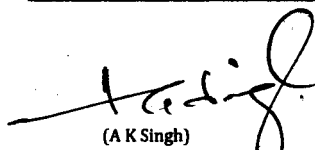
Place: Guwahati  
Date: 21.05.2018

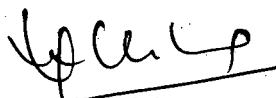


**Brahmaputra Cracker and Polymer Limited**  
Statement of Profit and Loss for the year ended 31 March, 2018

(₹ in lakh)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
<b>I. Revenue from operations</b>	17	174,867.82	77,849.11
<b>II. Other income</b>	18	23,009.53	19,459.24
<b>III. Total Revenue (I + II)</b>		<b>197,877.35</b>	<b>97,308.35</b>
<b>IV. EXPENSES</b>			
Excise Duty on sale of goods		4,377.74	9,110.46
Cost of raw material and components consumed	19	114,839.93	69,222.68
Change in Stock		-2,020.32	-8,905.88
Employee benefits expenses	20	8,087.48	7,664.93
Depreciation and amortization expense	21	38,783.04	35,168.08
Finance costs	22	27,889.47	30,276.87
Other expenses	23	19,044.06	15,965.17
Amortization of Preliminary and Other Expenses			
<b>Total expenses (IV)</b>		<b>211,001.41</b>	<b>158,502.31</b>
<b>V. Profit/(loss) before Tax (III-IV)</b>		-13,124.06	-61,193.96
<b>VI Tax expense:</b>			
Current tax		45.63	221.38
Deferred Tax		-5,130.46	-6,674.56
<b>VII. Profit/(Loss) for the period (V - VI)</b>		<b>-8,039.23</b>	<b>-54,740.78</b>
<b>Other Comprehensive income</b>			
<b>VIII. Items that maybe reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations			-
Changes in fair value of FVOCI debt instruments			-
Income tax relating to these items			-
<b>IX. Items that will not be reclassified to profit or loss</b>			
Changes in fair value of FVOCI equity instruments			-
Remeasurement of post-employment benefit obligations		-0.03	-27.49
Income tax relating to these items		0.01	8.50
		-0.02	-18.99
<b>X Other comprehensive income net of tax (VIII + IX)</b>		<b>-0.02</b>	<b>-18.99</b>
<b>XI Total comprehensive income (VII + X)</b>		<b>-8,039.25</b>	<b>-54,759.77</b>
<b>XII. Earnings per equity share:( In ₹ )</b>			
Basic		-0.57	-4.10
Diluted		-0.57	-4.10

  
(A K Singh)  
Managing Director

  
(U 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

  
(Shailendra Sharma)  
Partner  
Mem No.058352

Place: Guwahati  
Date: 21.05.2018



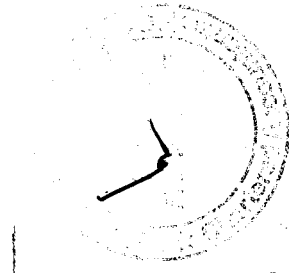
**Brahmaputra Cracker and Polymer Limited**  
**Statement of Changes in Equity for the period ended 31 March 2018**

(a) Equity Share Capital	Amount	Amount
	Number (in lakh)	₹ in lakh.
Equity shares of Rs. 10 each issued, subscribed and fully paid		
<b>As at 31 March 2017</b>	14,028.03	140,280.30
Issue of share capital	-	-
<b>As at 31 March 2018</b>	14,028.03	140,280.30

**For the year ended 31 March 2018:**

(₹ in lakh)

Attributable to the equity shareholders		
	Retained earnings	Other comprehensive income
		Total
<b>As at 31 March 2017</b>	<b>-82,262.75</b>	<b>-22.18</b>
Opening Retained Earnings	<b>-82,284.93</b>	
Add: Adjustment pertaining to FY 2016-17	-1645.61	
Adjusted opening retained Earning	-83930.54	
Profit for the period	-8,039.23	-0.02
<b>As at 31 March 2018</b>	<b>-91,969.77</b>	<b>-8,039.25</b>
		<b>-91,969.79</b>





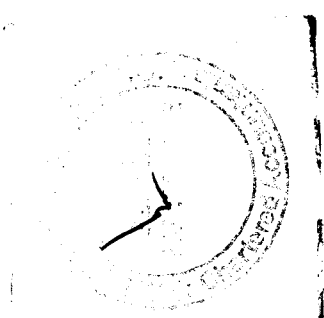
**Brahmaputra Cracker and Polymer Limited**

Note 2: Property, plant and equipment (including assets held under finance leases) are as follows:

Cost/ Valuation	Leasehold Land	Freehold Land	Building - Other than factory building	Building - Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F & F and Other Equipment	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 1st April 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	346.34	5.58	857,057.32
Additions			18.09	177.17	138.40	1.67	6,382.11	82.38	3,038.40	5.67	15.97	523.42	9,859.86
Transferred on Business purchase													
Exchange differences													
Disposals													
Other							-2,732.89	-0.90	-1,301.07	-446.10			-4,480.96
At 31 March 2018	-	387.47	21,839.72	28,447.80	28,247.74	3.63	767,489.82	10,039.24	4,869.69	748.80	362.31	529.00	862,436.22

Depreciation and Impairment	Leasehold Land	Freehold Land	Building - Other than factory building	Building - Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F & F and Other Equipment	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 31 March 2017	-	-0.00	1,233.52	1,229.98	4,059.73	1.62	33,110.73	1,428.40	963.18	364.85	168.49	-	42,560.49
Depreciation expense			130.59	1,424.05	3,177.21	0.57	28,419.59	4,238.16	995.29	158.01	48.28	-	38,591.75
Impairment													
Disposal													
Exchange differences													
Other													
At 31 March 2018	-	-	1,364.11	2,654.03	7,236.94	2.19	61,530.32	5,666.56	1,958.47	522.86	216.77	-	81,152.25

Net Book value	Leasehold Land	Freehold Land	Building - Other than	Building - Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F & F and Other	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 31 March 2017	-	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
At 31 March 2018	-	387.47	20,475.61	25,793.77	21,010.80	1.44	705,959.50	4,372.68	2,911.22	225.94	145.54	529.00	781,283.97







## Brahmaputra Cracker and Polymer Limited

### Note 3: Intangible Assets

(₹ in lakh)

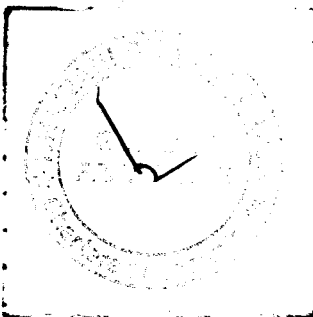
Cost	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
<b>At 1st April 2017</b>	<b>959.86</b>	<b>877.07</b>	<b>4.39</b>	<b>1,841.32</b>
Additions	-	-	-	-
Capitalised internal development costs	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Transfer to held for sale	-	-	-	-
Disposals	-	-	-	-
Exchange adjustments	-	-	-	-
Others	-	-9.19	-	-9.19
<b>At 31 March 2018</b>	<b>959.86</b>	<b>867.88</b>	<b>4.39</b>	<b>1,832.13</b>

(₹ in lakh)

Accumulated amortization and impairment	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
<b>At 1st April 2017</b>	<b>208.48</b>		<b>1.76</b>	<b>210.24</b>
Additions	190.42	-	0.87	191.29
Capitalised internal development costs				
Acquisitions through business combinations				
Transfer to held for sale				
Disposals				
Exchange adjustments				
Others				
<b>At 31 March 2018</b>	<b>398.90</b>		<b>2.63</b>	<b>401.53</b>

(₹ in lakh)

Net book value	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
<b>At 31 March 2017</b>	<b>751.38</b>	<b>877.07</b>	<b>2.63</b>	<b>1,631.08</b>
<b>At 31 March 2018</b>	<b>560.96</b>	<b>867.88</b>	<b>1.76</b>	<b>1,430.60</b>





## Brahmaputra Cracker and Polymer Limited

### Note 4: Financial assets

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Loans</b>		
Security Deposit Paid	1,767.75	2,046.52
Interest accrued but not due	75.72	79.89
Loans and advances to employees	35.16	15.43
<b>Total loans</b>	<b>1,878.63</b>	<b>2,141.84</b>
<b>Current</b>	<b>110.88</b>	<b>95.32</b>
<b>Non-Current</b>	<b>1,767.75</b>	<b>2,046.52</b>
	<b>1,878.63</b>	<b>2,141.84</b>

### Note 5: Trade receivables

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
(Unsecured but considered good)		
Trade receivables	18,222.25	5,603.84
(Less than Six months)		
<b>Total Trade receivable</b>	<b>18,222.25</b>	<b>5,603.84</b>
<b>Current</b>	<b>18,222.25</b>	<b>5,603.84</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
	<b>18,222.25</b>	<b>5,603.84</b>



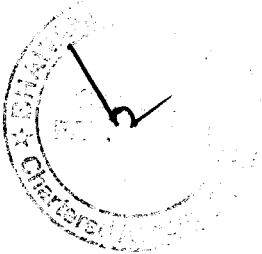
## Brahmaputra Cracker and Polymer Limited

### Note 6: Other non financial assets

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Unsecured (Considered good):</b>		
Advance income tax	2.86	2.86
Income Tax Paid on Demand	172.40	
<b>Balance with Government Authorities</b>		
CENVAT Credit Receivable	36,965.78	48,452.40
TDS	559.91	548.97
Vat credit receivable	-	-
Advance Entry Tax	-	-
<b>Claims recoverables</b>		
Contractors		-
Insurance	665.65	1,016.24
Suppliers	-	-
Employees	-	-
<b>Other advances recoverable in cash or in kind</b>	6,950.72	722.96
<b>Capital advances:</b>	-	-
<b>Advances to suppliers/contractors:</b>	3,889.62	4,954.37
<b>Prepayments</b>		
Pre-paid expenses	530.12	602.52
Pre-paid Lease Rent	24,640.03	25,600.02
<b>Total</b>	<b>74,377.08</b>	<b>81,900.33</b>
<b>Current</b>	<b>47,105.58</b>	<b>29,980.67</b>
<b>Non current</b>	<b>27,271.51</b>	<b>51,919.66</b>
	<b>74,377.09</b>	<b>81,900.33</b>

Non current asset represents deferred portion of Cenvat Credit Receivable and Pre-paid Lease Rent





## Brahmaputra Cracker and Polymer Limited

### Note 7: Cash and Cash Equivalents

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
<b>Balances with banks:</b>		
— On current accounts	17.08	3.93
— Deposits with original maturity of less than three months	1,487.00	-
Cash on hand	-	-
Cheques/drafts on hand	-	-
<b>Total</b>	<b>1,504.08</b>	<b>3.93</b>

### Note 8: Inventories

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
<b>(a) Raw materials, Stores, Spares and others</b>		
Raw Materials & other Consumables	1,152.61	576.44
Stores & Spares	22,142.91	21,245.19
<b>(b) Semi Finished Goods/By products</b>		
Semi Process Stock	2,461.14	2,290.99
By Products	530.65	305.99
<b>(c) Finished Goods</b>		
LLDPE	12,867.91	7,041.44
HDPE	298.07	2,024.50
PP	1,815.21	2,620.79
Excise duty on Finished Goods	-	1,668.95
<b>Total</b>	<b>41,268.50</b>	<b>37,774.29</b>



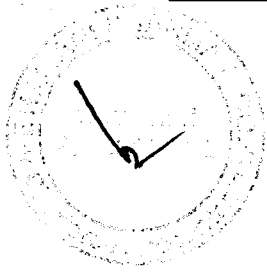
## Brahmaputra Cracker and Polymer Limited

### Note 9: Equity share capital

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
<b>Share capital</b>		
<b>Authorised</b>		
2,00,00,00,000 Equity Shares of Rs. 10 each	200,000.00	200,000.00
(Previous year 2,00,00,00,000 Equity shares of Rs. 10 each)		
	<b>200,000.00</b>	<b>200,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
1,40,28,03,010 Equity shares of Rs. 10 each	140,280.30	140,280.30
(Previous year 1,17,37,10,113 Equity shares of Rs. 10 each)		
	<b>140,280.30</b>	<b>140,280.30</b>

### Note 10: Other equity

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
<b>Other equity:</b>		
Opening Retained Earnings	-82,284.93	-27,525.16
Add: Adjustment pertaining to FY 2016-17	-1,645.61	
Adjusted opening retained Earning	-83,930.54	
Add: Total comprehensive Income for current year	-8,039.25	-54,759.77
<b>Other reserves:</b>		
- Capital reserves	-	-
Less: Transfer to statement of profit and loss		
Share Application Money Pending Allotment	1,486.70	-
<b>Total</b>	<b>-90,483.09</b>	<b>-82,284.93</b>





## Brahmaputra Cracker and Polymer Limited

### Note 11: Borrowings

Particulars	Effective Interest Rate	Maturity	As at 31-Mar-18	As at 31-Mar-17
<b>Secured</b>				
<b>Term loans:</b>				
- Loan from State Bank of India	SBI 1yr MCLR plus 0.45%	31-05-24	161709.36	165,719.85
- Axis Bank Term Loan			0.00	-
- Tata Capital FSL Term Loan			0.00	-
- Cash Credit from State Bank of India	SBI 1yr MCLR plus 0.25%		21730.40	18,444.70
- SBI Short term loan	SBI 1yr MCLR plus 0.15%		24999.96	25,000.00
- SBI CAG Branch			0.00	30.07
- Bank overdrafts			0.00	-
<b>From Other Parties :</b>				
- Oil Industry Development Board		31-12-22	115812.88	116,429.88
Oil India Limited	SBI rate plus 0.50%	21-02-17		-
<b>Total</b>			<b>324252.60</b>	<b>325,624.50</b>
<b>Total Non Current Borrowings</b>			<b>277522.233</b>	<b>282,149.73</b>
<b>Total Current Borrowings</b>			<b>46730.3697</b>	<b>43,474.77</b>

#### - Loan from State Bank of India

(Secured by way of 1st charge on all fixed assets both movable and immovable, present and future including tangible and intangible assets, ranking *pari pasu*, with all term lenders except to the extent 131 bighas of Govt. land, 59 bighas of private Land of Railway Siding and 520 bighas of Lakwa Land it though in possession of the company but title deed yet to be transferred. Further out of total land, 2 bigha land has been acquired by Government of Assam under Compulsory Aquisition Sceme in public interest)

Terms of Repayment : Repayment of loan is envisaged in 96 monthly installments commencing after moratorium period of 2 years w.e.f June 2015.

\*Rate of interest : SBI one year MCLR rate plus a spread of 0.45 % i.e 8.40 % as on 31st March'18.

Note: An amount of Rs. 40.80 Crore payable within next 12 months, has been transferred to "Financial liabilities" at Note no.13.

#### - Oil Industry Development Board

(Secured by way of 1st charge on all fixed assets both movable and immovable, present and future including tangible and intangible assets, ranking *pari pasu*, with all term lenders except to the extent 131 bighas of Govt. land, 59 bighas of private Land of Railway Siding and 520 bighas of Lakwa Land it though in possession of the company but title deed yet to be transferred. Further out of total land, 2 bigha land has been acquired by Government of Assam under Compulsory Aquisition Sceme in public interest. Further Loan Amounting Rs. 875 crores is secured Corporate Guarantee by the Promoters. The outstanding amount as on 31.03.2018 against the Guarantee is Rs. 582.36 Crores ( previous year Rs. 654.50 Crore)

\*Terms of Repayment : Total period of loan is 10 years from the date of drawal which includes 2 years moratarium. The repayment shall be in 8 yearly equal installments. The first installment shall become due at the end of 3rd year from the date of drawal. Rate of interest on loan will depend on the month in which loan installment is drawn by BCPL.

\*Rate of interest : the weighted average rate of interest is around 8% p.a. payable quarterly.

Note: An amount of Rs.163.75 Crore payable within next 12 months, has been transferred to "Financial liabilities" at Note no.13.



## Brahmaputra Cracker and Polymer Limited

### Note 12 - Trade Payables

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Trade payables		
Due to others:	34,563.43	38,848.61
Transporters	1,189.41	110.35
(Includes payable to MSME : ₹ 555.54 Lakh)		
<b>Total</b>	<b>35,752.84</b>	<b>38,958.96</b>
<b>Current</b>	<b>35,752.84</b>	<b>38,958.96</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>35,752.84</b>	<b>38,958.96</b>

### Note 13: Financial Liabilities

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Financial liabilities at amortised cost</b>		
Deposits/Retention Money from Contractors and others	8,136.71	9,607.58
Price reduction schedule	9,081.62	9,955.16
Earnest money deposit	248.59	141.66
Security Deposit	595.69	2,353.52
Payable to Employees	54.07	41.40
Other payables- Money due from Assam Govt	-	-
Payable to GAIL for Lakwa Assets	-	-
Payable for Capital Expenditure	7,272.09	5,504.79
Current maturities of long term debt:	-	-
- Oil Industry Development Board	16,375.00	12,650.00
- Oil India Limited	-	-
- State Bank of India	4,080.00	3,400.00
Share Application money(Refundable)	0.30	-
<b>Total other financial liabilities at amortised cost</b>	<b>45,844.07</b>	<b>43,654.11</b>
<b>Total other financial liabilities</b>	<b>45,844.07</b>	<b>43,654.11</b>
<b>Current</b>	<b>45,844.07</b>	<b>43,654.11</b>
<b>Non current</b>	<b>-</b>	<b>-</b>



## Brahmaputra Cracker and Polymer Limited

### Note 14: Provisions

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Provisions</b>		
Provision for employee benefits	317.20	420.10
Provision for gratuity	28.03	14.50
Provision for Income Tax	1,483.87	1,299.88
Provision for Liability (Contractors)	29,177.97	30,891.35
Provision for Custom duty	-	-
Provision for Excise duty	-	1,668.95
Provision for Suppliers	-	-
Others	4,885.53	2,126.58
<b>Total</b>	<b>35,892.60</b>	<b>36,421.36</b>
<b>Current</b>	<b>35,547.37</b>	<b>35,990.86</b>
<b>Non- Current</b>	<b>345.23</b>	<b>430.50</b>
	<b>35,892.60</b>	<b>36,421.36</b>

Non current liability represents non current portion of EL Encashment and Gratuity

### Note 15: Non Financial Liabilities

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Other non financial liabilities</b>		
Government Grants	438,754.04	445,550.00
Tax (GST, VAT, ST, TDS & WCT)	955.73	536.64
Others	279.11	298.34
Advance from customers	131.38	553.45
<b>Total</b>	<b>440,120.26</b>	<b>446,938.43</b>
<b>Current</b>	<b>20,652.11</b>	<b>20,148.43</b>
<b>Non current</b>	<b>419,468.15</b>	<b>426,790.00</b>
	<b>440,120.26</b>	<b>446,938.43</b>

Non current liability represents deferred portion of Government Grant

### Note 16: Deferred taxation

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Deferred tax asset/ liability	11,165.46	6,034.99
<b>Deferred tax assets/(liabilities)-net</b>	<b>11,165.46</b>	<b>6,034.99</b>





## Brahmaputra Cracker and Polymer Limited

### Note 17: Revenue from operations

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
Sale of products (including excise duty/GST)		
(a) Sale of HDPE/LLDPE	155,291.03	69,474.76
(b) Sale of Polypropelene	41,944.21	9,427.97
(c) Sale of HPG ,CBFS,Slop Oil,etc.	12,060.31	2,769.32
<b>Total sale of products</b>	<b>209,295.55</b>	<b>81,672.05</b>
Sale/ rendering of services	-	-
Less: GST on Sales	24,506.91	-
Less: Discount on Sales	9,920.82	3,822.94
<b>Total</b>	<b>174,867.82</b>	<b>77,849.11</b>

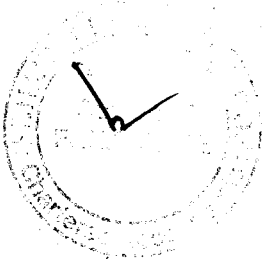
### Note 18: Other Income

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
<b>Other non-operating Income:</b>		
Interest on FDR's	108.49	122.37
Other Interest	224.68	84.05
Government grants	17,288.13	18,760.00
NEIIP Subsidy	4,001.25	
Recoveries from Vendors/Customers	-	-
Recoveries from Employees	69.80	57.34
Misc.Receipts	1,317.18	435.48
<b>Total</b>	<b>23,009.53</b>	<b>19,459.24</b>

NEIIP Subsidy income represents Freight , Insurance and Interest Subsidy for previous periods.

### Note 19: Cost of raw material and components consumed

Particulars	(₹ in lakh)	
	As at 31-Mar-18	As at 31-Mar-17
Raw materials consumed	114,839.94	69,222.68
<b>Total</b>	<b>114,839.94</b>	<b>69,222.68</b>





## Brahmaputra Cracker and Polymer Limited

### Note 20: Employee Benefit Expenses

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Salary, Wages and Allowances	4,878.89	4,447.43
Contribution to Provident and other Funds	593.37	511.90
Welfare Expenses	1,005.97	863.22
Secondment charges	1,609.25	1,842.38
<b>Total</b>	<b>8,087.48</b>	<b>7,664.93</b>

### Note 21: Depreciation and amortization expense

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Depreciation and Amortization Expenses	38,783.04	35,168.08
Less: Transferred to IEDC		-
<b>Total</b>	<b>38,783.04</b>	<b>35,168.08</b>

### Note 22: Finance cost

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Interest on Term Loans from Banks	15109.87	16,228.45
Interest on Short Term Loans from Banks	3555.80	
Interest on Loans from Other Institutions	9596.55	9,518.80
Interest on Loans from Promoters	0.00	819.99
Other Borrowing Costs(Commitment and other Finance Charges)	180.17	3,709.63
Less: NEIP Interest Subsidy	-552.92	
<b>Total</b>	<b>27,889.47</b>	<b>30,276.87</b>



## Brahmaputra Cracker and Polymer Limited

### Note 23: Other Expenses

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Power, Fuel and Water Charges:		-
Power and Water charges	1,432.96	1,060.08
Gas used as fuel	-	-
Repairs and Maintenance:		-
Plant and Machinery	1,970.79	2,124.34
Building	407.75	215.53
Others	84.37	597.73
Insurance	437.42	1,887.98
Communication expenses	16.51	46.55
Printing and Stationery	22.09	20.69
Travelling Expenses	272.78	156.77
Books and Periodicals	5.10	3.62
Advertisement and Publicity	100.04	76.88
Payment to Auditors:		-
Audit Fess	4.00	4.00
Tax audit fees	0.45	0.45
Company Law Matters	0.46	-
Management services	-	1.13
Travelling and Out of Pocket Expenses	1.35	1.44
Entertainment Exp	30.58	24.85
Recruitment and Training Expenses	59.29	48.52
Vehicle Hire and running Expenses	336.05	329.64
Rent Rates & Taxes	1,217.49	1,011.11
Lease charges	-	-
Survey Charges	-	-
Consultancy Charges	4.77	42.39
Legal and Professional Charges	121.39	121.23
Dataprocessing expenses	78.57	95.93
Donations	1.50	6.00
R&D Expenses	0.87	-
Directors sitting fees	2.21	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
Expenses on enabling Facilities	-	-
Selling and Distribution Expenses	335.02	104.64
Commission on Sales	5,130.01	1,983.22
Dealers Commission	-	-
Security Expenses	2,943.86	2,373.60
CSR expenses	42.50	42.74
Net loss on Foreign currency Transaction and Translation	-104.56	167.50
Other Expenses	4,088.44	1,746.04
<b>Total</b>	<b>19,044.06</b>	<b>15,965.17</b>

Insurance subsidy income to the tune of current year's insurance expenses has been adjusted against insurance premium

**BRAHMAPUTRA CRACKER AND POLYMER LIMITED**

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2018

(₹ in lakh)

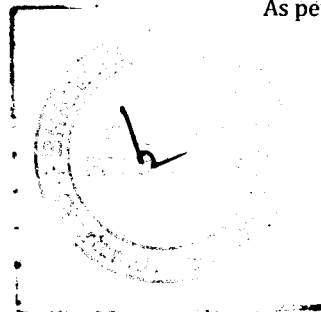
PARTICULARS		2017-2018	2016-2017
<b>A</b>	<b>Cash flow from Operating Activities:</b>		
	Net Profit before Tax and Extra ordinary items	(13,124.06)	(61,193.96)
	<b>Adjustment for:</b>		
	Depreciation/Amortisation	38,783.04	35,168.08
	Amortisation of Preliminary Expenditure	-	-
	Items not classified in Profit & Loss	(0.02)	(18.99)
	Other Adjustments in retained earning	(1,645.60)	-
	Transfer from capital reserve	(17,288.13)	(18,760.00)
	Interest Paid	27,889.47	30,276.87
	<b>Cash Flow from operating activity Before Working Capital Change</b>	<b>34,614.70</b>	<b>(14,528.00)</b>
	<b>Adjustment for:</b>		
	Changes in Financial Assets(Non-Current)	19,796.45	12,502.54
	Changes in Financial Assets(Current)	(33,253.09)	(24,669.47)
	Changes in Financial Liabilities(Non-Current)	(7,407.12)	(18,600.05)
	Changes in Financial Liabilities(Current)	(5,360.96)	8,897.74
	<b>Cash generated from operations</b>	<b>8,389.98</b>	<b>(36,397.24)</b>
	Current Tax	(45.63)	(221.38)
	Deferred Tax	5,130.46	6,674.57
	<b>Cash before Extraordinary Items</b>	<b>13,474.81</b>	<b>(29,944.05)</b>
	Extra ordinary Items	-	-
	<b>Net cash from operating activities</b>	<b>13,474.81</b>	<b>(29,944.05)</b>
<b>B</b>	<b>Cash outflow from investing activities:</b>		
	Additions/purchases of fixed assets	(5,369.70)	(51,218.77)
	Capital work-in-progress	(523.42)	38,607.33
	<b>Net cash outflow from investing activities</b>	<b>(5,893.12)</b>	<b>(12,611.44)</b>
<b>C</b>	<b>Cash flow from financing activities:</b>		
	Proceeds from issue of share capital	1,486.70	22,909.29
	Changes in Borrowings	3,033.10	28,555.90
	Interest Paid	(27,889.47)	(30,276.87)
	Transfer from capital reserve	17,288.13	18,760.00
	<b>Net cash inflow from financing activities</b>	<b>(6,081.54)</b>	<b>39,948.32</b>
	Net increase/(decrease) in cash & cash equivalents (A+B+C)	1,500.15	(2,607.17)
	Opening cash and cash equivalents	3.93	2,611.10
	<b>Closing cash and cash equivalents:</b>	<b>1,504.08</b>	<b>3.93</b>

  
(A K Singh)  
Managing Director

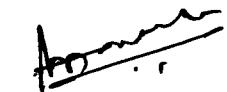
  
(O P Tailor)  
Director Finance & CFO

  
(Ruli Das Sen)  
Company Secretary

Place: Guwahati  
Date: 21.05.2018



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

  
(Shailendra Sharma)  
Partner  
Mem No.058352



## BRAHMAPUTRA CRACKER AND POLYMER LIMITED

### Notes to Financial Statements for the Year ended 31<sup>st</sup> March 2018

#### Corporate information

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

The financial statements of the company for the year ended 31<sup>st</sup> March 2018 were authorized for issue in accordance with a resolution of the directors on \_\_\_\_\_.

#### Basis of preparation

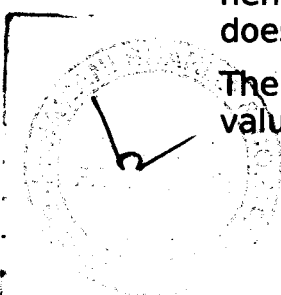
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). With effect from year ending 31<sup>st</sup> March 2017, the Company is preparing its financial statements in accordance with Ind-AS and the year ended 31<sup>st</sup> March 2018 is second year the financial statements are prepared in compliance to Ind-AS.

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

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

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



## 1. Significant accounting policies

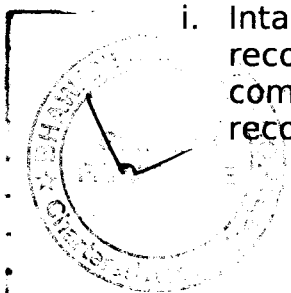
### 1.1 Property, Plant and Equipments (PPE)

#### A. Tangible Assets

- i. 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.
- ii. Stores & Spares which meets the definition of PPE (whether as components or otherwise) and satisfied recognition criteria, are capitalized. Major inspection/overhaul/repair is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. Similarly, when significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- iii. Technical knowhow /license fee incurred at the time of procurement of PPE are capitalized as part of the underlying assets.
- iv. Property, plant and 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.
- v. Depreciation is provided in accordance with the useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).
- vi. Leasehold lands are amortized over the lease period. Leasehold improvements are amortized over the remaining period of the primary lease or expected useful economic lives, whichever is shorter.
- vii. The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

#### B. Intangible Assets

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



amortization and accumulated impairment losses.

- ii. Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- iii. Intangible assets with indefinite useful lives (principally comprise those 'right of use' for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

## 1.2 Capital Work in Progress

- i. Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.
- ii. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

## 1.3 Research and development costs

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

## 1.4 Depreciation /Amortisation

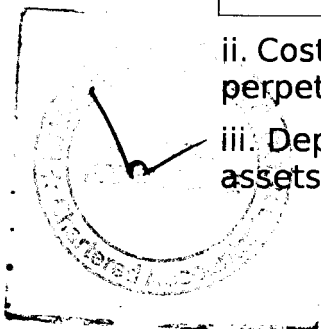
### A. Tangible Assets

Depreciation on Tangible PPE (including enabling assets) is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets), except for the assets as mentioned below where different useful life has been taken on the basis of external / internal technical evaluation:

i.

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

- ii. Cost of the leasehold land is amortised over the lease period except perpetual leases.
- iii. Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.



## **B. Intangible Assets**

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

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

## **C. Capital assets facilities installed at other premises / land**

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

### **1.5 Impairment of non-financial assets**

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

### **1.6 Inventories**

- i. Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower.
- ii. Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- iii. Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at/or above cost.
- iv. Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower. Surplus/Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.
- v. Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

### **1.7 Cash and cash equivalents**

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

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

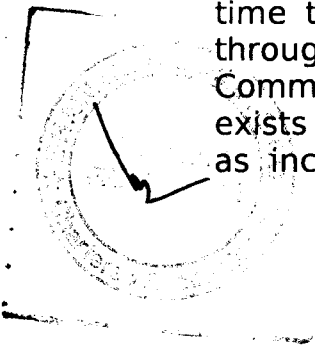


## 1.8 Foreign currency transactions

- i. The Company's financial statements are presented in INR, which is also the Company's functional currency.
- ii. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.
- iii. At each balance sheet date, foreign currency monetary items (such as receivables, payables, etc.) are reported using the closing exchange rate (BC Selling Rate for Payables and TT Buying Rate for Receivables). Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- iv. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- v. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of 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).

## 1.9 Revenue and other income

- (a) Sales are recognized on transfer of significant risks and rewards of ownership to the buyer as per the terms of the contracts and no significant uncertainty exists regarding the amount of consideration that will be derived from sale of goods. Generally this coincides with the delivery of goods to customers. Sales exclude Goods and Service Taxes. It is measured at fair value of consideration received or receivable, net of returns, allowances, trade discounts and volume rebates. Any retrospective revision in prices is accounted for in the year of such revision.
- (b) Claims on Customers (including interest on delayed realization from customers) are accounted for when there is significant certainty that the claims are realizable.
- (c) Other Interest income (e.g. on deposits with bank etc.) is recognized on a time proportion basis.
- (d) The company is eligible to receive various subsidies under North-East Industrial Policy of the Central Government schemes announced from time to time. Accordingly the Company has preferred certain claims through Government of Assam, Department of Industries and Commerce. The subsidies are recognized on accrual basis when there exists significant certainty of its realization. The same is accounted for as income/reduction of corresponding expenses of the Company as



appropriate.

### **1.10 Employee benefits**

#### **i. Short term benefits:**

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

#### **ii. Post-employment benefits:**

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

iii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. 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.

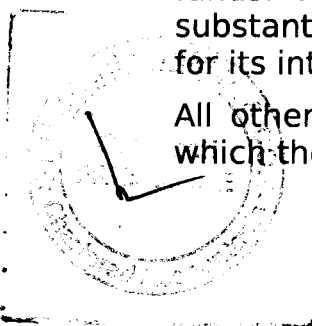
#### **iv. Other long-term employee benefit obligations:**

Compensated absences and other benefits which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation at the balance sheet date using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### **1.11 Borrowing costs**

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

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



## 1.12 Leases

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.

### (A) Company as a lessee

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

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

### (B) Company as a lessor

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

## 1.13 Liquidated damages/ Price Reduction Schedule

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

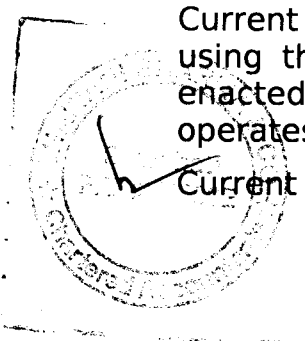
## 1.14 Taxation

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

### (a) Current Tax

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

Current income tax relating to items recognized directly in equity is



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

#### **(b) Deferred Tax**

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

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

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

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

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

#### **1.15 Earnings per share**

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

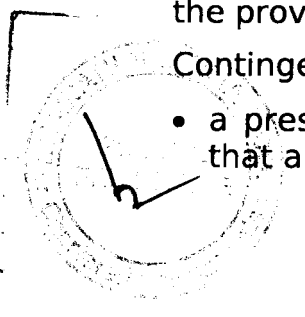
#### **1.16 Provisions, Contingent liabilities, Contingent assets and Commitments**

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

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

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;



- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

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

### 1.17 Government grants

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

### 1.18 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ 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

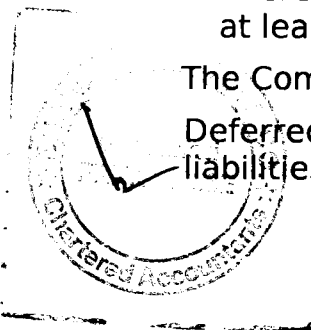
All other assets are classified as non-current.

**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.



## 1.19 Financial instruments

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

### (a) Financial assets

#### Classification

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

#### Initial recognition and measurement

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

#### Subsequent measurement

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

- **Financial assets carried at amortised cost**

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

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

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

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

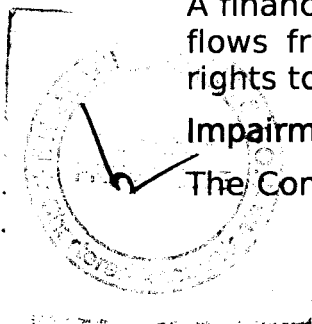
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Derecognition

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

#### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL)



model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and 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:

- **Financial liabilities at amortised cost**

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

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

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

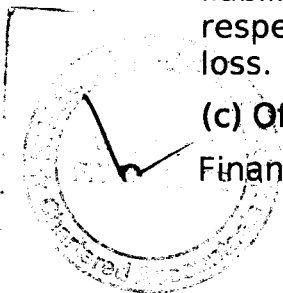
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose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

### **Derecognition**

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

## **(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is



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

## **1.20 Significant accounting judgments, estimates and assumptions**

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

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

### **1.20.1 Judgments**

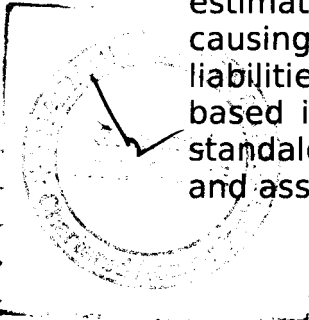
In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

### **1.20.2 Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

### **1.20.3 Estimates and assumptions**

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





market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **1.20.4 Impairment of assets**

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

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

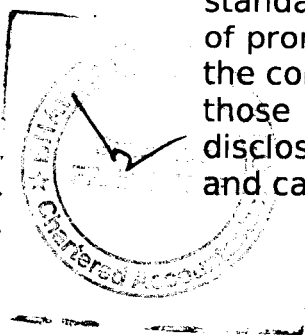
#### **1.20.5 Defined benefit plans**

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

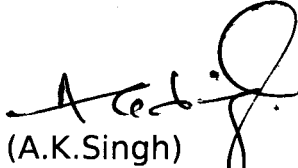
#### **1.21 Standards Issued but not yet Effective**

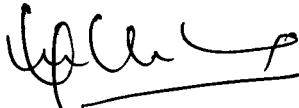
##### **Ind - AS 115 "Revenue from Contract with Customers"**

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 1<sup>st</sup> 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.

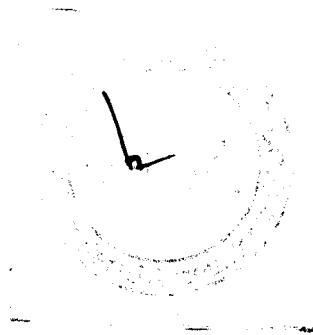
  
(A.K.Singh)  
Managing Director

  
(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

Place: Guwahati  
Date: 21.05.2018



  
(Shailendra Sharma)  
Partner  
Mem No.058352



**BRAHMAPUTRA CRACKER AND POLYMER LIMITED**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2018**

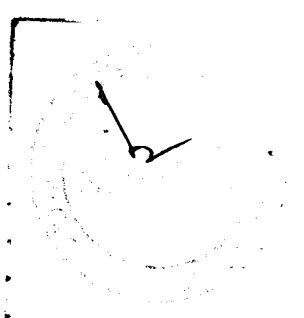
**24. Contingent Liabilities and Commitments:**

	31-Mar-18	₹ lakhs 31-Mar-17
<b>(a) Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts:		
Excise matters	-	-
Service Tax matters	-	-
Sales tax matters	-	-
Entry Tax Matters	-	-
Court cases:		
Land Acquisition cases for higher Compensation	1295.63	3433.92
Others	639.71	659.71
Claim by contractors Arbitration cases /other extra claims on capital account	48381.10	49346.71
<b>(b) Capital Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5204.46	43.74
<b>(c) Guarantees &amp; other Commitment:</b>		
Bank Guarantees in favour of Suppliers	2784.95	924.26
Letter of Credits issued:	4288.33	1,639.80
<b>(d) VAT and registration charges towards transfer of GAIL's Lakwa unit: ₹ 680 lakh (Previous year ₹ 680 lakh).</b>		

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

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

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



(e) As per Central and State Electricity Regulatory Commission(CERC) guidelines, it is obligatory on the part of entities either to purchase specified amount of energy from renewable energy source or to purchase Renewable Energy Certificate (RCE) through power exchanges. Accordingly BCPL is liable to purchase specified amount of Renewable Energy Certificate (RCE) to comply the Renewable Power Obligation from the FY 2015-16 onwards. However the amount of REC to be purchased under the RPO is yet to be ascertained. On ascertainment of the amount of REC, the liability shall be provided in the ensuing year.

25. In view of recommendation of 3rd Pay Revision Committee for revision of pay & other benefits for Board and below Board level officer, an amount of ₹ 241.30 lakhs was estimated and provided in the accounts in FY 2016-17. Although the proposal duly recommended by Board has been submitted to Government, the same has not been approved so far by the Government based on the conditions for implementation of Pay Revision. Accordingly, the earlier provision has been reversed and no liability has been provided for the current year.

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

Nature	Opening Balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	-	-	-	-	-
Service Tax	-	-	-	-	-
VAT/ Sales Tax/	-	-	-	-	-
Legal cases	-	-	-	-	-
Total	-	-	-	-	-

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

27. BCPL has lodged claim of ₹ 3589.56 lakh (previous year ₹ 368 lakh) on M/s. NRL towards 50% freight sharing and price difference of NRL and outsourced Naphtha as per interim arrangement and agreement. The said claim has been adjusted with pricing of Naphtha landed cost and shown as claim receivable from M/s. NRL.

28. M/s. NRL has claimed ₹ 135.45 lakh (previous year ₹ 117 lakh) towards delayed payment of dues against supply of Naphtha. However, BCPL has also lodged claim of ₹ 218.30 lakh towards interest on delay in settlement of claim of BCPL on price difference and freight sharing on account of outsourced Naphtha as per agreement and interim arrangement. On settlement of claim mutually, necessary accounting shall be done.

29. Land & Building

i. The Company is in possession of total 3912 bigha of lease hold land and 190 bigha of free hold land of ₹ 9489.48 lakh and ₹ 387.47 lakh (Previous Year: ₹ 9489.48 lakh and ₹ 387.47 lakh) respectively.

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

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

30. During the year the Company has received the balance equity contribution of ₹1,486.70 lakh from Government of India (GOI) against revised project cost (₹996500.00 Lakh) of Assam Gas Cracker Project. With this contribution, the equity portion of the approved funding for enhanced cost of ₹104,500.00 Lakh has been completed. However, the Company has received only ₹10,000.00 lakh in FY 2017-18 against the balance Capital Subsidy (₹54945.00 lakh) and balance is expected to be allocated in the RE for FY 2018-19.

31. Based on the initial condition of approval of the project and recommendation of the Inter-Ministerial Committee (IMC) of the Government of India (GoI), the Company has submitted its claim for sanction of Feed Stock subsidy of 40% of Natural gas price. The exact amount would be accounted for on receipt of in principle approval and lodging of actual claim.

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

₹ lakhs						
Sl. No	Particulars of Subsidy	Opening Claim pending	Claim Submitted	Claim in Process of submission	Total Amount	Amount Received, if any.
1.	Interest On working Capital loan fund	-	470.55	552.92	1023.47	470.55
2	Freight Subsidy	-	1,845.78	730.04	2575.82	-
3	Insurance Subsidy	-	957.39	1715.94	2673.32	-

The above subsidies relating to current year amounting to ₹2271.36 have been adjusted with respective expenditure and subsidy relating to the previous years amounting to ₹ 4001.25 have been shown under other income.

33. Capital Subsidy received from Government of India has been considered as deferred income in terms of Ind-As 20 and is recognized as income in the Statement of Profit and Loss over the useful life of the assets. In the current financial year an amount of ₹19,183.15 lakh has been credited (Previous year ₹18,760.00 lakh) to Statement of Profit and Loss. Further, ₹1895 lakh has been re-instated (Added back to Capital Subsidy Account) which was adjusted to retained earnings in the previous Financial year as part of Ind-As impact, however, as part of condition attached to the grant of Capital subsidy, the same has been reversed in current financial year. Accordingly, the net impact is ₹ 17288.13 lakh credit to Statement of Profit & Loss.
34. Trade payables (shown in Note No 12 ) include outstanding gas bills amounting to ₹ 34,119.06 Lakh payable to M/s. Oil India Ltd (OIL) subject to adjustment of shortfall in supply of Contracted Quantity and quality of gas for 2016-17 to 2017-18) for which discussion going on with M/s. OIL. The shortfall amount ascertained by the Company is yet to be agreed by M/s. OIL, therefore, would be adjusted on settlement in subsequent year.
35. Disclosure as per requirements of Ind-AS 19 – “Employees Benefit”.
- i. The Company’s contribution to provident fund is remitted to Employees Provident Fund maintained with Regional Provident Commissioner, Tinsukia, Assam, on a fixed percentage of the eligible employee’s salary and charged to Statement of Profit and Loss.
  - ii. **Gratuity:** The Company has a defined benefit gratuity plan fund invested with LIC and the fund is managed by a trust. Gratuity is paid to the staff member who has put in a minimum qualifying period of 5 years of continuous service on superannuation, resignation, termination or to the nominee on death.
  - iii. **Leave Encashment:** The Employees are entitled to accumulate Earned leave and half pay leave which can be availed during service period. Employees are also allowed to en-cash the accumulated Earned Leave during the service period and on resignation. Further, the accumulated Earned leave and Half Pay Leave can be en-cashed by the employees on superannuation or by nominee on death. The valuation of liability on leave salary at the yearend has been estimated based on actuarial valuation and differential liability over the previous year has been provided in the Statement of Profit and Loss.
  - iv. During the year the Company has received the approval to its proposal of “Defined Employees Superannuation Benefit and Post Retirement Medical benefit” scheme from its Administrative Ministry, Government of India, effective from the date of issue of approval (February 06, 2018). However, in view of detailed scheme

is under preparation and as there is no material impact for the current year, "Other Non-financial Assets" continued to include "Deposit with LIC" for the amount deposited with LIC of ₹ 339.34 lakh contributed towards the scheme.

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, 2018 & 31<sup>st</sup> March, 2017.

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2017-18	2016-17	2017-18	2016-17
Current Service Cost	106.11	90.31	75.18	66.75
Past Service Cost	40.99	-	-	-
Net Interest Cost	6.22	-2.55	12.07	16.25
Actuarial Gain/loss	-	-	336.49	177.07
Total expenses included in employee benefit expense	153.32	87.76	423.74	260.07

b. Amount recognized in Other Comprehensive Income for the year ended 31st March, 2018

₹ in Lakh

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (gain)/ loss on obligations	(4.91)	24.68
Return on plan assets (excluding amounts included in net interest expense)	-4.94	2.80
Experience adjustments	9.88	5.61
Recognized in other comprehensive income	0.03	27.49

c. Changes in the present value of the defined benefit obligation for the year ended 31st March, 2018 and 31st March, 2017 are as follows:

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2017-18	2016-17	2017-18	2016-17
Current service cost	106.11	90.31	75.18	66.75
Interest cost	26.41	16.39	12.07	16.26
Transfer In	0	0	0	0
Benefits paid	7.44	6.62	526.65	113.45
Actuarial (gain)/ loss on obligations	(4.91)	24.69	336.49	177.07
Defined benefit obligation	507.81	346.65	317.20	420.10

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

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2017-18	2016-17	2017-18	2016-17
Interest income	20.18	18.94	0	0
Return on plan assets	-4.94	-2.80	0	0

(excluding amounts included in net interest expense) – OCI				
Contribution by Employer	224.40	0	0	0
Benefits paid	7.44	6.62	0	0
Service cost (Transfer in)	0	0	0	0
Closing fair value of plan assets	494.27	262.07	0	0

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

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2017-18	2016-17	2017-18	2016-17
LIC Fund	494.27	262.07	-	-
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	
	2017-18	2016-17	2017-18	2016-17
Discount rate (in %)	7.70	7.50	7.50	7.50
Salary Escalation (in %)	6.00	6.00	6.00	6.00
Rate of employee turnover (in %)	-	4.47	-	4.47
Attrition Rate (in %)	1.00	1.00	1.00	1.00
Inflation (in %)	6.00	6.00	6.00	6.00
Medical cost trend rate (in %)	NA	NA	NA	NA
Life expectation for (in years):	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE

g. A quantitative sensitivity analysis for significant assumption as at 31<sup>st</sup> March 2018 is as shown below:

₹ in Lakh

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

₹ in Lakh

Gratuity Plan	31-Mar-17		31-Mar-17	
	Discount rate		Future salary increases	
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

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

₹ 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

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

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2017-18	2016-17	2017-18	2016-17
Within the next 12 months (next annual reporting period)	10.03	3.25	15.86	4.19
Between 2 and 5 years	26.37	20.39	20.39	38.59
Between 5 and 10 years	93.85	60.18	62.05	70.60
Beyond 10 years	2795.14	1,818.45	1613.50	2,101.84
Total expected payments	2925.38	1,902.27	1711.80	2,215.22

i. The average duration of the defined benefit plan obligation at the end of the reporting period is 28 years (31 March 2017: 29 years).

j. History of experience adjustment is as follows:

₹ in Lakh

Particulars	Gratuity				
	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Present value of obligation	507.81	346.65	221.88	142.43	NA
Plan assets	494.27	262.07	252.56	218.93	NA
Experience adjustments	15.50	-8.26	2.43	NA	NA

₹ in Lakh

Particulars	Leave encashment				
	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Present value of obligation	317.20	420.10	273.48	194.16	NA
Plan assets	0	0	0	0	
Experience adjustments	348.41	73.82	65.43	NA	NA

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

₹ in Lakh

Details of claim as under	Current Year	Previous Year
Opening Claim as on 01.04.2017	300.23	993.94
Claim lodged for the financial year 2017-18	250.58	300.23
Total Claim Lodged:	550.81	1,294.17
Less: Received during the year	300.23	994.00
(Add) / Less: Claim adjusted/reversed	(0.00)	(0.06)
<b>Receivable as at 31.03.2018</b>	<b>250.58</b>	<b>300.23</b>

### 37. 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. Further, Appeals have been filed with respective adjudicating authorities' consequent to unfavourable demand order for various Assessment Years.

Against the above appeal, the matter for 2009-10 and 2010-11 was finally decided in favour of BCPL by the ITAT vide order dated 14.06.2017 and a refund of ₹ 776.92 Lakh was received in the Financial year 2017-18. The same has been recognised in the books as follows:

Tax Portion on Income Received	₹ Lakh
From Capital Subsidy Fund	492.17
From Debt Fund/Equity Fund	93.78
Interest Received u/s 244A	190.97
<b>Total</b>	<b>776.92</b>
<b>*Remarks:</b>	
i. As per clarification was received from the Ministry of Chemicals & Fertilizers (MOCF) vide letter no. 45013/1/2005-PC-1(PART) dated 15.02.2012 that 'Interest earned on subsidy released by the government is not income of BCPL and the same shall be added back to the Capital Subsidy. Accordingly tax portion pertaining to Income received from Capital Subsidy Fund has been adjusted with Capital reserve-Capital Grant	
ii. The Tax pertains to pre-capitalisation phase as such the tax portion pertaining to Income received from Debt and Equity Fund has been adjusted with Capital Assets	

iii. Interest has been appropriately recognised in the Profit And Loss Account under the head 'Interest- Others'

Subsequent to the ITAT order, submission was made to the CIT (Appeal) to consider the matter pertaining to subsequent Assessment year 2011-12 to 2014-15 in line with the ITAT judgment since matter for subsequent years was similar in nature. The final judgment was passed by the CIT (Appeal) on dated 12.03.2018 by holding interest income received against investments out of Debt Funds as taxable. Considering the decision of the CIT (Appeal) as unjust and deviating the ITAT decision on preceding FYs, BCPL has preferred to file an appeal with the ITAT. The present status of various Income Tax Appeals in order of Assessment year is as under:

Assessment year	Gross Demand	Net Demand	Demand Deposit	Refund Allowed	Status of Appeal
	Figures in ₹ Lakhs				
2009-10	359.63	319.23	319.23	480.69	Appeal settled at ITAT in favour of BCPL and refund received.
2010-11	226.32	194.49	194.49	296.24	
2011-12	307.29	182.95	182.95	-	Appeal partly allowed by CIT (A) in favour of BCPL. Refund on allowed portion is yet to be received. For interest received from deposits out of borrowed funds which is treated as taxable by CIT(A), BCPL is filing appeal with ITAT
2012-13	492.99	463.31	463.31	-	
2013-14	845.22	831.26	831.26	-	
2014-15	1,211.82	922.41	138.36	-	Appeal pending with CIT.
2015-16	304.11	170.21	34.04	-	

Note:

1. Pending final refund orders from the Assessing Officer against the Order passed by the CIT (Appeal), no recognition has been made in the books. The estimated refund (excluding Interest) is placed in the table below:

Assessment year	Tax on Income from Investment (₹ Lakh)		
	Subsidy Fund	Equity Fund	Total
2011-12	166.78	27.83	194.61
2012-13	320.04	150.98	471.02
2013-14	735.60	33.80	769.39
2014-15	179.30	0.00	179.39
<b>Total</b>	<b>1404.81</b>	<b>212.61</b>	<b>1614.42</b>

2. Against Demand Order raised for Assessment Year 2014-15, BCPL has deposited a sum of ₹138 Lakh (15 % of net demand of ₹ 922 Lakh) and obtained stay for the balance. Similarly against Demand Order for Assessment year. 2015-16, BCPL has deposited a sum of ₹ 34 Lakh (20% of Net Demand of ₹ 170 Lakh) and obtained stay for the balance.
3. With respect to Assessment Year 2016-17 and Assessment Year 2017-18 BCPL has made a refund claim of ₹ 48 Lakh and ₹ 22 Lakh respectively in its Income Tax Return.

### 38. 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-18	31-Mar-17
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	45.63	221.38
Deferred tax:	-	-
Relating to origination and reversal of temporary differences	-5130.46	-6674.57
Tax expense	-5084.83	-6453.19

- b) Income tax related recognized in other comprehensive income:

₹ in Lakh

Other Comprehensive Income	31-Mar-18	31-Mar-17
Net loss/ (gain) on re-measurements of defined benefit plans	0.01	-8.50
Income tax charged to OCI	0.01	-8.50

Deferred tax liability/assets have been recognized after considering the adjustment of capital subsidy against gross assets as per Income tax Act., Rules and Regulations applicable there under and in respect of unabsorbed depreciation which would 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.

### 39. Recognition of Cenvat Benefit as ITC under GST

The Company up to 31.03.2017 as per return filed has recognised CENVAT Credit of ₹ 47894.07 Lakh. For the Financial Yr. 2017-18 up to June 2017 the Company has utilised a sum of ₹ 6497.33 Lac of CENVAT Credit and accounted for an additional CENVAT Credit ₹ 9442.58 Lakh including transitional Credit ₹ 2909.79 Lakh and deferred credit of ₹ 558.33 Lakh. As such the total accumulated CENVAT Credit stood at ₹ 50839.31 Lakh out of which a sum of ₹ 49460.28 Lakh carried forward as Central Goods and Service Tax

Credit (CGST). The difference amount of ₹ 1379.03 Lakh being ineligible credit pertaining to CESS and Others has been capitalised/reversed in the books. The above transition amount includes CENVAT Credit of ₹ 3010.09 Lakh pertaining to Duliajan Site. This credit has been disputed by the department, however, BCPL has filed appealed with CESTAT based on legal opinion. Further an amount of ₹ 125.75 Lakh available as Input VAT Credit has been carried forward as State Goods and Service Tax Credit (SGST Credit).

#### 40. Recognition of VAT Exemption Benefit

As per notification No.: FTX.110/2005/104 dated 21.10.2009 issued by Finance (taxation) Department of Government of Assam BCPL has got exemption of 99% of net VAT Payable (i.e. 'Output Tax plus actual or notional tax liability under the Central Sales tax Act minus Input Tax') for a period of 15 years from the date of commencement of commercial production. Accordingly BCPL has discharged VAT and CST liability by using the input tax credit available till transition to Goods and Service Tax regime and balance output VAT amount (exemption as per notification) of Rs. 961.43 Lakh (net of excise liability on exempted amount) has been recognised as Income.

#### 41. Financial risk management :

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

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

- ii. The Company's principal financial liabilities comprise of loans, trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.
- iii. The Company is exposed to market risk, credit risk and liquidity risk.

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

##### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign

exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

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

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

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

₹ in Lakh

Particulars	Increase/decrease in basis points	Effect on profit before tax
<b>31 March 2018</b>		
SBI Loan	+100	+1918.40
	-100	-1918.40
<b>31 March 2017</b>		
SBI Loan	+100	-2,133.45
	-100	+2,133.45

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.

₹ in Lakh

Particulars	Change in currency exchange rates	Effect on profit before tax
<b>For the year ended March 31, 2018</b>		
US Dollar	3%	-69.66
	-3%	69.66
EURO	6%	-53.62
	-6%	53.62

Japanese yen	7%	-79.53
	-7%	79.53
<b>For the year ended March 31, 2017</b>		
US Dollar	+3%	-28.99
	-3%	+28.99
EURO	+6%	-2.07
	-6%	+2.07
Japanese yen	+7%	-44.72
	-7%	+44.72

#### 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 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	21,587	4,150	41,304	1,51,372	1,26,860	3,45,275
Interest payable	1,781	6,472	18,744	67,902	12,692	1,07,593
Trade and other payables	35,752	-	-	-	-	35,752
Other financial liabilities	5,077	2,285	18,027	-	-	25,389
Other specify	-	-	-	-	-	-

₹ 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	1,50,592	1,32,338	3,42,425
Interest Payable	-	6,925	20,203	82,434	25,898	1,34,260
Trade and other payables	38,959	-	-	-	-	38,959
Other financial liabilities	5,688	2,192	19,725	-	-	27,605
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 2018	18,222	18,171	51	-	-	18,222
Trade receivables as of 31 March 2017	5,603.84	5,603.84	-	-	-	5,603.84

## 42. Capital Management

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

The Company maintains its capital structure as per approved funding pattern of the project cost of the Company by Government of India ensuring viability of the project. No changes were made in the objectives, policies or processes during the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017.

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 2018	As at 31 March 2017
Interest-bearing loans and borrowings including payables	426501	544,986
Less: cash and cash equivalents	86683	78,334
Net debt	339818	466,652
Equity	1402.80	1402.80
Total capital	49798	57,995
Capital and net debt	389616	524,648
Gearing ratio	0.87	0.89

### 43. Accounting classifications and fair value measurements

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

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

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

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

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

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

₹ in Lakh

Particulars	Carrying amount 31 March 2018	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
<b>Non current</b>				
Loans and receivables	1,767.75	-	-	-
<b>Current</b>				
Trade receivables	18,222.25	-	-	-
Cash and cash equivalents	1504.08	-	-	-
Loans	110.88	-	-	-
<b>Total</b>	<b>21604.96</b>	-	-	-
<b>Financial liabilities at amortised cost:</b>				
<b>Non current</b>				
Borrowings	277,522.23	-	-	-
<b>Current</b>				
Borrowings	46,730.37			

Other financial liabilities	45843.77			
Trade payables	35,752.84			
<b>Total</b>	<b>405,849.21</b>	-	-	-

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

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.

#### 44. Leases

##### Non-cancellable Operating lease: Company as lessee

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

##### Non-cancellable Operating lease: Company as lessor:

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

#### 45. 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 years of operation. However, deferred tax assets/liabilities as applicable has been provided in the account.

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.

#### 46. Related Party Disclosures

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

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

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

##### b. Key management personnel :

Sh. A K Singh- Managing Director.  
Sh. 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

₹ in Lakh

Particulars	31 March, 2018	31 March, 2017
<b>Gail (India) Limited</b>		
Manpower cost	1,609.25	1,842.38
Purchase of goods (Butene-1, propylene, NG etc.)	7,248.85	4,958.44
Lease arrangements	40.63	40.71
Equity Contribution	0	1,9833.34
Other(Marketing Commission)	43.01	1,765.62
Balance payable	2,454.65	883.13
<b>Numaligarh Refinery Limited</b>		
Sale/ Purchase of goods	18,327	10,808.06
Equity Contribution	0	1,486.70
Claims towards Freight and Price difference on out sourced naptha.	3,589.56	0
Balance payable	0	1,875.44
<b>Oil India Limited</b>		
Sale/ Purchase of goods	36,710.07	38,768.71

Equity Contribution	0	1,486.70
Other (Interest on Inter-Corporate Loan)	0	799.74
Balance payable (NG supply)	34,119.06	35,787.28
Outstanding (infrastructure cost)		14,534.85
<b>Key management personnel</b>		
Remuneration to Sh. A K Singh- Managing Director	42,11,891/-	22,89,311/-
Remuneration to Sh. O.P. Tailor- Director (Finance) and CFO	27,46,708/-	25,69,666/-
Remuneration to Mrs. Ruli Das Sen- Company Secretary	20,98,360/-	15,71,447/-

#### 47. 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.

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

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

Particulars	₹ in Lakh	
	2017-18	2016-17
i) The principal amount and the interest thereon remaining unpaid to any supplier as at the end of each accounting year;	555.54	83.35
ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year ended ) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil

v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil
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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.

#### 49. 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, 2018.

(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 2018, three major Customers contributed around 15% of the revenue amounting to ₹ 28,561.84 lakh (previous year ₹ 12,972.83 lakh).

#### 50. Earnings per Share (EPS)

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

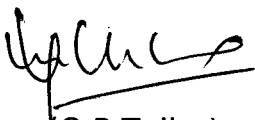
	₹ in Lakh	
	31-Mar-18	31-Mar-17
Loss attributable to equity holders of the Company:		
Continuing operations	-8038.32	-54,740.77
Discontinued operation	-	-
Loss attributable to equity holders of the Company for basic earnings	-8038.32	-54,740.77
Loss attributable to equity holders of the Company adjusted for the effect of dilution	-8038.32	-54,740.77

Weighted average number of Equity shares for basic EPS * (in No.)	1402803010	133560729
Effect of dilution:	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	-	-
Earnings per equity share: in Rs.		
-Basic	-0.57	-4.10
-Diluted	-0.57	-4.10

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

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

  
(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

  
(Shailendra Sharma)  
Partner  
Mem No.058352

Place: Guwahati  
Date: 21.05.2018

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BRAHMAPUTRA CRACKER AND POLYMER LIMITED, GUWAHATI, ASSAM FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Brahmaputra Cracker and Polymer Limited, Guwahati, Assam for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Brahmaputra Cracker and Polymer Limited, Guwahati, Assam for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

Place: Kolkata

Date:

27 JUN 2018

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

(Suparna Deb) 27/6/18

Director General of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
Kolkata