

ANNUAL REPORT

2017-2018



Enhancing
Performance



Brahmaputra Cracker and Polymer Limited



Brahmaputra Cracker and Polymer Limited

Vision

To emerge as a dominant petrochemical player in the north-east region, providing value to stakeholders, offering best-in-class products & services, contributing to economic growth while remaining environmentally conscious.

Mission

To establish significant presence in the north-east region in petrochemical sector by way of production /sourcing and marketing of quality products, deploying efficient distribution and marketing channels to cater to the needs of target customers.



BOARD OF DIRECTORS



Shri B C Tripathi
Chairman



Shri A K Singh
Managing Director



Shri O P Tailor
Director (Finance)
(up to 30-06-2018)



Smt. Aparna S Sharma



Shri R K Dutta



Shri Ravi Capoor, IAS



Shri P Padmanabhan
(up to 30-10-2017)



Shri Subir Purkayastha



Smt. R S Borah



Shri S. K. Barua
(w.e.f. 01-02-2018)



Dr. Chitrlekha Mahanta



Contents

<i>Notice</i>	4
<i>Chairman's Statement</i>	7
<i>Directors' Report</i>	9
<i>Management Discussion and Analysis Report</i>	20
<i>Report on Corporate Governance</i>	32
<i>Disclosure of particulars of contracts / arrangements with related parties</i>	39
<i>Extract of Annual Return</i>	41
<i>Annual Report on CSR activities</i>	48
<i>Secretarial Audit Report</i>	49
<i>Corporate Governance Compliance Certificate</i>	53
<i>Independent Auditors' Report</i>	54
<i>Balance Sheet</i>	63
<i>Statement of Profit & Loss</i>	65
<i>Statement of changes in Equity</i>	66
<i>Notes to the Financial Statements</i>	67
<i>Cash Flow Statement</i>	107
<i>Comments of Comptroller & Auditor General of India</i>	108



**Corporate Identity
No. (CIN)**

U11101AS2007GOI008290

Bankers

State Bank of India

- Corporate Accounts Group-II,
4th & 5th Floor,
Redfort Capital Parsvnath Towers,
Bhai Veer Singh Marg,
Gole Market, New Delhi- 110001
- Lepetkata Branch,
PO- Barbaruah, Dibrugarh- 786007

**Statutory
Auditors**

M/s Bhawani Sharma & Co.
Chartered Accountants
S S Road, Lakhtokia, Near Sahida
Market, Guwahati-781001, Assam

**Internal
Auditors**

M/s Batliboi & Purohit
Chartered Accountants
National Insurance Building
204, Dadabhoy Naoroji Road
Fort, Mumbai-400001

**Secretarial
Auditors**

M/s Biman Debnath & Associates
Flat No. 402, Block C, Prasanti
Pride, Prakash Choudhary Housing
Complex, Tarun Nagar, ABC,
Guwahati 781005, Assam

**Cost
Auditors**

M/s Subhadra Dutta & Associates
House No. 29, Krishnanagar,
Chandmari, Guwahati 781003

Registered Office

House No. 6, Bhuban Road,
Uzanbazar, Guwahati,
Assam- 781001

Project Site Office

Lepetkata
P.O. - Barbaruah
District-Dibrugarh
Assam-786007



NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Company will be held on Friday, the 28th day of September, 2018 at 3.00 p.m. at Hotel Vivanta by Taj, G. S. Road, Khanapara, Guwahati 781022 to transact the following business-

As Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2018, the Profit and Loss Account for the year ended on that date, the Board's Report, the Statutory Auditors' Report and the comments of the Comptroller & Auditor General of India thereon.
2. To appoint a Director in place of Shri Ravi Capoor (DIN 00744987), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri Subir Purkayastha (DIN 06850526) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Aparna S Sharma (DIN 07798544), who retires by rotation, and being eligible, offers herself for re-appointment.
5. To authorise the Board of Directors of the Company to fix the remuneration of the Statutory Auditors for the financial year 2018-19 in terms of the provisions of Section 142 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and to pass the following resolution, with or without modification, as an Ordinary Resolution:

***"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to fix the remuneration of the Statutory Auditors as appointed by the Comptroller and Auditor General of India for the financial year 2018-2019."*

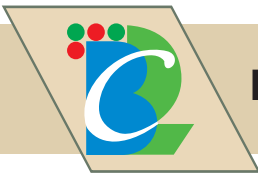
As Special Business

6. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

***"RESOLVED THAT** in accordance with the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Saumendra Kumar Barua (DIN 06503943), who was appointed as an Additional Director w.e.f. 01.02.2018 be and is hereby appointed as a Director of the Company, liable to retire by rotation."*

7. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

***"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration amounting to ₹50,000/- (Rupees Fifty Thousand only) plus applicable tax & re-imbursment of travelling and out-of-pocket expenses at actual payable to M/s Subhadra Dutta & Associates, appointed by the Board of Directors for conduct of cost audit of the cost records of the Company for the financial year 2018-19, be and is hereby ratified."*



Brahmaputra Cracker and Polymer Limited

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary to give effect to this resolution.”

Dated : 31st August, 2018

By Order of the Board

Place : Guwahati

Sd/-

(Ruli Das Sen)

Company Secretary

Notes

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

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

In case of corporate shareholders proposing to participate at the meeting through their representative, necessary authorisation under Section 113 of the Act for such representation may be forwarded to the Company.



Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013

Agenda No. 6

Shri Saumendra Kumar Barua, Managing Director, Numaligarh Refinery Limited (NRL), was nominated by NRL vide letter no. 4276/NRL dated 01.02.2018 as Director on the Board of Directors of the Company in the vacancy caused by resignation of Shri P Padmanabhan, who superannuated from NRL. Shri S K Barua holding DIN 06503943 and aged 56 years, was inducted as an Additional Director w.e.f. 01.02.2018 till the conclusion of this Annual General Meeting.

He has 33 years of varied experience in the Indian Oil and Gas industry. Prior to his appointment as Managing Director of NRL, he was serving as the Director (Finance) in NRL. He joined NRL as its first permanent employee in the year 1993, the year that the Company was established. Over the last 24 years in NRL, he has garnered vast experience of setting up a grassroots mega project starting from its conceptualisation, implementation, commissioning and operations thereafter.

He holds ten equity shares in the company jointly with NRL and besides NRL does not hold directorship in the Board of any other Company. He is not related to any Director or other key managerial personnel of the Company.

The Company has received a Notice from a member under section 160 of the Companies Act, 2013, proposing the candidature of Shri Saumendra Kumar Barua as a Director of the Company.

Your Directors recommend the resolution for his appointment as Director liable to retire by rotation, for approval of the shareholders. None of the Directors, key managerial personnel or their relatives, except Shri Saumendra Kumar Barua is interested in this resolution.

Agenda No. 7

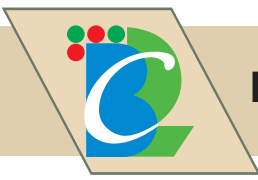
Pursuant to section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and as recommended by the Audit Committee of the Board, the Board of Directors of the Company has approved the appointment of M/s Subhadra Dutta & Associates, Cost Accountants (Registration No. 000223) as Cost Auditors to conduct audit of the cost records of the Company for the financial year 2018-19 for a professional fee of ₹50,000/- (excluding applicable Tax). Travelling and out of pocket expenses will be reimbursed at actuals. Accommodation at guest house and local travelling will be provided by BCPL.

The firm has vast experience in cost audit including cost audit assignments in public sector enterprises.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditors recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders and accordingly consent of the shareholders is sought for ratifying the remuneration of the Cost Auditors appointed by the Board of Directors for conduct of cost audit for the financial year 2018-19.

Your Directors recommend the resolution for approval of the shareholders. None of the Directors, key managerial personnel or their relatives is concerned /interested in terms of Section 184 of the Companies Act, 2013, in the proposed resolution.

Note: All documents referred to in this statement will be open for inspection by members, at the registered office of the Company during normal working hours up to the date of the Annual General Meeting



Chairman's Statement

Dear Shareholder,

It is indeed a matter of great pleasure to witness the impressive strides of your Company towards establishing a credible market standing in a short span of two years into operations. In the North East, your Company resonates deeply with the local market and has garnered market share of 80% for Polypropylene grade range and about 50% in the Linear Low Density Polyethylene segment.

Your Company took baby steps towards earning its first cash profit in the last quarter of fiscal year 2016-17, although ended in a cash loss of INR 455 crore. During the year, sustained growth of cash profits were backed by doubling capacity utilization to 78% and rapidly expanding marketing reach through the network of parent company, GAIL (India) Limited.

I am glad to share with you that your Company is on a steady path of growth and producing over its rated capacity month after month in consistency with utilization rate achieving a record 118% in May 2018. This is a significant achievement as your Company generated INR 83 crore cash profit on a turnover (net of excise) of INR 1748 crore in the last concluded fiscal year. At this continued streak of advancement, it is but historic for your

Company to have posted a PAT of INR 27.26 crore (unaudited) in the first quarter of current fiscal year and profitable growth would be a natural way forward. I congratulate each one of employees and the Board members for making this possible in spite of numerous challenges and odds at every step.

During the year, your Company encountered constrained feedstock supply from promoter-suppliers due to limitations at their end which lead to intermittent shutdown of the production and in addition BCPL faced mounting spiral of financial crunch. Feedstock related losses are estimated at INR 349 crore. On the whole, accumulated loss of INR 900 has led to the erosion of net worth by 65%, attributable to inadequate feedstock, initial hiccups in plant operations during stabilization phase and awaited infusion of balance capital subsidy.

On having enumerated the confronting challenges, it is also assured that your Company and its Management are working assiduously with various stakeholders for ensuring favourable outcomes for BCPL.

Naphtha supply agreement with M/s NRL with minimum guaranteed offtake is structured on logistics cost share formula and has been



operationalised. On the front of comonomer availability, arrangement for Butene-1 is tied up with various suppliers in the domestic market. Further, your Company is awaiting investment approval from Government of India for setting up Butene-1 and Hydrogenated Pyrolysis Gasoline (HPG) facilities at BCPL. These units shall pave the way for greater flexibility in sustained manufacturing of value added polymers and petrochemical by-products for your Company.

On the front of improving financials, your Company is at an advanced stage of examining several options for improving financial measures and a comprehensive plan of action shall be worked up with co-promoters, stakeholders and financial institutions in the near term. As an immediate relief, GoI has sanctioned release of INR 100 crore against the approved capital subsidy of INR 549 crore. Release for the balance subsidy is being pursued for early release.

Against the backdrop of challenging dampers, your Company has shown exemplary resilience by surpassing MoU performance parameters in the current year and is relentlessly pursuing a path of growth and profit.

Today, Brahma-Pol and Brahma-Lene product range are accepted country wide, beyond North East; and your Company has a significant role to play in expanding its footprints across markets in a scenario of compounded demand growth of over 10-12%. For safeguarding profitability and leveraging market opportunities, plant operations of your Company are now gearing-up to explore expansion of product slate in the polyethylene segment in the near future. Such efforts could lead to two fold expansion of sales in North East. You would be pleased to learn that the distribution strength of the dedicated consignment stockist appointed at Guwahati during the last year is gainfully utilized to maximise consumption of BCPL products in the region.

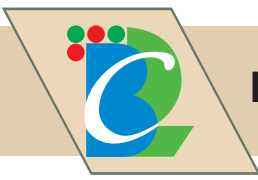
Your Company is striving hard to stand tall and be counted as the jewel industrial investments in North East region and a marquee name for Quality and Reliability. It is heartening that the employees have stood up to innumerable challenges and are wholeheartedly supporting the management towards steering your Company in pursuit of growth, prosperity and in making BCPL a formidable brand and a face of industrial promise at North East.

Your Company has worked with communities at critical junctures and supported flood-relief measures, Swachh Bharat Abhiyan undertakings and health check-up camps in the home State on a modest scale, even as it managed to cope with constraining working capital conditions. Your Company would strive to extend greater contribution towards community development efforts under CSR in the evolving years on the back of steady growth in resource generation.

Management of your Company has been relentless in its efforts to ensure compliance to corporate governance standards. Managing growth and shareholder value of your Company with transparent governing process shall continue to be the reaffirming objective for the Board of Directors. A report on corporate governance forms part of this Annual Report.

On behalf of BCPL, I take the opportunity to express my sincerest gratitude to the Government of India and Government of Assam as well as the promoter institutions - Oil India Limited, Numaligarh Refinery Limited and GAIL (India) Limited, for extending indulgent & nurturing support to your Company as it traverses to unlock emerging opportunities for supporting growth aspirations of India and significantly of the North East region.

Sd/-
(B C Tripathi)
Chairman



Directors' Report

Dear Shareholders,

I on behalf of the Board of Directors am pleased to present the Eleventh Annual Report of the Company containing the audited financial statements for the year ended 31st March, 2018.

Plant Operations and Status.

It gives me immense pleasure to share that all process units of your Company are fully operational and your Company has achieved targets across major parameters viz. production, sales, reduction in specific energy and HR as per internal evaluation of MoU performance for financial year 2017-18. Your Company has surmounted plant stabilisation issues in a relatively short span of eight months of commissioning and managed to sustain operations at an average capacity utilisation of 78% during the last financial year. There has been a constant endeavour to overcome feedstock issues affecting capacity utilisation and various alternative measures have been taken to procure Naphtha, Butene-1 and Propylene for ensuring stable and sustained operation of the plant. Oil India Limited, contributing to 61% of the total feed is being persuaded to increase the quantity & quality of Natural Gas and the shortfall in supply declined to 20% in FY 2017-18 from the supply level of 41% in the previous year. Your Company has made efforts with co-promoter companies and stakeholders to enhance feedstock supplies. In addition BCPL has tied-up with various entities for ensuring adequate supply of Butene-1. These efforts have borne fruit and the capacity utilisation has improved remarkably since February, 2017. In August, 2017 and March, 2018 the plant achieved more than 100% capacity utilisation. To run the plant efficiently and to ensure sustainability, various energy saving measures have been adopted which have resulted in considerable reduction in specific energy consumption per ton of output.

Approximately 2.1 lakh MT of Polymers and 41.7 thousand MT liquid hydrocarbon were produced during the year and the products were marketed to the downstream industries in accordance with the marketing arrangement with GAIL. It is heartening that the market share of your Company is increasing consistently. Despite many challenges and difficulties, your Company has achieved Polymer sales of 2,05,274 MT through GAIL India Ltd. in the last fiscal, which is 2.3 times higher than Polymer sales in the financial year 2016-17.

Engineers India Limited (EIL) has been engaged to carry out a detailed feasibility study of Butene-1 and 2nd Stage Hydrogenation of Pyrolysis Gasoline plant at Lepetkata, Assam for captive consumption so that there is consistent supply of Butene-1 and value addition to the by-product (HPG) providing better realization. Based on the DFR for the project submitted by EIL with an estimated cost of ₹359.80 crore, a proposal has been submitted to the Government for approval.

The project has generated direct employment for around 620 personnel and employment for around 2600 on outsourced basis. Apart from this, employment generation is expected to get a boost through setting up of downstream plastic processing industries & ancillaries in the northeast region, which will take the Company's products as raw material.

A few of the important milestones achieved during the financial year 2017-18 are as below:

- Excellent MOU target achieved in terms of Polymer production, revenue from operations, reduction in specific energy consumption and HR parameters.
- Lakwa plant achieved single day highest production of 168.2 MT of C2+ liquid on 7th August, 2017.



- The Company produced 170,392 MT of LLDPE/HDPE and 42,176 MT of PP.
- Lakwa plant dispatched highest C2+ LIQUID (182.5 MT) on a single day on 15th December, 2017.
- Highest monthly Polymer production of 26549 MT was achieved during the month of March, 2018.
- BCPL became a proud recipient of “Award for Innovation in Recruitment” by World HRD Congress on the theme “HR Talent Management Leadership Awards” in its 26th edition.
- Sale of Wash Oil was started with first despatch from Lepetkata on 23rd February 2018.
- LLDPE Unit achieved single day highest production of 800 MT Polymer on 5th March, 2018
- Month long annual plant turnaround was successfully completed in October, 2017
- The consumption of the Company’s Polymer in NE region increased from 500 MT per month to around 2600 MT per month within a period of one year.
- There were various efficient systems and policies including implementation of e-Performance Management System (e-PMS), formulation of Superannuation Benefit Scheme for employees, timely and smooth implementation of GST from July, 2017 and hooking of the online Effluent & Emission analysis of BCPL Lepetkata to the Central Pollution Control Board, New Delhi server, since 6th October, 2017 for continuous monitoring.
- The Company generated revenue of ₹1748.68 Crore during the year. Registration has been made with Government e-Marketplace (GeM) for procurement of materials and services.
- For the first time, Scrap worth ₹70 lacs was disposed through the MSTC e auction portal.
- Highest ever procurement orders of 39.02% issued to MSE vendors in the first three quarters (Q1, Q2 & Q3 and January 2018) against the Government of India target of 20% as per Public Procurement Policy, 2012.

Health Safety and Environment (HSE)

Your Company gives utmost importance to safety of all concerned and is fully committed to ensure safe operation of the plant. A Committee of the Board on Health Safety & Environment monitors the compliance of safety guidelines & statutory requirements and relevant issues are regularly being placed before it. The HSE Policy has been displayed at various locations in the plant and Safety Boards and Safety Posters have been installed in the plant premises. Onsite Emergency Plan, Safety Management System etc. are in place. Fire & Safety training is being regularly imparted along with organizing of a number of awareness programmes for the employees, CISF security personnel and contract workers. Monthly Safety Day is being observed in all units on the 10th of every month to promote awareness on HSE aspects across the organisation and develop a culture where all employees are committed to HSE.

Financial Summary

After commissioning of the plant on 02.01.2016, there was intermittent production during the 8 month stabilisation phase resulting in low capacity utilisation during the initial months. There was no provision for stabilisation expenses in the approved cost estimates. After stabilisation, the plant operations continued to be affected by other issues mainly relating to quality and quantity of Natural Gas from Oil India Limited and inadequate supply of

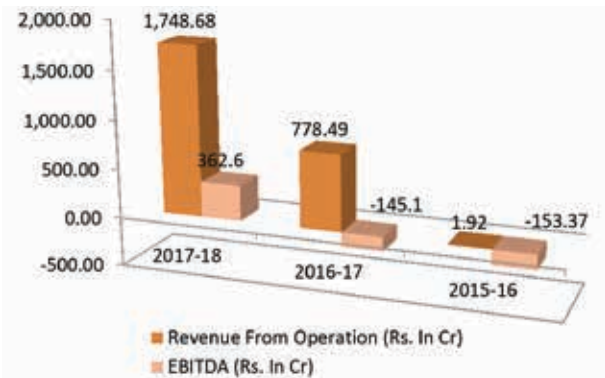


Brahmaputra Cracker and Polymer Limited

Naphtha from Numaligarh Refinery Limited. There were constraints in supply of other raw materials including Butene 1. Due to relentless efforts to overcome these constraints, the capacity utilisation improved remarkably since February, 2017 and the Company has been able to book cash profits since then. It is heartening to note that your Company is ahead of the MoU targets for the financial year, in terms of major parameters like production, sales and reduction in losses. During the period under review, your Company incurred a net loss of ₹80.39 crore with a turnover of ₹1748.68 crore. The financial highlights are given below:

₹ in crore

	2017-18	2016-17
Revenue from Operation	1,748.68	778.49
Other Income	57.22	6.99
Total Income	1,805.90	785.48
Total Expense	1,443.30	930.58
EBITDA	362.60	-145.10
Less: Interest Cost	278.89	302.76
Less: Depreciation	387.83	351.68
Add: Deferred Revenue from Govt. Grant	172.88	187.60
PBT	-131.24	-611.94
Tax Expense		
- Current Tax	0.45	2.21
-Deferred Tax	-51.30	-66.74
PAT	-80.39	-547.41
Net Fixed Assets	7812.84	8144.97
Borrowings (Long term)		
-SBI	1657.90	1691.20
-OIDB	1321.88	1290.80
Borrowings (Short term)		
-SBI (Short term Loan)	250.00	250.00
-SBI (CC)	217.30	184.45
Paid-Up Equity	1402.80	1402.80
Reserves and Surplus	-919.70	-822.84
Net Worth	483.10	579.96



During the year, the balance equity contribution of ₹14.87 crore has been received from the Government of Assam. The short term unsecured loan of ₹250 crore was availed from SBI in February, 2017 and was due for repayment in February, 2018. The loan was rolled over for one year and presently the loan from SBI is due for repayment in February, 2019.

Marketing

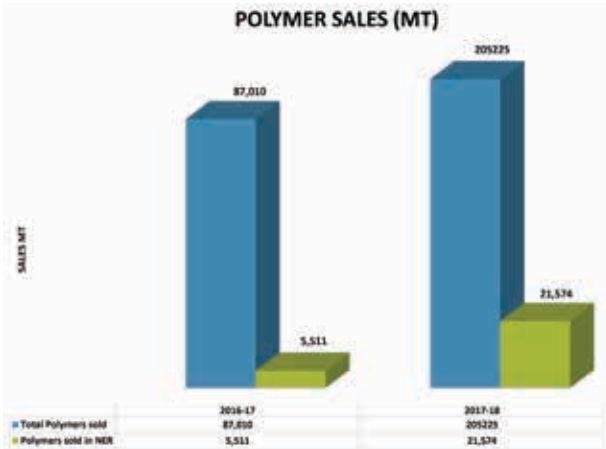
GAIL India Limited, the holding company is the sole marketer of the products & by-products sold not only in the north eastern region but also in West Bengal, Jharkhand, Bihar, Uttar Pradesh, Delhi, Orissa, Andhra Pradesh, Telangana, Tamil Nadu. The products are being marketed to the downstream industries in accordance with the marketing arrangement with GAIL and the market share of your Company is increasing consistently.

Till the end of the fiscal, 2,92,510 MT Polymer was sold, with your Company's products being well accepted in the market. With 60% market share of Polymer in the northeastern region,





the consumption of your Company's products in the region has been steadily increasing and has gone up from 500 MT per month to 2600 MT per month in a period of one year. The percentage sale of Polymers in the northeastern region has increased from 6.33% in FY 2016-17 to 10.51% in FY 2017-18.



During the year under review a total quantity of 205225MT of Polymer, 42866 MT of Liquid Hydrocarbons, 387 MT of Nitrogen and 498 MT of Wash Oil was despatched to various locations in the country, generating a total revenue of ₹1787crores. Twenty-four consignment stockists have been appointed across various locations in the country including the northeast, for marketing your Company's products.

Aware of the necessity of enhancing its brand image for attracting customers as well as human resources, your Company has taken initiatives in this regard in a humble way by installation of LED display of time, temperature and humidity, dust bins at DTP Dyke and glow signage at the airports in Dibrugarh and Guwahati.

Spreading its wings in the business arena, your Company participated in the global summit, Advantage Assam, organised by the Government of Assam. The event was the largest ever investment promotion and facilitation initiative by the Government of Assam organised in Guwahati, Assam to explore business potential in the state. I am delighted to mention that, your

Company has signed 13 MoUs with investors for ₹333 crores and overall ₹980 crores was invested in the plastic and petrochemicals sector.

Your Company has also participated in four national level and three state level vendor development programmes organised jointly by MSME, District Industries & Commerce Centre and Federation of Industry & Commerce of North Eastern Region (FINER) and conducted one such in-house programme. Your Company also participated in the 21st Refinery Technology Meet organised by 'Centre for High Technology' (CHT) in association with 'Hindustan Petroleum Corporation Limited' (HPCL) at Visakhapatnam besides other investment promotion initiatives including North East Calling 2017 organised by the Ministry of Development of the North Eastern Region (DoNER), the eighth edition of International Exhibition on Plastics and Petrochemicals and Conference in association with GAIL (India) Limited and organised by Plast India Foundation, Central Institute of Plastics Engineering and Technology (CIPET) along with plastics manufacturers associations of Tamil Nadu, Andhra Pradesh, Kerala and Karnataka at Chennai Trade Fairs, Chennai.

The conservation of energy, technology absorption, foreign exchange earnings and outgo:

(A) Conservation of energy-

i.	The steps taken or impact on conservation of energy	There is regular recording and monitoring of Fuel, Power, Steam, Nitrogen & other utilities consumption with respect to own benchmark & design values. Periodic in-house energy audit is also carried out which has resulted in significant reduction in specific energy consumption per ton of output
ii.	The steps taken by the Company for utilising alternate sources of energy	
iii.	The capital investment on energy conservation equipment	



(B) Technology absorption-

i.	The efforts made towards technology absorption.	Plant operations are sustained, quality products are produced and average capacity utilisation of 78% has been achieved during the financial year. Over 100% capacity utilisation was achieved in August, 2017 & March, 2018.
ii.	The benefits derived like product improvement, cost reduction, product development or import substitution	
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
a. The details of technology imported		
The Company has entered into contracts with the following Licensors for import of technology for its different units:		
	UNIT	LICENSOR
	(i) Ethylene Cracker Unit -	Lummus Technology, USA
	(ii) LLDPE / HDPE Swing Unit -	INEOS, UK
	(iii) Polypropylene Unit -	Lummus Novolen, Germany
No new technologies have been imported during the last three years.		
b. the year of import		
	(i) ECU – License Agreement signed on 14.05.2009.	
	(ii) LLDPE/HDPE – License Agreement signed on 18.03.2009.	
	(iii) PPU – Licence Agreement signed on 31.03.2009.	
No new technology has been imported during the last three years.		

	c. Whether the technology has been fully absorbed	Technologies adopted are largely absorbed as more than 100% capacity utilisation has been achieved in August, 2017 and March, 2018
	d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
iv	The expenditure incurred on Research and Development	NIL.

(C) Foreign exchange earnings and outgo-

During the year, there was no foreign exchange earned in terms of actual inflow and the foreign exchange outgo in terms of actual outflow was ₹50.02 crore.

Particulars of Employees

Being a Government Company, the provisions of section 197 of the Companies Act, 2013 shall not apply in view of the gazette notification dated 5th June, 2015 issued by the Ministry of Corporate affairs, Government of India. Therefore particulars of employees drawing remuneration in excess of specified limits as envisaged by section 197 of the Act read with the relevant rules are not included in the Board's Report.

Human Resource:

The total sanctioned manpower in your Company is 700 (491 executives + 209 non-executives). The employee strength of your Company as on 31st March, 2018 was 620 including 428 executives and 192 non- executives. 64.84% of the employees were from the north-eastern region. Further, 34 executives were on secondment/ deputation from GAIL (India) Limited, the major equity holder. The process of recruitment of balance manpower continues and care has been taken to ensure suitable representation of female employees and minorities. Further,



representation of the OBC, SC and ST categories constitute 28.39%, 13.55% and 8.71% of the employees respectively. Recruitment of persons with disability has already been started and they constitute around 1% of the total workforce. Further, special recruitment drives are on the anvil to ensure proper representation in this regard.

Your Company strives to provide quality work ambience to its employees and is engaging in various activities to elevate the skills and expertise of its manpower. Training is provided in technical and non-technical areas to meet the requirement of plant operation and administrative affairs of the Company. In the year under review, training covering 312 man days was organised. GST compliant since July, 2017, a workshop on Goods and Service Tax Awareness and its impact on Direct Tax was organised in association with the Office of Commissioner Goods and Service Tax & Office of Principal Commissioner of Income Tax for implementation of GST. Expanding the career growth in the Company, Performance Management System and Promotion Policy has been introduced for the non-executives. Provisions for reimbursement of conveyance maintenance expenses and payment of overtime wages to non-executives were also introduced during the year. A Policy with regard to prevention, prohibition and redressal of sexual harassment of women at work place is in place. No complaint of sexual harassment of women at workplace has been received during the year. An online redressal system is also in place for addressing employee grievances.

It is a matter of pride that your Company has recently been awarded for innovation in recruitment by the World HRD Congress on the theme HR Talent Management Leadership Awards in its 26th edition, for its involvement in the innovative initiative in "E-Recruitment". Your Company also participated in the 14th North East Young Managers competition organised by Guwahati Management Association (GMA) under the aegis of All India Management Association

(AIMA) and won fourth position in the best Young Manager Category along with the Special Jury Award.

Your Company is a life member of WIPS, a forum of women in public sector.

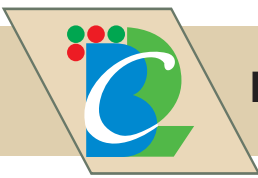


Shri Reep Hazarika, Chief General Manager (O&M) and Shri Asit Das, General Manager (HR) receiving the HR Talent Management Leadership Award



Workshop on Goods and Sales Tax

The Company has a well-appointed township at Barbaruah at a distance of approximately 4 kms. from the plant site and spread over 132 acres with 149 quarters of various categories, gymnasium facilities to promote fitness, a doctors consultation centre, a mini shopping complex with outlets for grocery & saloon services to cater to the day to day needs of the employees, a community hall to facilitate conduct of meetings, music & dance classes besides a Table Tennis Room and Badminton Courts. The Company also has a township at Sivasagar which is located at a distance of about 40 kms from the Lakwa Plant with guest house, quarters and bachelors hostel



facilities. This township too is well appointed with gymnasium, library, auditorium, Indoor Badminton Court, Lawn Tennis Court, Billiards Room and football ground for the residents.

The Company has a Staff Welfare Committee which endeavours to provide a forum to the employees for recreation and social bonding by organising several social and cultural events and to make festivities during occasions like New Year, Diwali, Magh Bihu and Holi more inclusive and enjoyable. Various sports events are regularly organised and the events during the year include an inter- departmental football tournament, night cricket tournament and a two month football coaching programme for children.

Industrial Relations

The overall industrial relations climate remained harmonious and cordial throughout FY 2017-18. Issues with various groups and agencies were amicably resolved through continuous dialogue and maintaining collaborative approach with the Union. Your Company has adopted pre-emptive and responsive IR policies which have a salutary effect on all statutory liabilities towards various social security schemes. Implementation of Employees State Insurance Act (ESI Act) in the operational location is one of the major steps taken towards ensuring of social security benefit



Shri A K Singh, Managing Director inaugurates the stage at Lepetkata in the presence of Shri O P Tailor, Director (Finance), Shri Ajay Tripathi, Chief Operating Officer and others.



Women employees meet during Quami Ekta Saptah

of workers engaged under different contractors in the Company. The Employees Union and Contract Workers Union extended full cooperation and actively participated with the management in sorting out problems and grievances. Mutual trust and confidence created a very healthy industrial relations climate, contributing to the smooth functioning of the plant with zero loss of man days due to timely action.

Meetings of the Board and changes in the Board of Directors & key managerial personnel

During the year under review, six meetings of the Board of Directors were held and the following changes occurred in the Board of Directors and key managerial personnel:

- i. Smt Aparna S Sharma, Joint Secretary, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India was appointed as Director w.e.f. 19.04.2017.
- ii. Shri P Padmanabhan, then Managing Director, Numaligarh Refinery Limited ceased to be a Director w.e.f. 01.11.2017.
- iii. Shri Saumendra Kumar Barua, Managing Director, Numaligarh Refinery Limited was appointed as Director w.e.f. 01.02.2018



Details of composition and meetings of the Board including attendance have been provided in the Corporate Governance Report forming part of this report.

Corporate Social Responsibility



Employees' contribution to the Chief Minister's Relief Fund towards flood relief handed over to Shri Sarbananda Sonowal, Hon'ble Chief Minister of Assam in the presence of Shri Ravi Capoor, Additional Chief Secretary, Industries & Commerce, GoA, Shri O P Tailor, Director (Finance), BCPL and others.

Your Company had undertaken several initiatives towards development of the nearby areas during the project phase. The effort continues for providing better environment to the people living in areas adjoining its installations. Although unable to take up substantial CSR projects during the year due to other financial priorities unique to a newly operational organisation, several



Health Check-up organised in the neighbouring area

health camps have been organised in association with Assam Medical College, Dibrugarh to promote preventive healthcare. Other activities such as flood relief initiatives, installation and maintenance of dust bins are organised for the

neighbouring communities. A Committee of the Board on Sustainability & CSR is in place and the CSR Policy has been updated.

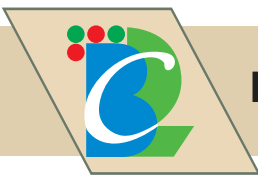
Initiatives under the aegis of Swachh Bharat Abhiyan.

Your Company has given major emphasis to the developmental journey under the aegis of Swachh Bharat Abhiyan & has undertaken several cleanliness drives in the vicinity of its installation. It has in fact taken a step forward by organising awareness programmes among children of the nearby schools & vicinity by distributing study material and organising lecture sessions, drawing competitions on Swachh Bharat Mission. A few dustbins have been installed in various public places like Barbaruah local market, bus stands,



Swachh Bharat Abhiyan initiative at Chowkidinghee playground with Smt. Laya Madduri, DC, Dibrugarh

DTP Site in Dibrugarh district along with cleaning of historical monuments like Rang Ghar Park at Sivasagar district and Khanikar Park in Dibrugarh district. Cleanliness drives are conducted in the Plant, Township and CISF Township in Lepetkata, Lakwa and Duliajan and in various schools and public places on a regular basis. To generate awareness on cleanliness, several programmes were organised in various schools in Dibrugarh and Sivasagar district besides Mini Marathon in Dibrugarh and Duliajan district for employees and the public. Further, display boards in various public places like markets, bus stands, railway stations and hospitals in the nearby areas have also been installed to create awareness on Swachhta in the society at large. Your Company



has taken a special task of cleaning the local market at Barbaruah by constructions of dust bins and regular removal of garbage. In addition, to beautify the area, initiatives have been taken to develop green area / park.

Sustainable Development

Your Company is continuously taking measures to improve sustainability activities to ensure staying on track and in balance with the three sustainability dimensions of economic, environmental and social impact at all times. The triple bottom line i.e. people, profit, planet approach is the cornerstone of all our social interventions which have been designed to schematically meet all three goals. With a view to improving the quality of human life vis a vis the environment, your Company has undertaken and completed development of a Green Belt by planting additional 1000 trees & 500 shrubs around the plant during the year and with these a total of 10700 trees & shrubs have been planted so far. An additional 5000 trees are planned to be planted during the year 2018-19. Proper disposal of hazardous waste, solid waste, bio-medical waste, E-waste and other wastes are being ensured in an environment friendly manner in line with various statutory requirements. Solid waste, E-waste, Toners, Fluorescent lamps, Telephone sets, etc. are being recycled/sold to authorised agencies and hazardous wastes are being sold to authorised agencies of CPCB/APCB. Further, a bio remediation facility is under construction which will reduce sludge by converting it into mud. However keeping in view the future prospect the process for construction of landfill is also under progress. Water Cess is being paid to the Pollution Control Board, Assam for ground and surface water consumption. Your Company is also committed to conform to ambient air qualities as well as point source emission qualities as per the standards of Central Pollution Control Board and the State Pollution Control Board. For monitoring the same online, effluent & emission analyzers are installed. Air and Water analysis data are being displaying

in the public domain as well as uploaded in the BCPL website. As part of the bigger sustainability ambit, we remain conscious of sensitivities associated with natural habitats and ecosystems, restricting our activities to cause minimum damage to the surroundings.

Vigil Mechanism

The Company has a Whistle Blower Mechanism as per which the Public Interest Disclosure and Protection of Informer (PIDPI) Resolution No 89 of Government of India is being followed.

Right to Information Act, 2005

The Company adheres to Government instructions issued in pursuance of the Right to Information Act, 2005, and has designated a Central Public Information Officer and First Appellate Authority under the Act. A total of 26 RTI queries were received during the financial year 2017-18, to which replies were duly sent as per the provisions of the Act.

Statutory Auditors' Report

M/s Bhawani Sharma & Co, Chartered Accountants, Guwahati were appointed by the Comptroller and Auditor General of India as Statutory Auditors of your Company for the year under review and their report is annexed hereto.

Comments of Comptroller & Auditor

General (C&AG) of India

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2018 under Section 143 (5) of the Companies Act, 2013. The comments of the C&AG on the annual accounts of your Company for the year under review are also annexed hereto.

Secretarial Audit Report

M/s Biman Debnath & Associates, Practising Company Secretary was appointed as the Secretarial Auditor of your Company for the



year under review and their report along with explanation of the Board to the observations therein pursuant to the provisions of Section 134 (3) (f) of the Companies Act, 2013, is annexed hereto.

All applicable secretarial standards have been complied with by the Company during the year.

Management Discussion & Analysis

A Management Discussion & Analysis Report as stipulated in the DPE Guidelines on Corporate Governance for CPSEs forms part of the Annual Report.

Corporate Governance

A separate section on Corporate Governance forming part of the Directors' Report and a certificate from a Practising Company Secretary confirming compliance of Corporate Governance norms as stipulated in the DPE Guidelines on Corporate Governance for CPSEs is included in the Annual Report.

Adequacy of internal financial controls with reference to the Financial Statement

Since inception, your Company has taken due care to ensure that there are sufficient internal controls for safeguarding its assets and also that there is reliable financial reporting, timely feedback on the achievement of targets and compliance with applicable laws and regulations. Your Company has made good progress in gradually introducing its own systems, policies and procedures and in areas in which this is yet not achieved, those of its holding company are being followed. A risk management policy is in place and the existing policy is being reviewed to meet the requirement of operations phase. Quarterly internal audit has been conducted by the Internal Auditors, M/s Batliboi & Purohit, Chartered Accountants, Mumbai. The progress and activities of your Company is being

continuously monitored and reviewed at all levels including the holding company, GAIL, the State and Central Government authorities.

Audit and other Committees of the Board

Details as to composition, meetings and attendance of the Committees of the Board including the Audit Committee and the Nomination & Remuneration Committee are provided in the Corporate Governance Report forming part of this report.

Responsibility Statement of the Board of Directors

As required by Section 134 (3) (c) & 134(5) of the Companies Act, 2013 your Directors to the best of their knowledge and explanation affirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them consistently except changes as per the Companies Act, 2013 (Ref. Note No. 19 to Balance Sheet on "Significant Accounting Policies") and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis; and
- v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



Statement on Declaration of Independence by Independent Directors

The Independent Director duly affirmed meeting the criteria of independence specified under section 149(6) of the Companies Act, 2013, for the year 2017-18.

Particulars of contracts or arrangements with related parties

The particulars of contracts or arrangements with related parties pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed hereto in the specified format.

Extract of the Annual Return

An extract of the Annual Return pursuant to section 134(2)(a) of the Companies Act, 2013 is annexed hereto in the specified format.

Particulars of loans, guarantees or investments under section 186

The Company has not given any loan /provided any guarantee or security in connection with a loan to any person or other body corporate and acquired by way of subscription, purchase or otherwise, the securities of any other body corporate during the year under review.

Risk Management Policy

Your Company has a Risk Management Policy for identification, evaluation and mitigation of risks. As per the policy, identification of risks is to be carried out by the Risk Management Committee on the basis of activities categorised into Corporate, Construction including Commissioning, Operations & Maintenance and Marketing. Risks identified are to be categorised into High, Medium

Dated : 14th August, 2018
Place: New Delhi

and Low depending on risk probability and impact. With the project moving from commissioning to operations stage, the process of review of the existing policy has been initiated for identification and evaluation of risks pertinent to operations, business, policies, internal controls to manage identified risks etc.

As a part of risk mitigation/reduction during operational stage a Comprehensive Mega Operational insurance cover has been taken covering - (i) Property damage with machinery breakdown (ii) Business interruption cover, loss due to fire & machinery breakdown and (iii) Terrorism risk for material damage with business interruption. Further, review of internal controls by Internal Audit has been a support for the management in the risk management process.

Acknowledgement

Your Directors are thankful to the Ministry of Chemicals and Fertilizers, the Ministry of Petroleum and Natural Gas and the Ministry of Environment and Forests for their support and guidance. Your Directors remain indebted to the promoters, GAIL, OIL, NRL and Government of Assam and also express gratitude to the lenders, Oil Industry Development Board and State Bank of India for their continued assistance and support. Your Directors acknowledge the cooperation of the entire team of process licensors, the bankers, consultants, suppliers and other intermediaries. Your Directors also appreciate the co-operation and advice extended by the Internal Auditors, the Statutory Auditors, the Secretarial Auditors, the Cost Auditors and the officials of the Comptroller & Auditor General of India. And finally, your Directors acknowledge the efforts and dedication of the employees towards shaping this organisation's destiny as a significant player in the petrochemical sector in the northeast region.

Sd/-
(B C Tripathi)
Chairman



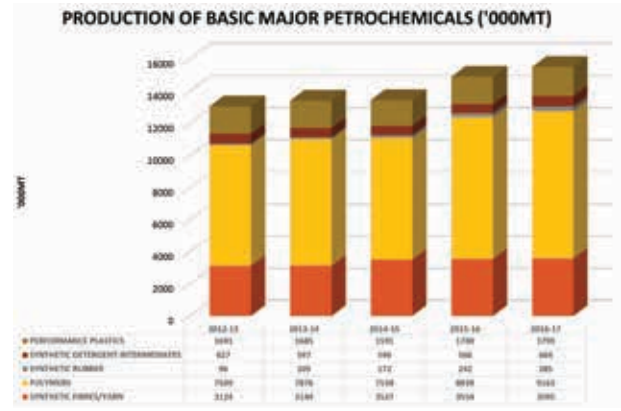
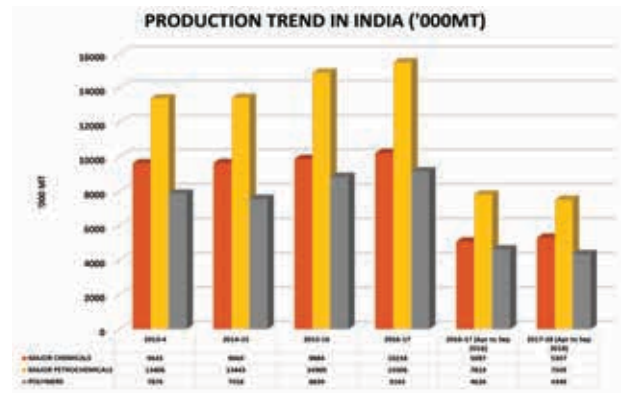
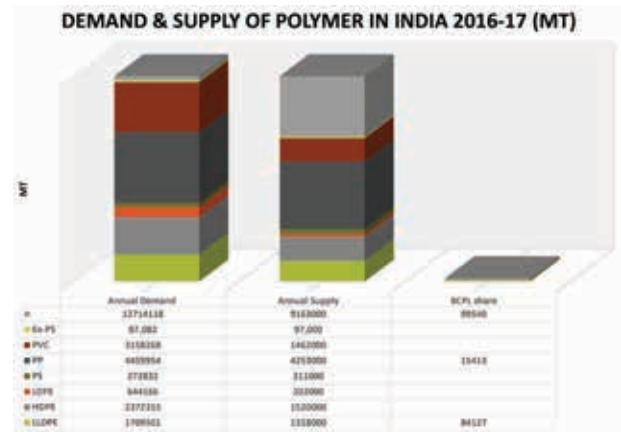
Management Discussion and Analysis Report

Industry Structure and Developments

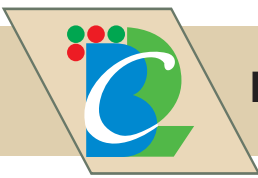
The chemical industry encompassing amongst others, basic chemicals, its products and petrochemicals, is an integral part of the thriving Indian industry and has witnessed significant diversification with more than eighty thousand commercial products meeting essential needs and enhancing the quality of life. Providing building blocks for several downstream industries in diverse fields including textiles, papers, paints, varnishes, soaps, detergents and pharmaceuticals, the industry forms the pillar of industrial and agricultural development in the country.

Petrochemicals are a prominent constituent of the global chemicals market and comprise of plastic and a host of other chemicals. Value added products in the Petrochemicals industry provide for the needs of every conceivable sphere of the economy including textiles and clothing, agriculture, packaging, infrastructure, healthcare, furniture, automobiles, information technology, power, electronics and telecommunication, irrigation, drinking water, construction and an innumerable number of articles for daily use besides specialised usage in emerging areas. This downstream hydrocarbon industry uses a variety of hydrocarbon feedstock such as different cuts of naphtha from refinery and natural gas (NGL, ethane, propane, butane, LPG). Unconventional feedstocks like shale gas, coal, CBM and pet coke are also gradually emerging. The cost of feedstock accounts for the largest share in the cost of production of petrochemicals and is estimated at 40-60 per cent of total costs. Olefins including Ethylene & Propylene and Aromatics including Benzene & Xylene isomers constitute the two main classes of petrochemical raw materials.

Whereas globally the contribution of



petrochemicals to the chemicals sector is about 40 per cent, in India the sector contributes about 30 percent to the country's chemical industry which is likely to become \$250 billion by 2020. The petrochemicals industry itself is expected to reach \$100 billion by 2020 growing at a compounded annual growth rate (CAGR) of about 14 percent, according to a study by



the Associated Chambers of Commerce and Industry of India (ASSOCHAM). The largest petrochemical industry is currently in the USA and Western Europe, though the major growth in new production capacity and demand has been in the Middle East and Asia. Regions such as Northeast Asia, Southeast Asia, the Middle East and the Indian Subcontinent are expected to start investing in new ethylene capacity.

Within the industry, Plastics and Polymers evidenced maximum growth with Polymers accounting for 59% of the total production of basic major petrochemicals. Commonly used Polymers include Polypropylene (PP), Poly vinyl chloride (PVC), Polystyrene (PS), Polyethylene (PE) and Acrylonitrile Butadiene Styrene (ABS). PE again is of three types - high density polyethylene (HDPE), low-density polyethylene (LDPE), linear low density polyethylene (LLDPE). Though over the years PP has been the fastest growing Polymer, the Year 2016-17 witnessed highest growth at approximately 15.40%. The primary products of the Company, PP, LLDPE and HDPE are essentially used in the manufacture of plastic products. Over the years, the major demand in this industry has come from key application industries like packaging, construction and automobiles with the trend likely to continue with more vigour. As an enabler industry, the opportunities for the petrochemical industry are huge if the demand encourages domestic manufacturing.

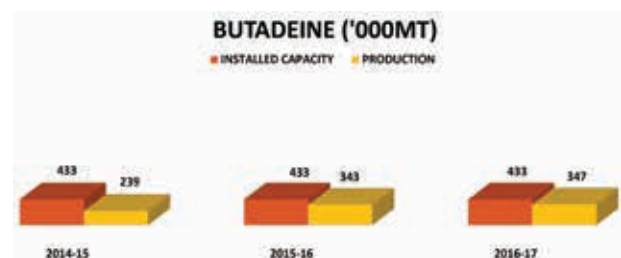
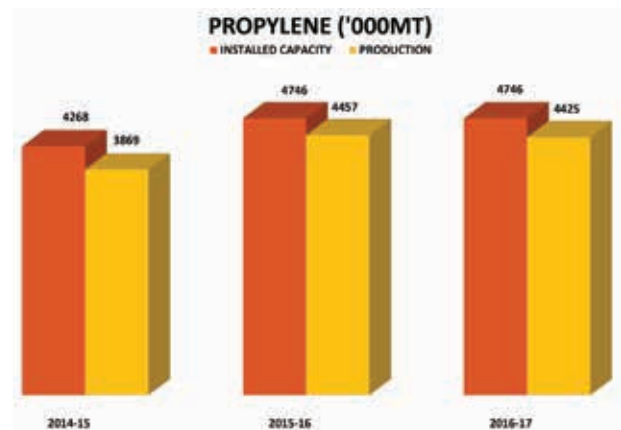
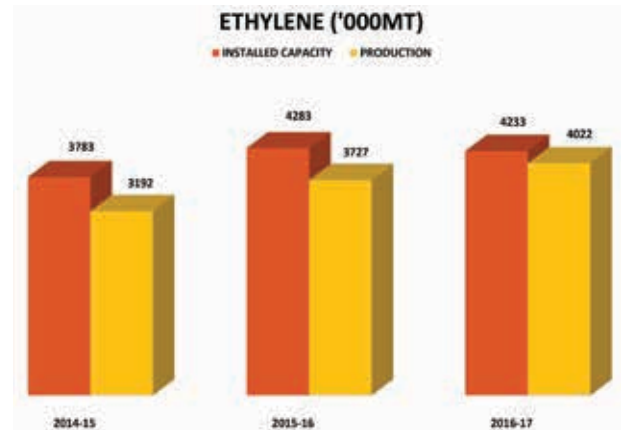
So far as the domestic market structure of Polymer is concerned, non-integrated players are present in production of PP & HDPE, LLDPE like GAIL, PATA. The rest are refinery integrated plants, public sector oil refining companies which sell their petroleum feedstock to other companies, which have been adding value, and converting the same to useful petrochemical products. At

present, RIL, IOCL, HPL and GAIL are the major players in the domestic petrochemical industry.

Details of player wise capacity of PE and PP Polymers are mentioned in the below table:

Product (MMTPA)	GAIL	MRPL	OPAL	RIL	BCPL	IOCL	HMEL	HPL	Total
Polyethylene	0.81	-	1.06	1.18	0.22	0.65	-	0.67	4.59
Polypropylene	-	0.44	0.34	2.75	0.06	0.65	0.44	0.34	5.02
Total Poly-olefin	0.81	0.44	1.4	3.93	0.28	1.3	0.44	1.01	9.61

Out of the above, M/s RIL, M/s HMEL and M/s HPL are private players.





The production of major chemicals and petrochemicals in 2017-18 (up to September 2017) was 12816 thousand MT as compared to 12906 thousand MT in 2016-17 (up to September 2016) indicating a negative growth of 0.71%. The production of basic major petrochemicals in 2017-18 (up to September 2017) was 7509 thousand MT as compared to 7819 thousand MT in 2016-17 (up to September 2016) implying negative growth of 3.96%. The production of Polymers account for around 58% of the total production of basic major petrochemicals.

The current growth rate in GDP reflects that the reforms by the government have started showing results. With an improved GDP, the overall outlook for the petrochemical industry in the country is somewhat more positive than in the recent past and key end-use industries like automotive, packaging, and consumer durables reflect this outlook. Though like the overall economy the petrochemical industry faces near-term challenges, the long-term growth outlook is favourable. India has a large talent pool to foster growth in the industry. This coupled with initiatives like the "Make in India" program is expected to result in significant thrust in investments, innovation and infrastructure in the industry, especially in the small and medium enterprises (SME) sector. With an estimated per capita consumption of roughly 11kg only for Polymers as compared to the world average of 28 kg, India has huge demand potential, which combined with the strong outlook for the key end user industries, augurs well for the future of the sector.

Strengths and Weaknesses

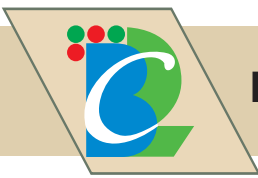
Since its commissioning in 2016, the BCPL plant is largely stabilised and proffers various opportunities for down streams to the local entrepreneurs and thereby for employment generation in the region as envisaged in the

Assam Accord of 1985. The promotion of plastic parks in the north-eastern region by the government, more specifically in Tinsukia, Jagoirad, Agartala and Imphal is expected to provide the basic infrastructure and incentive to downstream industries the development of which would mutually benefit enterprise in the region as well as market for the Company's products. The plastic park in Tinsukia district at a distance of 60 kms from the BCPL plant site and spread over an area of 500 acres is ready for use by prospective entrepreneurs. Regular efforts are being made by the Ministry of Chemicals and Fertilizers, the Department for Development of North-Eastern Region (DoNER), the Ministry of Micro, Small & Medium Enterprises (MSME), the Government of Assam, GAIL (India) Ltd and your Company for development of downstream industries in the north-eastern region.



Vendors' Meet

With the support of its promoters and the state and central government Team BCPL, exhibiting exemplary determination in the face of all odds, has been successful in leading the project to its present status with steady production of prime grade products, generating confidence in the market. With a Polymer sales figure of more than 292,000 MT in a remarkably short span of time since commissioning, the Company has established its brand in the petrochemical sector of India.



Having promoters with established track record in the fields of hydrocarbons and petrochemicals has been the biggest advantage for your Company. Besides the initial hand holding, assistance has come in the form of equity contribution, skill & expertise sharing and supplementing skilled manpower. The holding company GAIL with immense experience in marketing Polymers, has an agreement with BCPL for 100% evacuation of the products and by-products by using its own marketing network, initially for ten years. This considerably eases the task of arranging and establishing a market from a remote area of the northeast. Arrangements have also been made for ensuring adequate availability of feedstock from OIL, NRL and ONGC and sporadic setbacks in this regard are being resolved mutually.

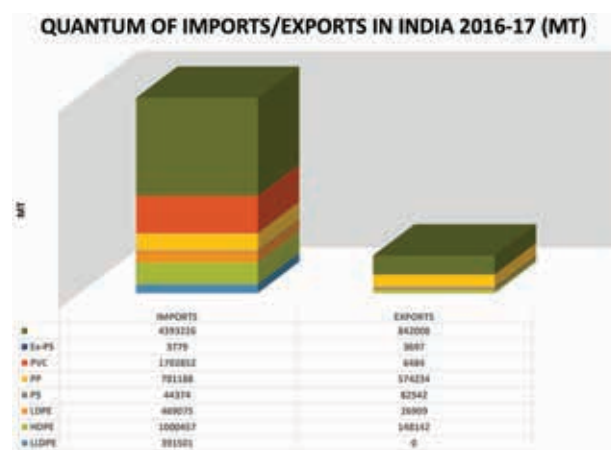
Numerous plastic manufacturing industries such as poly bags, plastic containers, packaging, housewares, etc. can be developed using the Company's products as feedstock. With around 136 plastic processing industries consuming approximately 1.1 lakhs TPA of Polymer which was being sourced from outside the region, market prospects are immensely favourable. Efforts are on to take advantage of this gap and gradually stop the sourcing of Polymer from outside the region. Campaigns like "Startup India" are expected to give the desired impetus to local enterprise using the ready available raw material.

The biggest challenges accrue from the remoteness of location and consequent logistic difficulties coupled with inadequate infrastructure and connectivity. These have been hindering factors not only in recruitment and retention of quality manpower but also in marketing products. The Company has seen high attrition of manpower and has had to forego the freight advantage due to markets in distant places. Introduction of better employee facilities and benefits coupled with improvement

in communication services in the region is however expected to ease the difficulties on the recruitment front. The promoters have also been augmenting manpower requirement from the initial stages and secondees from GAIL are expected to continue as per requirement till the Company becomes self-reliant in this regard. Favourable local demand and the appointment of a consignment stockist for the region by GAIL, the sole marketer are expected to positively impact sale of the Company's products in the region. Further, the proximity to neighbouring countries like Bangladesh, Myanmar and other members of ASEAN could be used to the benefit of your Company for export of products.

Increase in use of Plastics as a replacement for Wood, particularly in the furniture and construction sectors due to easy availability of raw material, bodes well for the fast depleting forest reserves of the north-eastern region and would indirectly contribute to conservation of its fragile ecosystem.

Opportunities and Threats



Despite promising prospects, there is a substantial gap between domestic production and consumption, opening up a major market for imports. The Government of India has been promoting domestic manufacturing through a new policy for setting up National Investment



and Manufacturing Zones (NIMZs) which are a combination of production units, public utilities, logistics, residential areas and administrative services. The lack of proper infrastructure in the country has always been one of the major deterrents to foreign investments. The Government has initiated major infrastructure projects to attract such investment. Approximately 7600 kms of highways were constructed during the FY 2017-18 and there are targets for domestic waterways (inland & coastal) projects, line doubling and capacity expansion projects of railways, etc to ease industrial logistics in the country.

The wide promotion of ideas of growth and reforms in India through various schemes has renewed enthusiasm not only amongst domestic entrepreneurs but also foreign investors to make India an investment destination. According to Invest India, the National Investment Promotion and Facilitation Agency of India, the efforts of the agency since 2014 have been facilitating about USD 85 bn of investments. The upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) which are specifically delineated investment

regions planned for the establishment of production facilities for petroleum, chemicals and petrochemicals & Plastic Parks will provide state-of-the-art infrastructure for the Chemical & Petrochemicals Sector and by 2020, the speciality chemical market in the country is expected to reach USD 70 bn. According to the Chemicals and Petrochemicals Manufacturers' Association (CPMA), foreign investment in the country is likely to accelerate to a record high.

The World Bank's Doing Business Report 2018 ranked India 100th in ease of doing business out of the 190 countries surveyed as compared to the previous year's ranking of 130. This 30 place leap forward has come as a welcome respite after India's economic slowdown triggered purportedly by the demonetisation drive and implementation of new Goods and Service Tax.

The Department of Chemicals and Petrochemicals under the Ministry of Chemicals and Fertilizers, Government of India is implementing three schemes under the National Policy on Petrochemicals, viz., (i) National Awards for Technology Innovation in Petrochemical and downstream Plastic Processing Industry, (ii) setting up Centres of Excellence in Polymer

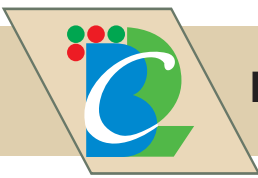
Plastics & Petrochemicals stall at Advantage Assam - the Assam Global Investors' Summit



Shri Sarbananda Sonowal, Hon'ble Chief Minister, Assam seen with Dr. Himanta Biswa Sarma, Hon'ble Minister, Finance, Assam, Shri V K Pipersenia, Chief Secretary, Assam & Shri B C Tripathi, Chairman, BCPL



Shri A K Singh, Managing Director and Shri O P Tailor, Director (Finance) along with Team BCPL



Technology and (iii) setting up Plastic Parks, which provide a major boost for development and integration of the Polymer industry by way of incentives for meritorious innovations & inventions, promoting development of new applications of Polymers and Plastics, state-of-the-art infrastructure and enabling common facilities through cluster development approach, to consolidate and synergize the capacities of the domestic downstream Plastic Processing Industry.

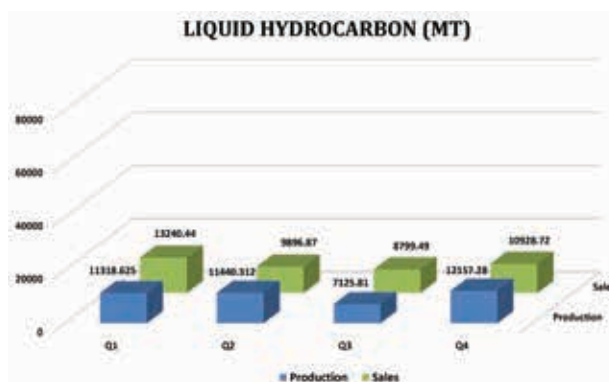
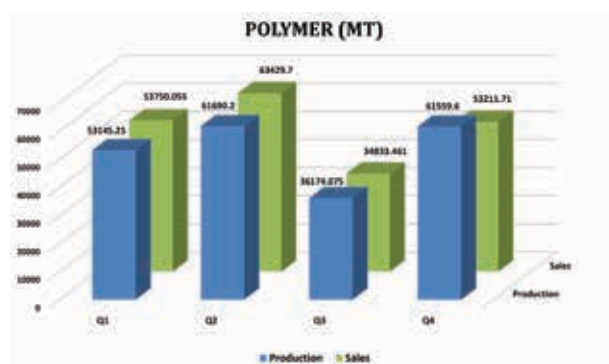
Cost of feedstock, constituting the single largest component in cost of production of Polymers, is relatively high in India compared to competitors in the Middle East. Your Company has requested MoP&NG through its administrative ministry for the “First Right of Refusal” to it for future findings of natural gas in nearby region. For future capacity expansion or diversification, there is an opportunity for tapping the additional gas finds by M/s HOEC in the nearby region. Your Company also has an option of sourcing feedstock from the neighbouring countries like Myanmar and Bangladesh in future provided it is viable and is supported by adequate transport infrastructure and Government policy.

Downstream industries in the petrochemical industry in India are mostly in the MSME sector and therefore face limitations in access to bank credit. The small and micro sector enterprises in particular face difficulties in this regard. Being cyclical in nature the industry passes through 6 to 8 year periods of highs and lows for which prices are unpredictable despite good demand. Generation of awareness on raw material sourcing, technology, product branding and quality standards is also insufficient.

The Assam Ease of Doing Business Act, 2016 creating possibilities of a single window clearance system for fast-tracking business projects coupled with initiatives like the centre’s Hydrocarbon Vision 2030 for north-east India outlining steps to leverage the hydrocarbon sector

for development of the region and Advantage Assam - the largest ever investment promotion and facilitation initiative by the Government of Assam held in February, 2018, E Biz portal, Skill India and Smart Cities etc. are expected to improve investments in the industry in general and the negative perception regarding investment environment in the state in particular. Despite the initial slowdown, introduction of Goods and Services Tax is expected to significantly improve the competitiveness and performance of India’s manufacturing sector in the long run.

With your Company having gone into sustained production, the Government of Assam has been focussing on promoting and attracting plastic-based downstream industries which will not only bring in large amount of investments but also generate employment opportunities in the region. Growth of Plastic industry, as expected, will have a far reaching impact on sectors critical for the region’s growth.





As a provider of critical inputs to all major sectors in the economy, the above developments promise a huge boost to growth of the Polymer industry in the country. Lack of any significant competition in the northeastern region having the lowest per capita consumption figures in Polymers in the country of approximately 4 kg, places your Company in an advantageous position with easy access to the promising market in all the eight states in the region besides opportunity for export to neighbouring countries.

Being a knowledge intensive industry, the presence of a huge young, educated and techno-savvy populace proves to be a big benefit. The ever increasing and unavoidable dependence on the use of plastic money by the Indian masses is a welcome development for the Polymer industry.

On the downside, the industry suffers from an adverse perception about the impact of use of plastics on health and conservation of the environment. This needs to be combatted by sensitising people on proper disposal of Plastics and the benefits to conservation from replacing wood in construction and furniture with Plastics. Generating awareness on developments in the field of biodegradable and photodegradable plastic resulting in improved product quality with reduced adverse effect on environment, is also important.

Segment wise or Product wise Performance

All operations in the process units have stabilised and are running on sustained basis with an average capacity utilisation of 78% during the year under review. Your Company produced 212569 MT of Polymers, 42060 MT of Liquid Hydrocarbons, 5297 MT of Nitrogen and 505 MT of Wash Oil during the year, with a sales turnover of ₹1748.68 crore. The corresponding sales were 205225 MT of Polymer, 42866 MT of

Liquid Hydrocarbons, 387 MT of Nitrogen and 498 MT of Wash Oil.

Outlook

Despite domestic economic turbulence following the note ban and introduction of the new Goods and Services Tax, the Indian economy continues to grow well due to robust demand. The centre has announced various schemes and increased allocations in various programs, implementation of which could potentially help the economy. Agencies like IMF which had cut India's growth rate downward post demonetisation, predicted that strong growth would nonetheless persist despite challenges and the economy would bounce back due to strong fundamentals. True enough the Indian economy has gathered momentum during the fiscal and it appears that the reforms introduced shall benefit the economy in the long run. The Reserve Bank expects India's economic growth rate to strengthen to 7.4 percent in the current fiscal, from 6.6 percent in 2017-18, on account of revival in investment activity. Dependent for growth on the overall economic development, the Polymer sector is also expected to benefit from this.

Overall, the outlook for the petrochemical industry in India is more positive than in the recent past as higher GDP and industrial output are a certainty in the current fiscal. The vital end-use industries like automotive, packaging and consumer durables reflect this outlook. Though faced with near term challenges, the long term prospects are promising and capacity expansions are expected. The industry faces various challenges in a changing environment, including increased globalisation of markets, public expectations for improved environmental performance and the need for increased profitability and productivity. Nevertheless, the large gap between per capita consumption of value added products in the sector and the



world averages provides huge prospects for development in the industry.

In an encouraging development, Central Institute of Plastic Engineering & Technology (CIPET), under the Ministry of Chemicals & Fertilizers, Government of India signed a Memorandum of Understanding (MoU) with the Karnataka Government to set up an Advanced Polymer Design and Development Research Laboratory cum High Learning Centre at Bengaluru. The newly developed laboratory (APDDRL) constitutes the R&D wing of CIPET to cater to various research needs of industries and would provide great opportunity for use of the facilities by the host laboratories, industries and academia. It acts as a multi-functional one-step facility with specialisation in product development in Polymer sector and will play a pivotal role in developing new plastics technologies, processes and products to enhance the use of plastics for promotion of industries and betterment of the people. The centre's Make in India and Skill India drives promote indigenisation of technology for import substitution in the areas of defence material, bio-polymers & bio-nano composites for packaging, bio-sensors for healthcare applications, natural fiber reinforced composites for automobile applications, Polymer adhesives and coating for marine applications, fuel solar cells for solar energy and e-waste recycling.

With smaller capacities, the Indian Polymer industry faces the disadvantages of scale and resultant stiff competition as compared to the plastic sectors in globally leading countries particularly neighbouring China. Nevertheless, an underlying robust economy with use of plastics spreading to more and more sectors replacing conventional material, has ensured steady sustainability through bad times.

Plant operations in your Company are now steady and sustained. The products are being marketed

to the downstream industries in accordance with the marketing arrangement with GAIL and the market share of your Company in Polymer is increasing consistently and presently around 60% in the north-eastern region. About 10.51% of its products were sold in the region in FY 2017-18 as compared to 6.33% in the previous year.

Considering an estimated annual consumption of Polymer in Assam at 100 KTPA and overall in the northeast market at 112 KTPA, efforts are being made to target the units located in the region to maximise returns. With 60% market share of Polymer in the northeastern region, the consumption of your Company's products in the region has been steadily increasing and has gone up from 500 MT per month to 2600 MT per month in a period of one year. Entrepreneur development activities are being regularly conducted across the region to create awareness regarding plastic downstream industries.

Risks and Concerns

Shortage of feedstock has been a major constraint for the petrochemical industry in the country resulting in plants with suboptimal capacity. The Company's plant has been suffering due to constraints in both quantity and quality of natural gas and supply of naphtha. Due to shortage of gas supply by Oil India Limited in order to maintain the level of production, more Naphtha is having to be used leading to higher cost of production. Being highly capital intensive, petrochemical plants need an optimal size to generate benefits and this is proving difficult due to non-availability of adequate and quality hydrocarbons on sustainable basis besides other feasibility factors.

Delay in project implementation has naturally



lead to significant cost escalation for your Company and despite firm arrangements by the Government of India for feedstock availability for 15 years of plant operation, there has also been an increase in feedstock prices since the time of approval of the project and feedstock issues continue to remain a setback in operations. Higher demand of a particular grade of Polymer increased the consumption of Butene-1, a comonomer required for the production of polyethylene. Lack of any captive generation facility also requires sourcing of Butene-1 involving considerable difficulty. The modalities for setting up a captive Butene-1 plant are being explored, this being the only answer as the product is generally produced by different plants in the country for internal consumption only, leaving very little material to spare for the market. Further, the risk of withdrawal of government support extended to your Company in the form of feedstock and other subsidies in the future and the consequent impact on viability, also cannot be negated.

Overcoming the initial teething troubles after commissioning in 2016, the plant has witnessed gradual improvement in its capacity utilisation. Sustained operations are critical for generating financial benefits. Towards this end, it is imperative that plastic processing down streams should come up locally as envisaged and it is a matter of concern that despite the Plastic Park in Tinsukia being ready, it is yet to generate the desired interest.

Unless this happens or the region otherwise sees investment in manufacture of value added products, the evacuation of Polymers in the north-eastern states to the desired extent will be difficult.

High attrition of trained and experienced manpower continues to be an area of grave concern attributed to several reasons including

higher pay package in similar PSUs operating in the Industry, non-implementation of pay revision, 2017 and geographical remoteness of the plant. The proposal for implementation of revised pay scales is with the Government. In the interest of the organisation, the proposal needs to be considered based on the performance trend and future projections instead of the Company being treated as a loss making unit in its 2nd year of operation itself.

Private investments in this region continue to be challenged by logistic disadvantages, lack of access to credit/technology and a negative perception on business environment. Recent Government initiatives, programmes and economic reforms are however expected to alleviate the situation and bring in better investments. Various investor meets are being regularly conducted by the state and central governments for promoting downstream plastic processing units. Where on one hand, your Company is disadvantaged by its location in terms of market in other parts of the country, it has a unique advantage of being ideally located to Myanmar, Bangladesh and other ASEAN countries with promising market.

Your Company has a risk management policy and various risks are being periodically reviewed to identify and mitigate financial, operational and other risks. An online legal compliance management system has been introduced in your Company and compliances are reviewed by the Board of Directors periodically.

Internal Control Systems and their adequacy

Due attention has been given since the beginning to having sufficient internal controls for safeguarding the assets of your Company and there has been reliable financial reporting, timely feedback on the achievement of targets and



compliance with applicable laws and regulations. Your Company has been gradually introducing its own systems, policies and procedures and in areas in which this is yet not achieved, those of its holding company are being followed. The risk management policy is being reviewed. Quarterly internal audit is being conducted by the Internal Auditors, M/s Batliboi & Purohit, Chartered Accountants, Mumbai. The progress and activities of your Company is being continuously monitored and reviewed at all levels including the holding company, GAIL, the State and Central Government authorities. M/s Batliboi & Purohit, Chartered Accountants, Mumbai has also evaluated the efficacy of the Internal Control System on financial reporting and found the systems in place to their satisfaction.

Financial Performance with respect to Operational Performance

Your Company is making every effort to enhance capacity utilisation. Various alternative measures viz arrangement of Naphtha from M/s HPCL & M/s IOCL, arrangement of Butene-1 from various sources, arrangement of Propylene from other source etc. have been taken for ensuring sustained operation of the plant and the capacity utilisation has remarkably improved since February, 2017 enabling your Company to book cash profits since then.

The plant is designed to operate on feedstock which should constitute of 68% Natural Gas and 32% Naphtha, Natural Gas being the cheaper option. Profitability will improve if Naphtha is replaced by Gas. However, the same can be done only to some extent due to design constraints. The plant is suffering due to shortfall in gas supply by Oil India Limited and therefore to maintain the level of production, more Naphtha is having to be used leading to higher cost of production. In simple terms, cost of feed for production of Polymer using Naphtha is roughly 2.4 times the cost using Natural Gas. The best model for your

Company would be to operate the plant at 80:20 ratio of Gas and Naphtha, which necessitates more quality gas to be made available for the plant.

In the financial year 2017-18, the plant operated at an average capacity utilisation of around 78% and in the month of August, 2017 and March, 2018 the plant achieved more than 100% capacity utilisation. The Company was able to generate cash profit of ₹83.71 crore during the year. A snapshot of financial highlights is presented below:

Sl. No.	Description	Amount (₹ in crore)
1	Sales (Net of Excise Duty/ GST and Discounts)	1,704.90
2	Increase (+)/ Decrease (-) in Stock	20.20
3	Total Value of Production	1,725.10
4	Other Income	57.22
5= (3+4)	Total Income	1,782.32
6	Total Expenses	1,419.72
7= (5-6)	EBITDA	362.60
8	Interest Cost	278.89
9= (7-8)	Cash Profit (+) / Loss (-)	83.71
8	Increase/(Decrease) in Trade payable	-32.06

All units of the plant have been tested on full load at 100% rated capacity with integral testing. It is expected that the plant operation will be carried out with better capacity utilisation to achieve target production and desired revenue in the current year. In terms of major MoU parameters like production and sales, reduction in specific energy consumption, human resources development etc., Your Company has surpassed MoU target for the year 2017-18 in the internal assessment. The MoU for the year 2017-18 will be evaluated by the Board of Directors/ Government after finalisation of annual accounts of the company and submitted to the nodal administrative Ministry for acceptance. The MoU



for 2018-19 has already been signed as per DPE Guidelines and your Company is committed to meet the targets.

The repayment liabilities of loans are straining the cash flow situation of the Company. To smoothen the cash flow and to benefit from interest rate reduction, an exercise of re-financing of term loans from SBI has been undertaken and the proposal has been approved by the SBI and the sanction letter received. However, RBI vide its circular dated 12.02.2018 has repealed many of its previous circulars including the one on re-financing of term loans. Your Company along with SBI has sought a clarification from RBI on the matter as the sanction of re-financing of term loans of BCPL by SBI was before the RBI's circular dated 12.02.2018. The clarification from RBI is still awaited.

Against the balance approved Capital Subsidy of ₹549.45 crore, Government of India has only released an amount of ₹100 crore in the 1st quarter of FY 2017-18. Requests have been made for release of balance Capital Subsidy of ₹449.45 crore in RE 2017-18 but no further amount was released. The matter is being constantly pursued with the administrative ministry for early release of the same which will ease the payment of outstanding project liabilities and purchase of critical spares.

Material developments in Human Resources, Industrial Relations front including number of people employed

Since the beginning, recruitment of manpower coupled with high attrition has been one of the biggest challenges. There has been a continuous endeavour to boost employee morale and maintain a congenial employer - employee relationship to ensure quality performance supported by a feeling of ownership to achieve the organisational goals. Training, leadership development, workplace safety, employee benefits and compensation, delegation, conflict

resolution and discipline have been the areas of focus.

The company strives to provide a healthy work culture to its employees and engages in various activities to elevate the skills and expertise of its manpower. Training is provided in technical and non-technical areas to meet the requirement of plant operation and administration of the company. In the year under review training covering 312 man days was organised. Expanding the career growth in the company, Performance Management System and Promotion Policy has also been introduced for the non-executives. Further, provisions for reimbursement of conveyance maintenance expenses and payment of overtime wages to non-executives were also introduced.



"Appayan" - the guest house at the Lepetkata township

Residential quarters of various categories accommodate the employees and their families with 149 quarters in the township at Dibrugarh and 60 quarters in the township at Sivasagar. Both townships have adequate facilities for sports and recreational activities and for meeting basic needs.

The strength of human resources of the Company as on 31st March, 2018 was 620 including 428 executives and 192 non-executives, out of which 64.84% were from the north-eastern region. Further there are executives on secondment from the promoter Company GAIL which have



reduced to 34. Recruitment continues as an ongoing process to add/supplement human resources in different disciplines having various skills, knowledge, experiences and ability to meet the balance requirement of human resources in your Company. Most of the skilled / semi-skilled / unskilled workers engaged in the construction work are from the locality and the north-eastern region as a whole.

Environmental Protection and Conservation, Renewable Energy Developments, Foreign Exchange Conservation

Your Company has been keenly aware of its responsibility towards conservation of the environment. Pollution control and other environment protection norms are being fully complied with and there has been an endeavour to maintain high levels of safety and environmental standards along with operational efficiency. A modern effluent treatment plant ensures proper effluent discharge within the prescribed limits and it is fully functional. Action toward converting oil sludge into natural soil through Bioremediation facility is under construction. An online quality monitoring system is also installed for COD, BOD, PH, TSS and effluent discharge flow which is connected to the Central Pollution Control Board (CPCB) server on 24x7 basis. Action towards the development of renewable energy has been initiated with the installation of a 5.0 KVA grid

connected solar power plant at SV Station-03. To create awareness about Energy Conservation for employees and people in associated localities, your Company organised different events on 'Saksham-2018' in-line with PCRA directives during 16th January to 15th February, 2018. BCPL also celebrated World Water Day on 22nd March 2018 for creating awareness about water conservation. Towards conservation of foreign exchange, your Company has taken measures like indigenisation of spares and services wherever possible.

Corporate Social Responsibility

Ever since the project implementation phase, your Company has contributed to society through its CSR initiatives in the areas of health care, hygiene, education, infrastructure development & environment, literacy enhancement to the extent possible. The effort continues for providing better environment to the people living in areas adjoining its installations. Although unable to take up substantial CSR projects during the year as the Company has been focusing on various challenges of a newly operational organisation, several health camps have been organised in association with Assam Medical College, Dibrugarh to promote preventive healthcare. Other activities such as flood relief initiatives, installation and maintenance of dust bins are organised for the neighbouring communities. A Committee of the Board on Sustainability & CSR is in place and the CSR Policy has been updated.

Data Source: Annual Report 2017-18 DCPC, MoC&F, Indian Petrochemical Industry: An overview by Assocham, Indian Petrochemical Industry Review of 2016-17 & Outlook for 2017-18 APIC 2017 by Chemicals & Petrochemicals Manufacturers' Association, data from MoRTH, Invest India

Forward Looking Statement: This document includes statements that are, or may be deemed to be, "forward-looking statements" which by their nature involve risk and uncertainty as they relate to future events and circumstances, a number of which are beyond the Company's control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements, due to economic conditions, government policies and other incidental factors such as litigation and industrial relation. Readers are advised not to place undue conviction on such statements.



Report on Corporate Governance

Company's Philosophy

Your Company is committed to the adoption of effective corporate governance practices to ensure transparency in all corporate decisions and activities and to act ethically with emphasis on integrity and accountability in the conduct of business, to promote confidence of the stakeholders and the public and increase stakeholder value on a sustainable basis.

Board of Directors

As on 31st March, 2018, the Board of Directors of your Company consisted of ten Directors including the Chairman and Managing Director, GAIL being the ex-officio Chairman of the Company, two functional Directors, six promoter Directors and one Independent Director. The Nominee Directors are appointed in accordance with the Joint Venture Agreement and the Articles of Association of the Company. Appointment of another Independent Director against vacancy is in process with the Government.

The composition of the Board of Directors, along with Directorships and committee positions, attendance records during the year under review is as below:

Sl. No.	Name of the Director	Designation	No. of Directorships / Chairmanship in other companies #		No. of Committee* Memberships / Chairmanship in other companies#		Number of Board meetings Attended	Attendance in last AGM
			Chairman	Director	Chairman	Member		
Functional Directors								
1	Shri A K Singh (DIN 07554762)	Managing Director	-	-	-	-	6	Yes
2	Shri O P Tailor (DIN 00370355)	Director (Finance)	-	-	-	-	6	Yes
Promoter Directors								
3	Shri B.C. Tripathi (DIN 01657366) Chairman & Managing Director GAIL (India) Ltd.	Chairman	2	-	-	-	3	Yes
4	Shri R. K. Dutta (DIN 00205669) Advisor to Government of Assam	Director	-	2	2	-	6	Yes
5	Shri Ravi Capoor (DIN 00744987) Addl. Chief Secretary to Govt. of Assam, Industries & Commerce Department etc.	Director	4	2	-	-	2	No
6	Shri P Padmanabhan (DIN 06807565) Managing Director Numaligarh Refinery Ltd. (Ceased to be a Director w.e.f. 01.11.2017)	Director	-	1	-	-	2	Yes



Sl. No.	Name of the Director	Designation	No. of Directorships / Chairmanship in other companies #		No. of Committee* Memberships / Chairmanship in other companies#		Number of Board meetings	Attendance in last AGM
			Chairman	Director	Chairman	Member	Attended	
6	Shri S K Barua (DIN 06503943) Managing Director Numaligarh Refinery Ltd. (Appointed as Additional Director w.e.f. 01.02.2018)	Director	-	1	-	-	1	N/A
7	Smt R S Borah (DIN 06700534) Director (Finance), Oil India Ltd	Director	-	4	-	2	2	No
8	Shri Subir Purkayastha (DIN 06850526) Director (Finance) GAIL (India) Ltd.	Director	1	4	1	-	4	No
Government Directors								
9	Ms Aparna S Sharma (DIN 07798544) Joint Secretary, Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers (Appointed as Nominee Director w.e.f 19.04.2017)	Director	-	-	-	-	3	No
Independent Director								
10	Dr. Chitrallekha Mahanta (DIN 07543791)	Independent Director	-	-	-	-	5	Yes
(*)	Committee positions refer only to Audit Committee and Stakeholders Relationship Committee.							
(#)	Other Company means public companies only.							

Details of Board Meetings held during the year 2017-18.

Six meetings of the Board of Directors were held during the year as per the following details:

No. of the Board Meeting	Date	Board Strength	No. of Directors Present
69 th	27/04/2017	10	7
70 th	18/05/2017	10	5
71 st	06/06/2017	10	6
72 nd	22/09/2017	10	7
73 rd	27/12/2017	09	7
74 th	28/02/2018	10	8



Profile of Directors being appointed / reappointed

Shri Ravi Capoor, Director, retires by rotation at the ensuing annual general meeting pursuant to section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment. Shri Ravi Capoor, Additional Chief Secretary to Government of Assam, Industries & Commerce Department was appointed as Director on the Board w.e.f. 07.09.2016. Shri Capoor is a senior IAS Officer belonging to the 1986 batch of Assam Meghalaya Cadre and is a graduate in Commerce and Post Graduate in Business Administration. He has worked in various capacities under the Government of Assam as well as the Government of India. He has over three decades of multi-sectoral experience in the areas of Energy, Hydrocarbons, Handicrafts, Industry, Tourism development and Education.

Shri Subir Purkayastha, Director, retires by rotation at the ensuing annual general meeting pursuant to section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment. Shri Subir Purkayastha, Director (Finance), GAIL India Limited was appointed as Director on the Board w.e.f. 11.05.2015. He is a Chartered Accountant and Company Secretary by professional qualification and has a rich experience of nearly 30 years in the areas of Corporate Finance and Treasury including Forex Risk Management, Capital Budgeting, Corporate Budgets, Corporate Accounts, Finalisation of Long Term LNG and Gas Agreements, Liquefaction and Regasification Terminal Service Agreement, shareholders Agreements and Joint Ventures Agreement etc. Prior to his appointment as Director (Finance), he held the position of Executive Director (Finance & Accounts) in GAIL. He was on secondment to Petronet LNG Ltd., during its formative years from 1998 to 2002. He joined GAIL in 1985 as a Finance officer and rose to the position of Director. Having joined in the early stages of the Company he was part and parcel of the growth trajectory of the company.

Smt Aparna S Sharma, Director retires by rotation at the ensuing annual general meeting pursuant to section 152(6) of the Companies Act, 2013 and being eligible, offers herself for reappointment. Smt. Aparna S Sharma, Joint Secretary, Department of Chemicals and Petrochemicals (DCPC), Ministry of Chemicals & Fertilizers (MoC&F), Government of India was appointed as Director on Board w.e.f. 19.04.2017. She is a post graduate in English Literature from Delhi University and a 1990 batch CSS Officer. She has over 25 years of work experience in various Ministries of Government of India including Department of Higher Education, Health and Family Welfare, Personnel and Training, Finance and Urban Development. She has handled a range of subjects while handling portfolios of varied nature relating to intellectual property rights, infrastructure development, policy formulation, scheme implementation, drafting legislation and work of regulatory nature. She has written several articles and made presentations at national and international workshops as part of official duties.

Audit Committee

During the year under review four meetings of the Committee were held on 18.05.2017, 02.06.2017, 27.10.2017 and 23.02.2018. Details of composition and attendance during the year under review are as below:

	No of meetings	
	held during the tenure of the member	attended by the member
Dr. Chitrlekha Mahanta, Chairperson	4	4
Shri Subir Purkayastha, Member	4	2



	No of meetings	
	held during the tenure of the member	attended by the member
Shri P Padmanabhan, Member (Ceased to be Member w.e.f. 01.11.2017)	3	1
Smt. R S Borah, Member	4	2
Shri S K Barua, Member (Inducted as Member w.e.f. 13.02.2018)	1	0

The terms of reference of the Audit Committee are in line with the DPE Guidelines on Corporate Governance and the Companies Act, 2013 and the recommendations of the Committee during the year have been accepted by the Board.

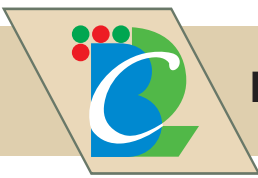


Members of the Board with other officials during the 10th Annual General Meeting. From left to right: Shri O P Tailor, Director (F), Shri A K Singh, Managing Director, Shri B C Tripathi, Chairman, Shri Ravi Capoor, Shri P Padmanabhan & Dr. Chitralkha Mahanta, Directors, Mrs. Ruli Das Sen, Company Secretary & Shri Ajay Tripathi, Chief Operating Officer.

Nomination and Remuneration Committee

During the year under review three meetings of the Committee were held on 13.04.2017, 29.08.2017 and 08.12.2017. Details of composition and attendance during the year are as below:

	No of meetings	
	held during the tenure of the member	attended by the member
Dr. Chitralkha Mahanta, Chairperson	3	3
Shri R K Dutta, Member	3	2



	No of meetings	
	held during the tenure of the member	attended by the member
Shri P Padmanabhan, (Ceased to be member w.e.f. 01.11.2017)	2	2
Shri S K Barua Member (w.e.f. 13.02.2018)	N/A	N/A
Smt. R S Borah, Member	3	1

All the members are non-executive Directors. The scope of the Committee is in consonance with the provisions of the Companies Act, 2013 and the DPE Guidelines on Corporate Governance. It also reviews and recommends the formulation of HR policy in the Company.

Other Committees

An empowered **Committee of the Board on Contracts and Procurement** for expeditious clearance of approvals, comprising of the following members as on 31st March, 2018:

1. Smt. R S Borah : Chairperson
2. Shri A K Singh : Member
3. Shri O P Tailor : Member

A Committee on Sustainability & CSR comprising of the following members as on 31st March, 2018:

1. Shri S K Barua : Chairman
2. Dr. Chitralekha Mahanta : Member
3. Shri A K Singh : Member
4. Shri O P Tailor : Member

The terms of reference of the Committee are in line with the scope prescribed under the Companies Act, 2013 and DPE/Government Guidelines.

A Committee on Health, Safety and Environment to oversee the HSE performance of the Company and comprising of the following members as on 31st March, 2018:

1. Shri R K Dutta : Chairman
2. Shri S K Barua : Member
3. Shri A K Singh : Member

A Share Transfer committee comprising of the following Members as on 31st March, 2018:

1. Shri A K Singh : Chairman
2. Shri S K Barua : Member
3. Shri O P Tailor : Member

Remuneration to Directors

Being a Central Public Sector Enterprise, the appointment of the Whole-Time Directors and the terms & conditions thereof including remuneration are determined by the administrative ministry, the Ministry of Chemicals & Fertilizers.



The details of remuneration paid to the Whole-time Directors of the Company during the financial year 2017-18 are as below:

Amount in ₹

Name	Salary & Allowances	Contribution to PF, Gratuity and other funds	Other benefits and perquisites	Performance linked Incentives	Total
Shri A K Singh Managing Director	3939400.00	264300.00	272491.00	0	4476191.00
Shri O P Tailor Director (Finance)	2574308.00	232053.00	172400.00	0	2978761.00

The Part-time Non-official (Independent) Director is not being paid any remuneration other than the sitting fee, which amounted to ₹1,98,000 to Dr. Chitrlekha Mahanta during the year. The Nominee Directors do not receive any pecuniary benefits including sitting fee from the Company.

General Meetings

The details of the last three Annual General Meetings are as follows:

No of the AGM	Date	Time	Venue	Any Special Resolution passed
8 th	21.09.2015	3:00 pm	Hotel Brahma Putra Ashok, M.G. Road, Guwahati	Yes. Amendment in Article 7, 120 & 123 of the Articles of Association.
9 th	16.09.2016	3:00 pm	Hotel Brahma Putra Ashok, M.G. Road, Guwahati	Yes. Authorisation to the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company in accordance with Section 180(1)(a) of the Companies Act, 2013.
10 th	22.09.2017	3:00 pm	Hotel Vivanta by Taj	None.

11th Annual General Meeting

Date : Friday, 28th September, 2018

Time : 3:00 p.m.

Venue : Hotel Vivanta by Taj, Khanapara, G S Road, Guwahati

Disclosures

- The related party transactions are disclosed in the notes to accounts forming part of the annual report.
- The Company has complied with the requirements of the DPE Guidelines on Corporate Governance, save and except the composition of the Board with respect to number of Nominee Directors and Independent Directors. The Board has requested for a special dispensation



10th annual general meeting in progress



from the Government of India regarding reduction in the number of Nominee Directors appointed as per JV Agreement. Appointment of a second Independent Director is in process with the Government of India.

- iii. The Company has a Whistle Blower Mechanism as per which the Public Interest Disclosure and Protection of Informer (PIDPI) Resolution No 89 of Government of India is being followed.
- iv. A mechanism for Risk Management is in place to identify and mitigate, financial, operational and other risks and the same is being reviewed in view of the Company having entered the operations phase.
- v. The Public Procurement Policy for Micro and Small Enterprises is being implemented in the Company. Consistently since FY 2014-15 your Company has been meeting the 20% procurement target from the Government of India MSME sector with 36.37% in FY 2017-18 as compared to 25.48% in FY 2016-17, showing a gradually increasing trend.

Audit Qualifications

For the 11th successive year there is no audit qualification in the report of the Statutory Auditors on the accounts of the Company for the year ended 31st March 2018.

Means of Communication

The Company has a website www.bcplonline.co.in. There is a dedicated cell for information sharing with stakeholders through the use of information and communication technologies particularly through its website. The Company periodically disseminates information through press releases and its annual reports.

Shareholding Pattern

As on 31st March, 2018, the shares were held by the promoters in the proportion:

GAIL : 70.74%

OIL : 10.11%

NRL : 10.11%

Government of Assam : 9.04%

Corporate Governance Compliance Certificate

A certificate from a Company Secretary in practice regarding compliance of conditions of corporate governance during 2017-18, as per clause 8.2.1 of the DPE Guidelines is annexed.

Secretarial Audit Report

The Company has carried out the Secretarial Audit for the year under review and the report along with the explanation to the observations therein is annexed.

Code of Conduct

The Company has a Code of Conduct for the Board members and the senior management personnel and all the members of the Board and the senior management personnel have affirmed compliance of the Code of Conduct for the financial year ended on 31st March, 2018.

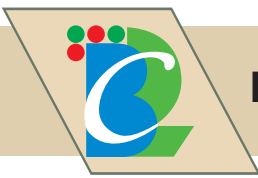
DECLARATION

As required by clause 3.4.2 of the DPE Guidelines on Corporate Governance, it is hereby declared that the members of the Board of Directors as well as senior management personnel of the Company to whom the Code of Conduct is applicable have affirmed compliance with the code.

Sd/-
(A K Singh)

Managing Director

Date : 21st July, 2018



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1		Details of contracts or arrangements or transactions not at arm's length basis - NIL
a)	Name(s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts / arrangements/transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions.	-
f)	Date(s) of approval by the Board	-
g)	Amount paid as advances, if any:	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2		Details of material contracts or arrangement or transactions at arm's length basis
a)	Name(s) of the related party and nature of relationship	GAIL (India) Ltd., Holding Company.



Brahmaputra Cracker and Polymer Limited

b)	Nature of contracts/ arrangements/ transactions	<ol style="list-style-type: none">(1) Procurement of Propylene(2) Procurement of Butene - 1(3) Marketing margin(4) Lease of office premises at Noida(5) Secondment of employees from GAIL
c)	Duration of the contracts / arrangements/transactions	<ol style="list-style-type: none">(1) Procurement of Propylene with GAIL, Pata as per requirement and on best endeavour basis(2) Procurement of Butene-1 as per requirement and on best endeavour basis(3) Marketing margin @ 2.4% of net sales value of BCPL products& by-products for 10 years.(4) Lease agreement for office space at GTI, Noida under ongoing Contract.(5) Arrangement with holding company for secondment of employees.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	<ol style="list-style-type: none">(1) Procurement of total 7583.98 MT Propylene from GAIL, Pata amounting to ₹36.36 Crores.(2) Procurement of 1915.37 MT Butene-1 from GAIL, Pata amounting to ₹19.18 Crores(3) Marketing commission as per Marketing Agreement totaling to ₹50.10 crores.(4) Lease under ongoing contract amounting to ₹45.02 Crores.(5) Arrangement with holding company for secondment of employees amounting to ₹18.04 Crores.
e)	Date(s) of approval by the Board, if any:	Not applicable.
f)	Amount paid as advances, if any:	-

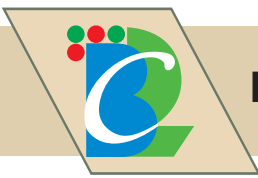
Dated : 14th August, 2018

Place: New Delhi

Sd/-

(B C Tripathi)

Chairman



Extract of Annual Return

As on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS		
(i)	CIN	U11101AS2007GOI008290
(ii)	Registration Date	08.01.2007
(iii)	Name of the Company	Brahmaputra Cracker and Polymer Limited
(iv)	Category / Sub-Category of the Company	Government Company
(v)	Address of the registered office and contact details	House No. 6, Bhuban Road, Uzanbazar, Guwahati-781001, Ph: 0361-2733554, Fax: 0361-2733556
(vi)	Whether listed company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, F- 65, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi-110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Plastic in primary forms - HDPE / LLDPE, PP	20131	93.92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	GAIL (India) Limited	L40200DL1984GOI018976	Holding Company	70.74%	2(87) read with 2(46) of the Companies Act, 2013



i) Others (specify)										
Sub-total (B)(1):-										
2. Non-Institutions	NIL									
a) Bodies Corp.										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹1 lakh										
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh										
c) Others (specify)										
Sub-total (B)(2):-										
Total Public Shareholding (B)=(B)(1)+ (B)(2)										
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	992368970	410433980	1402803010	1402803010	992368970	410433980	1402803010	1402803010	100%	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year	
1	GAIL(India) Limited	992369000	70.74%	NIL	992369000	70.74%	NIL	0	
2	Oil India Limited	141767000	10.11%	NIL	141767000	10.11%	NIL	0	
3	Numaligarh Refinery Limited	141767000	10.11%	NIL	141767000	10.11%	NIL	0	
4	Government of Assam	126900010	9.04%	NIL	126900010	9.04%	NIL	0	
	Total	1402803010	100%	NIL	1402803010	100%	NIL	0	



(iii) Change in Promoters' Shareholding (please specify, if there is no change):- No Change

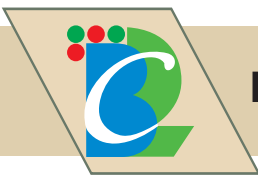
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1402803010	100%	1402803010	100%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change			
At the End of the year	1402803010	100%	1402803010	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

	Shareholding at the beginning of the year		Cumulative Share holding during the year	
	No. of shares	% of total Shares of the company	No. of shares	% of total shares of the company
For Each of the Top 10 Shareholders				
At the beginning of the year				
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the company	No. of shares	% of total shares of the company
For Each of the Directors and KMP				
At the beginning of the year	50	Negligible	50	Negligible
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the End of the year	50		50	Negligible



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	2989.63	150.00	NIL	3139.63
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	2989.63	150.00	NIL	3139.63
Change in Indebtedness during the financial year	470.60	350.00	NIL	820.60
• Addition				
• Reduction	239.62	250.00	NIL	489.62
Indebtedness at the end of the financial year				
i) Principal Amount	3220.61	250.00	NIL	3470.61
ii) Interest due but not paid	NIL			
iii) Interest accrued but not due	NIL	NIL	NIL	
Total(i+ii+iii)	3220.61	250.00	NIL	3470.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
1.	Gross salary	Managing Director Shri A K Singh (wef 14.07.2016)	Whole Time Director Director (Finance) Shri O P Tailor	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3939400	2574308	6513708
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	272491	172400	444891
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify			
	Total (A)			6958599
	Ceiling as per the Act			Not applicable

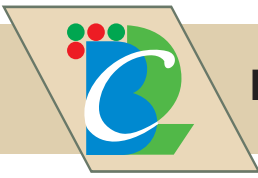


B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Director	Total Amount (₹)
1.	Independent Directors		
		Chitrlekha Mahanta (w.e.f.14.06.2016)	
	• Fee for attending Board / Committee meetings	198000	
	• Commission	NIL	NIL
	• Others, please specify	NIL	NIL
	Total (1)	198000	
2.	Other Non-Executive Directors		
	• Fee for attending Board / Committee meetings	NIL	NIL
	• Commission	NIL	NIL
	• Others, please specify	NIL	NIL
	Total (2)	NIL	NIL
	Total (B)=(1+2)		
	Total Managerial Remuneration		7156599
	Overall Ceiling as per the Act		Not applicable

C. Remuneration to KMP:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO (there is no CEO separately designated)	Company Secretary	CFO (Director Finance)	TOTAL in ₹
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	2098360	Director (Finance) is the CFO and his remuneration in mentioned in table A above.	2098360
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NIL		NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL		NIL
2.	Stock Option		NIL		NIL
3.	Sweat Equity		NIL		NIL
4.	Commission - as % of profit - others, specify...		NIL		NIL
5.	Others, please specify				
	Total		2098360		2098360



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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



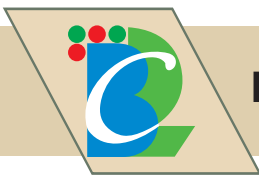
Annual Report on CSR activities during FY 2017-18

Sl. No	Particulars	Details
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the GSR policy and projects or programs.	BCPL has a Policy with an objective of taking up socially relevant projects and initiatives that will promote wholesome growth of the society and improve the quality of life of people living in and around BCPL installations. The web-link is http://www.bcplonline.co.in/content.php?pageNo=3&pageid=15&SubpageNo=1 BCPL has been spending on CSR activities to the tune of ₹1 Crore each year during the project phase. However, during the FY 17-18 the company was unable to undertake any substantial CSR project due to other financial priorities unique to a newly operational organisation.
2.	The composition of the CSR Committee	1. Shri S. K. Barua- Chairman 2. Dr. Chitrallekha Mahanta-Member 3. Shri A.K.Singh- Member 4. Shri O P Tailor- Member
3.	Average Net Profit of the company for the last three financial years	Not applicable
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	Not applicable
5.	Details of CSR spent during the financial year.	
	(a) Total amount to be spent for the financial year;	Not applicable
	(b) Amount unspent, if any	Not applicable
	(c) Manner in which the amount spent during the financial year is detailed below	Not Applicable

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified.	Sector in which the Project is covered	Projects or programs 1) Local area or 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.			Not applicable			
7.	The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company						

Sd/-
(A K Singh)
Managing Director

Sd/-
(S K Barua)
Chairman of the Committee on Sustainability & CSR



FORM NO. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31st March 2018

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

To,

The Members,

M/s Brahma Putra Cracker & Polymer Limited

CIN: U11101AS2007GOI008290

1st Floor, House No 6, Bhuban Road,

Uzanbazar, Guwahati-781001, Assam

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate practices by M/s Brahma Putra Cracker and Polymer Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by M/s Brahma Putra Cracker and Polymer Limited and also the information provided by the Company, its officers during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Brahma Putra Cracker and Polymer Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Memorandum and Articles of Association of the Company.
- (iii) Other Acts:
 - a. The Petroleum Act 1934
 - b. Petroleum and Minerals Pipelines(Acquisition of Rights of User Inland) Act 1962
 - c. Explosives Acts
 - d. The Oil Industry (Development) Act 1974
 - e. The Mines Act 1952
 - f. Mines and Minerals (Regulations and Development) Act 1957

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board & General Meetings.

Acts which are not applicable to the Company though part of the Prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit.

As intimated and confirmed by the Company , its Officers since the company is yet to start its commercial activity and is in the Construction stage many of the provisions of the Acts are not applicable at this stage.



Further,

I have also examined compliance with the applicable clauses of the following:

- (i) Guidelines from the Ministry of Chemicals and Fertilisers.
- (ii) Order, Instructions, Guidelines of the Dept of Public Enterprises, Govt of India, and Government of Assam

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. The composition of Company's Board lacks the required number of Independent Directors.
- b. The Company could not hold any separate meeting of Independent Directors during the year. The Company represented that it did not have enough number of Independent Directors to validly hold a separate meeting of Independent Directors.
- c. The composition of the Audit Committee did not have two- third of members as Independent Directors.
- d. The Articles of Association of the Company needs to be amended so as to reflect the changed provisions of the Companies Act, 2013.

I/we further report that

The Board of Directors of the Company was not properly constituted because required number of Independent Directors were not there in the Board, however the Company represented that being a Government Company, the Directors are nominated/appointed by Govt. of India and the Company had written many times to the Government of India for appointment of required number of Independent Director. Further the Company had requested for a special dispensation from the Government of India to maintain the existing composition of the Board without reducing the nominee directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

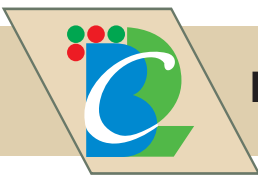
I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with my letter of event date which is enclosed as ANNEXURE 'I' and forms integral part of this Report.

Date: 17th July, 2018
Place: Guwahati

For **Biman Debnath & Associates**
Company Secretaries

Sd/-
(Biman Debnath)
Proprietor
FCS No.: 6717
C P No.: 5857



Annexure A

(TO THE SECRETARIAL AUDIT REPORT OF M/S BRAHMAPUTRA CRACKER AND POLYMER LIMITED FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018)

**To,
The Members,
M/s Brahmaputra Cracker & Polymer Limited
CIN: U11101AS2007GOI008290
1st Floor, House No 6, Bhuban Road,
Uzanbazar, Guwahati-781001, Assam**

My Report of event date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 17th July, 2018
Place: Guwahati

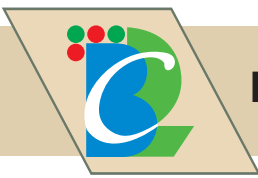
**For Biman Debnath & Associates
Company Secretaries**

Sd/-
(Biman Debnath)
Proprietor
FCS No.: 6717
C P No.: 5857



Explanation of the Board to the observations in the Secretarial Audit Report 2017-18

Observation of the Secretarial Auditor	Explanation of the Board
a. The composition of Company's Board lacks the required number of Independent Directors.	One Independent Director has been appointed in June, 2016 against vacancies caused due to expiry of term of two Independent Directors. Appointment of a second Independent Director is pending with the Government of India and the position remains vacant.
b. The Company could not hold any separate meeting of Independent Directors during the year. The Company represented that it did not have enough number of Independent Directors to validly hold a separate meeting of Independent Directors.	There was only one Independent Director in the Company during the year, as appointment of second Independent Director is in process with the Government and therefore the company could not validly hold a separate meeting of the Independent Directors.
c. The composition of the Audit Committee did not have two- third of members as Independent Directors.	There was only one Independent Director in the Company during the year and appointment of second Independent Director by the Government of India is awaited.
d. The Articles of Association of the Company needs to be amended so as to reflect the changed provisions of the Companies Act, 2013.	The Companies Act, 2013 and rules thereunder have been going through numerous changes and hence the amendment of articles of association were kept on hold. With the Amendment Act of 2017, the statute has stabilised and amendment of articles of association will be carried out.



Corporate Governance Compliance Certificate

To,
The Members,
M/s Brahma Putra Cracker & Polymer Limited
CIN: U11101AS2007GOI008290
1st Floor, House No 6, Bhuban Road,
Uzanbazar, Guwahati-781001, Assam

We have examined the compliance of conditions of Corporate Governance by M/s Brahma Putra Cracker and Polymer Limited (a Non-Listed PSU) for the year ended 31st March, 2018 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India, in May, 2010.

The compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the Guidelines except:

- a. *The composition of the Company's Board did not have the required number of Independent Directors;*
- b. *The number of nominee directors in the Board of Company exceeded the maximum number of nominee directors permitted under the guidelines;*
- c. *The composition of the Audit Committee did not have two-third of members as Independent Directors;*

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the Affairs of the Company.

Date: 17th July, 2018
Place: Guwahati

For Biman Debnath & Associates
Company Secretaries

Sd/-
(Biman Debnath)
Proprietor
FCS No.: 6717
C P No.: 5857



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 Brahma Putra 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

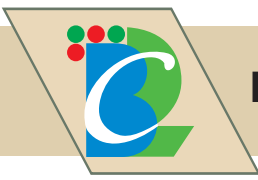
of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and 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.

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.

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 NEIIP(North East Industrial Policy), the company has accounted subsidies amounting to ₹6,272.61 lakhs on accrual basis, however, claims for subsidy amounting to ₹2,998.90 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;
- 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:
 - i. 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;
 - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;

For Bhawani Sharma & Co.
Chartered Accountants

Firm's registration number: 314006E

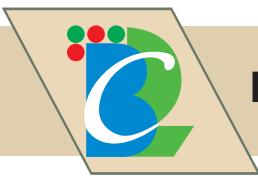
Sd/-

(Shailendra Sharma)

Partner

Membership Number: 058352

Place: Guwahati
Dated: 21st May, 2018



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:

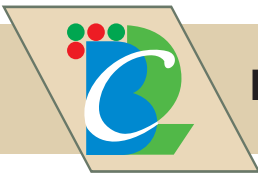
- (i) In respect of the Company's fixed assets;
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified 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 bighas of land for which process of obtaining land ownership document from Government of Assam is still under way pending necessary approval from Governments Authorities and also 59 bighas of Private Land of Railway Siding and 520 bighas of Land of Lakwa unit, though they are in possession of the company but title deed is yet to be transferred
- (ii) As explained to us, physical verification of inventory has been conducted by the management of the company. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) According to the information & explanation given to us and on the basis of our examination of books of Accounts, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. Consequently, the provisions of (iii)(a) to (iii)(c) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investment and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March, 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 utilisation 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, Custom Duty, Excise Duty, Service Tax, cess and any other material statutory dues applicable, 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;

Nature of the Statute	Nature of dues	Forum where dues is Pending	Period to which Amount relates	Amount (₹In Lacs)
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

- (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.
- (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

Sd/-

(Shailendra Sharma)

Partner

Membership Number: 058352

Place: Guwahati
Dated: 21st May, 2018



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.

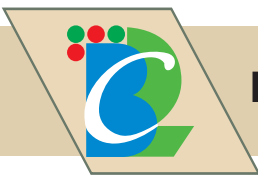
Auditors' Responsibility

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 authorisations 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.

Place: Guwahati
Dated: 21st May, 2018

Inherent Limitations of Internal Financial Controls Over Financial Reporting

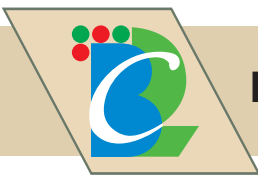
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

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

Sd/-
(Shailendra Sharma)
Partner
Membership Number: 058352



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

Sd/-

(Shailendra Sharma)

Partner

Membership Number: 058352

Place: Guwahati
Dated: 21st May, 2018



Balance Sheet
as at 31st March, 2018

₹ in lakh

Particulars	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non Current Assets			
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
Subtotal (A)		823,448.29	876,134.66
Current Assets			
Inventories	8	41,268.50	37,774.29
Trade Receivables	5	18,222.25	5,603.84
Cash and Cash Equivalent	7	1,504.08	3.93
Financial Assets	4	110.88	95.32
Other Current Assets	6	47,105.58	29,980.67
Subtotal (B)		108,211.29	73,458.05
Total Assets (A+B)		931,659.58	949,592.71
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	140,280.30	140,280.30
Other Equity	10	-90,483.09	-82,284.93
Subtotal (C)		49,797.21	57,995.37
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
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
Subtotal (D)		697,335.61	709,370.23



₹ in lakh

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Current Liabilities			
Financial Liabilities			
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
Subtotal (E)		184,526.76	182,227.12
Total Equity and Liabilities (C+D+E)		931,659.58	949,592.71
Accounting Policy	1		

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

Sd/-
(A K Singh)
Managing Director

Sd/-
(O P Tailor)
Director (Finance) & CFO

Sd/-
(Ruli Das Sen)
Company Secretary

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

Sd/-
(Shailendra Sharma)
Partner
Membership No. 058352

Place : Guwahati
Date : 21st May, 2018



Statement of Profit and Loss
for the year ended 31st March, 2018

₹ in lakh

	Particulars	Note No.	Year ended 31 st March, 2018	Year ended 31 st March, 2017
I.	Revenue from operations	17	174,867.82	77,849.11
II.	Other income	18	23,009.53	19,459.24
III.	Total Revenue (I + II)		197,877.35	97,308.35
IV.	EXPENSES			
	Excise Duty on sale of goods		4,377.74	9,110.46
	Cost of raw material and components consumed	19	114,839.94	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		-	-
	Total expenses (IV)		211,001.41	158,502.31
V.	Profit/(loss) before Tax (III-IV)		-13,124.06	-61,193.96
VI.	Tax expense:			
	Current tax		45.63	221.38
	Deferred Tax		-5,130.46	-6,674.56
VII.	Profit/(Loss) for the period (V - VI)		-8,039.23	-54,740.78
VIII.	Other Comprehensive income			
	Items that maybe reclassified to profit or loss			
	Exchange differences on translation of foreign operations		-	-
	Changes in fair value of FVOCI debt instruments		-	-
	Income tax relating to these items		-	-
IX.	Items that will not be reclassified to profit or loss			
	Changes in fair value of FVOCI equity instruments		-	-
	Remeasurement of post-employment benefit obligations		-0.03	-27.49
	Income tax relating to these items		0.01	8.50
			-0.02	-18.99
X.	Other comprehensive income net of tax (VIII + IX)		-0.02	-18.99
XI.	Total comprehensive income (VII + X)		-8,039.25	-54,759.77
XII.	Earnings per equity share:(in ₹)			
	Basic		-0.57	-4.10
	Diluted		-0.57	-4.10

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

Sd/-
(A K Singh)
Managing Director

Sd/-
(O P Tailor)
Director (Finance) & CFO

Sd/-
(Ruli Das Sen)
Company Secretary

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

Sd/-
(Shailendra Sharma)
Partner
Membership No. 058352

Place : Guwahati
Date : 21st May, 2018



Statement of Changes in Equity for the period ended 31st March 2018

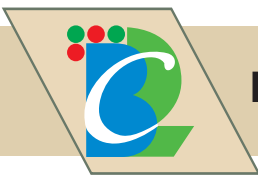
₹ in Lakh

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

For the year ended 31st March 2018:

₹ in Lakh

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



Notes to the Financial Statements for the year ended 31st March 2018

Corporate information

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

The financial statements of the company for the year ended 31st March 2018 were authorized for issue in accordance with a resolution of the directors on 21st May, 2018.

Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules

2014 (Indian GAAP). With effect from year ending 31st March 2017, the Company is preparing its financial statements in accordance with Ind-AS and the year ended 31st March 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 lakh, except otherwise indicated.

1. Significant accounting policies

1.1 Property, Plant and Equipment (PPE)

A. Tangible Assets

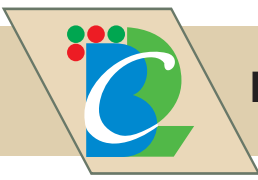
- i. Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where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



- ii. Stores & Spares which meets the definition of PPE (whether as components or otherwise) and satisfied recognition criteria, are capitalized. Major inspection/overhaul/repair is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. Similarly, when significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- iii. Technical knowhow /license fee incurred at the time of procurement of PPE are capitalized as part of the underlying assets.
- iv. Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- v. Depreciation is provided in accordance with the useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on 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.

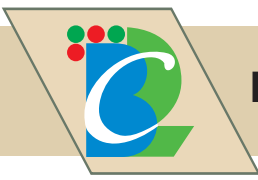
1.7 Cash and cash equivalents

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 fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use of the asset or assets, even if

that right is not explicitly specified in an arrangement.

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

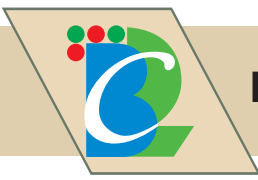
(A) Company as a lessee

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

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

(B) Company as a lessor

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



substantially all of the risks and rewards incidental to ownership is transferred by the Company to the lessee.

1.13 Liquidated damages/ Price Reduction Schedule

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

1.14 Taxation

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

(a) Current Tax

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

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

(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.

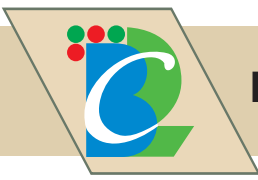
(c) Offsetting of financial instruments

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.

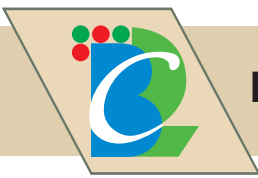
1.20.4 Impairment of assets

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

Sd/-
(A K Singh)
Managing Director

Sd/-
(O P Tailor)
Director (Finance) & CFO

Sd/-
(Ruli Das Sen)
Company Secretary

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

Sd/-
(Shailendra Sharma)
Partner
Membership No. 058352

Place : Guwahati
Date : 21st May, 2018



Notes to the Financial Statements for the year ended 31st March 2018

Note 2: Property, plant and equipment

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

₹ in Lakh

Cost/Valuation	Leasehold Land	Freehold Land	Building - Other than factory building	Building -Plant	Roads, Bridges & Fences	Bunk Houses	Plant & Machinery	F&F and Other Equipment	Electrical	EDP	Motor Cars/Jeeps	Capital work-in-progress	Total
At 1 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													
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													
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



Note 3: Intangible Assets

(₹ in lakh)

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

(₹ in lakh)

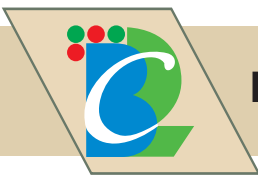
Accumulated amortisation and impairment	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
At 1st April 2017	208.48	-	1.76	210.24
Additions	190.42	-	0.87	191.29
Capitalised internal development costs	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Transfer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

Net book value	Software / Licenses	Right of Use (Perpetual)	Right of Use (Limited useful life)	Total
At 31 March 2017	208.48	-	1.76	210.24
At 31 March 2018	560.96	867.88	1.76	1,430.60

Note 4: Financial assets

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Loans		
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
Total loans	1,878.63	2,141.84
Current	110.88	95.32
Non-Current	1,767.75	2,046.52
	1,878.63	2,141.84



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)		
Total Trade receivable	18,222.25	5,603.84
Current	18,222.25	5,603.84
Non-current	-	-
Total	18,222.25	5,603.84

Note 6: Other non financial assets

(₹ in lakh)

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

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



Note 7: Cash and Cash Equivalents

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Balances with banks:		
— 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	-	-
Total	1,504.08	3.93

Note 8: Inventories

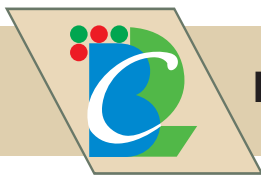
(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
(a) Raw materials , Stores , Spares and others		
Raw Materials & other Consumables	1,152.61	576.44
Stores & Spares	22,142.91	21,245.19
(b) Semi Finished Goods/By products		
Semi Process Stock	2,461.14	2,290.99
By Products	530.65	305.99
(c) Finished Goods		
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
Total	41,268.50	37,774.29

Note 9: Equity share capital

(₹ in lakh)

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



Note 10: Other equity

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Other equity:		
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
Other reserves:		
- Capital reserves	-	-
Less: Transfer to statement of profit and loss	-	-
Share Application Money Pending Allotment	1,486.70	-
Total	-90,483.09	-82,284.93

Note 11: Borrowings

(₹ in lakh)

Particulars	Effective Interest Rate	Maturity	As at 31-Mar-18	As at 31-Mar-17
Secured				
Term loans:				
- Loan from State Bank of India	SBI 1yr MCLR plus 0.45%	31/05/2024	161709.36	165,719.85
- Axis Bank Term Loan		-	-	-
- Tata Capital FSL Term Loan		-	-	-
- 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			-	30.07
- Bank overdrafts			-	-
From Other Parties :				
- Oil Industry Development Board		31/12/2022	115812.88	116,429.88
- Oil India Limited	SBI rate plus 0.50%	21/02/2017	-	-
Total			324252.60	325,624.50
Total Non Current Borrowings			277522.23	282,149.73
Total Current Borrowings			46730.37	43,474.77

- 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 passu*, with all term lenders except to the extent of 131 bighas of Govt. land, 59 bighas of private Land of Railway Siding and 520 bighas of Lakwa Land, though in possession of the company but title deed yet to be transferred. Further out of total land, 2 bighas land has been acquired by Government of Assam under Compulsory Acquisition Scheme 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 ₹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 of 131 bighas of Govt. land, 59 bighas of private Land of Railway Siding and 520 bighas of Lakwa Land, 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 Acquisition Scheme in public interest. Further Loan Amounting ₹875 crores is secured through Corporate Guarantee by the Promoters. The outstanding amount as on 31.03.2018 against the Guarantee is ₹582.36 Crores (previous year ₹654.50 Crore)

*Terms of Repayment : Total period of loan is 10 years from the date of drawal which includes 2 years moratorium. The repayment shall be in 8 yearly equal instalments. The first instalment 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 instalment is drawn by BCPL.

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

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

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 (Includes payable to MSME : ₹555.54 Lakh)	1,189.41	110.35
Total	35,752.84	38,958.96
Current	35,752.84	38,958.96
Non-current	-	-
Total	35,752.84	38,958.96

Note 13: Financial Liabilities

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Financial liabilities at amortised cost		
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	-
Total other financial liabilities at amortised cost	45,844.07	43,654.11
Current	45,844.07	43,654.11
Non current	-	-

Note 14: Provisions

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Provisions		
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
Total	35,892.60	36,421.36
Current	35,547.37	35,990.86
Non- Current	345.23	430.50
Total	35,892.60	36,421.36

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
Other non financial liabilities		
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
Total	440,120.26	446,938.43
Current	20,652.11	20,148.43
Non current	419,468.15	426,790.00
Total	440,120.26	446,938.43

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
Deferred tax assets/(liabilities)-net	11,165.46	6,034.99

Note 17: Revenue from operations

(₹ in lakh)

Particulars	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
Total sale of products	209,295.55	81,672.05
Sale/ rendering of services	-	-
Less: GST on Sales	24,506.91	-
Less: Discount on Sales	9,920.82	3,822.94
Total	174,867.82	77,849.11

Note 18: Other Income

(₹ in lakh)

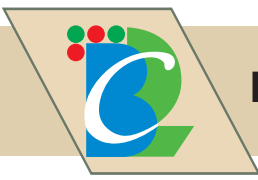
Particulars	As at 31-Mar-18	As at 31-Mar-17
Other non-operating Income:		
Interest on FDR's	108.49	122.37
Other Interest	224.68	84.05
Government grants	17,288.13	18,760.00
NEIIP Subsidy	4,001.25	-
Recoveries from Vendors/Customers	-	-
Recoveries from Employees	69.80	57.34
Misc. Receipts	1,317.18	435.48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

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

Note 19: Cost of raw material and components consumed

(₹ in lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Raw materials consumed	114,839.94	69,222.68
Total	114,839.94	69,222.68



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
Total	8,087.48	7,664.93

Note 21: Depreciation and amortisation 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	-	-
Total	38,783.04	35,168.08

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: NEIIP Interest Subsidy	-552.92	-
Total	27,889.47	30,276.87

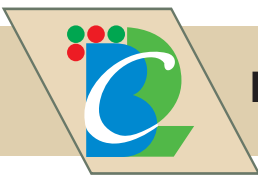


Note 23: Other Expenses

(₹ 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 Fees	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 Expenses	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
Data processing 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/Write-off of assets	-	-
Bad debt/Claims/Advances/Inventories written off	-	-
Provision for Bad debt/Claims/Advances and obsolescence 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
Total	19,044.06	15,965.17

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



24. Contingent Liabilities and Commitments:

	<i>₹ in lakh</i>	
	31-Mar-18	31-Mar-17
(a) Contingent Liabilities:		
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) Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5204.46	43.74
(c) Guarantees & other Commitment:		
Bank Guarantees in favour of Suppliers	2784.95	924.26
Letter of Credits issued:	4288.33	1,639.80

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

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

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

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

(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:

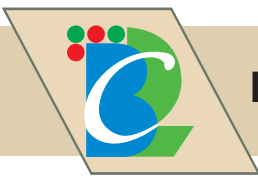
Nature	Opening Balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	-	-	-	-	-
Service Tax	-	-	-	-	-
VAT/ Sales Tax	-	-	-	-	-
Legal cases	-	-	-	-	-
Total	-	-	-	-	-

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 bighas of lease hold land and 190 bighas 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 bighas) and leasehold (520 bighas) land amounting to ₹387.47 lakh and ₹1538.11 lakh (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 bighas of lease hold land for 30 years has been issued in the name of the Company as per Land Registration Act of Assam, accordingly the lease hold land has been treated as 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 bighas) 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 NEIIP (North-East Industrial Policy) and eligible for various subsidy schemes. Accordingly, the Company has accounted the following eligible subsidies under various schemes on accrual basis.

₹ in lakh

Sl. No	Particulars of Subsidy	Opening Claim pending	Claim Submitted	Claim in Process of submission	Total Amount	Amount Received, if any.
1.	Interest On working Capital loan fund	-	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.

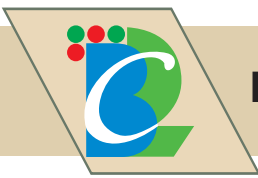
33. Capital Subsidy received from Government of India has been considered as deferred income in terms of Ind-As 20 and is recognized as income in the Statement of Profit and Loss over the useful life of the assets. In the current financial year an amount of ₹19,183.15 lakh has been credited (Previous 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 year end 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 & 31st 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	-	-	-	-
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, 2017 are as follows:

₹ in Lakh

Particulars	Gratuity		Leave encashment	
	2017-18	2016-17	2017-18	2016-17
Interest income	20.18	18.94	-	-
Return on plan assets (excluding amounts included in net interest expense) - OCI	-4.94	-2.80	-	-
Contribution by Employer	224.40	-	-	-
Benefits paid	7.44	6.62	-	-
Service cost (Transfer in)	-	-	-	-
Closing fair value of plan assets	494.27	262.07	-	-

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:

₹ in Lakh

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 31st March 2018 is as shown below:

₹ in Lakh

Gratuity Plan	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)	460.87	560.72	559.41	460.20

₹ in Lakh

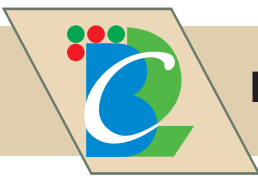
Gratuity Plan	31-Mar-17		31-Mar-17	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level (%)	0.50 increase	0.50 decrease	0.50 increase	0.50 decrease
Impact on defined benefit obligation - (Amount)	313.70	383.90	374.21	319.96

₹ in Lakh

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)
Receivable as at 31.03.2018	250.58	300.23

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	₹ in Lakh
From Capital Subsidy Fund	492.17
From Debt Fund/Equity Fund	93.78
Interest Received u/s 244A	190.97
Total	776.92

***Remarks:**

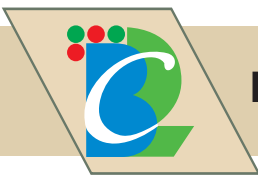
i. As per clarification was received from the Ministry of Chemicals & Fertilizers (MOCF) vide letter no. 45013/1/2005-PC-1(PART) dated 15.02.2012 that 'Interest earned on subsidy released by the government is not income of BCPL and the same shall be added back to the Capital Subsidy. Accordingly tax 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	-	
2015-16	304.11	170.21	34.04	-	
					Appeal pending with CIT.



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
Total	1404.81	212.61	1614.42

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 ₹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.

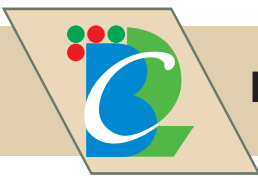
The Company's Board of Directors have overall responsibility for the establishment and oversight of the company's risk management framework.

- 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

- 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.
- Interest rate sensitivity

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

₹ in Lakh

Particulars	Increase/decrease in basis points	Effect on profit before tax
31 March 2018		
SBI Loan	+100	-1918.40
	-100	+1918.40
31 March 2017		
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 equipment through LCs. The Company does not have foreign currency loans, however, has foreign currency liabilities and outstanding foreign Letter of Credits. The exposure to foreign exchange risk of the Company is not substantial. The Company manages its foreign currency risk by keeping foreign currency exposure at minimum.

Foreign currency sensitivity:

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

₹ in Lakh

Particulars	Change in currency exchange rates	Effect on profit before tax
For the year ended March 31, 2018		
US Dollar	3%	-69.66
	-3%	69.66
EURO	6%	-53.62
	-6%	53.62
Japanese yen	7%	-79.53
	-7%	79.53
For the year ended March 31, 2017		



US Dollar	+3%	-28.99
	-3%	+28.99
EURO	+6%	-2.07
	-6%	+2.07
Japanese yen	+7%	-44.72
	-7%	+44.72

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 nor 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 31st March 2018 and 31st 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:

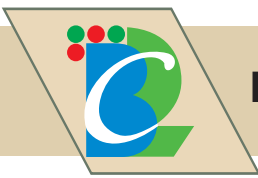
₹ in Lakh

Particulars	Carrying amount	Fair value		
	31 March 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	1,767.75	-	-	-
Current				
Trade receivables	18,222.25	-	-	-
Cash and cash equivalents	1504.08	-	-	-
Loans	110.88	-	-	-
Total	21604.96	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	277,522.23	-	-	-
Current				
Borrowings	46,730.37	-	-	-
Other financial liabilities	45843.77	-	-	-
Trade payables	35,752.84	-	-	-
Total	405,849.21	-	-	-

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

₹ in Lakh

Particulars	Carrying amount	Fair value		
	31 March 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans and receivables	2,046.52	-	-	-
Current				
Trade receivables	5,603.84	-	-	-
Cash and cash equivalents	3.93	-	-	-
Loans	95.31	-	-	-
Total	7,749.60	-	-	-
Financial liabilities at amortised cost:				



Non current				
Borrowings	2,82,149.73	-	-	-
Current				
Borrowings	43,474.76	-	-	-
Other financial liabilities	43,654.11	-	-	-
Trade payables	38,958.96	-	-	-
Total	4,08,237.56	-	-	-

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

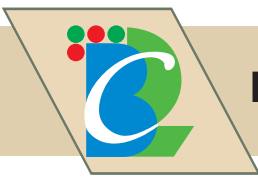
c. Entities where Key Management Personnel and their relatives control/ joint control or exercise significant influence : NIL

₹ in Lakh

Particulars	31 March, 2018	31 March, 2017
Gail (India) Limited		
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	-	1,9833.34
Other(Marketing Commission)	4,301.02	1,765.62
Balance payable	2,454.65	883.13
Numaligarh Refinery Limited		
Sale/ Purchase of goods	18,327	10,808.06
Equity Contribution	-	1,486.70
Claims towards Freight and Price difference on out sourced naptha.	3,589.56	-
Balance payable	-	1,875.44
Oil India Limited		
Sale/ Purchase of goods	36,710.07	38,768.71
Equity Contribution	-	1,486.70
Other (Interest on Inter-Corporate Loan)	-	799.74
Balance payable (NG supply)	34,119.06	35,787.28
Outstanding (infrastructure cost)	-	14,534.85
Key management personnel		
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”):

₹ in Lakh

Particulars	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

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:

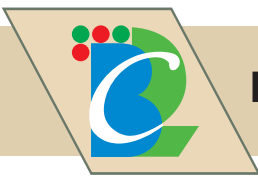
The Company is in a single line of business of “Production and sales of polymers to downstream plastic industries”.

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	-8039.23	-54,740.78
Discontinued operation	-	-
Loss attributable to equity holders of the Company for basic earnings	-8039.23	-54,740.78
Loss attributable to equity holders of the Company adjusted for the effect of dilution	-8039.23	-54,740.78
Weighted average number of Equity shares for basic EPS * (in No.)	1402803010	1335607295
Effect of dilution:	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	-	-
Earnings per equity share: in ₹		
-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 Losses.

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 lakh has been spent during the year through District Administration.

Sd/-
(A K Singh)
Managing Director

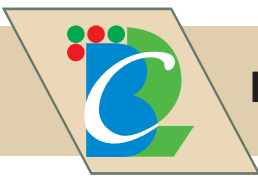
Sd/-
(O P Tailor)
Director (Finance) & CFO

Sd/-
(Ruli Das Sen)
Company Secretary

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

Sd/-
(Shailendra Sharma)
Partner
Membership No. 058352

Place : Guwahati
Date : 21st May, 2018



Cash Flow Statement for the period ended 31st March 2018

		(₹ in lakh)	
	PARTICULARS	2017-18	2016-17
A	Cash flow from Operating Activities:		
	Net Profit before Tax and Extra ordinary items	(13,124.06)	(61,193.96)
	Adjustment for:		
	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
	Cash Flow from operating activity Before Working Capital Change	34,614.70	(14,528.00)
	Adjustment for:		
	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
	Cash generated from operations	8,389.98	(36,397.24)
	Current Tax	(45.63)	(221.38)
	Deferred Tax	5,130.46	6,674.57
	Cash before Extraordinary Items	13,474.81	(29,944.05)
	Extra ordinary Items	-	-
	Net cash from operating activities	13,474.81	(29,944.05)
B	Cash outflow from investing activities:		
	Additions/purchases of fixed assets	(5,369.70)	(51,218.77)
	Capital work-in-progress	(523.42)	38,607.33
	Net cash outflow from investing activities	(5,893.12)	(12,611.44)
C	Cash flow from financing activities:		
	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
	Net cash inflow from financing activities	(6,081.54)	39,948.32
	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
	Closing cash and cash equivalents:	1,504.08	3.93

Sd/-
(A K Singh)
Managing Director

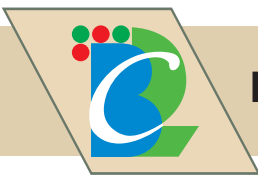
Sd/-
(O P Tailor)
Director (Finance) & CFO

Sd/-
(Ruli Das Sen)
Company Secretary

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

Sd/-
(Shailendra Sharma)
Partner
Membership No. 058352

Place : Guwahati
Date : 21st May, 2018



Comments of the Comptroller and Auditor General of India

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of Brahma Putra Cracker and Polymer Limited, Guwahati, Assam for the year ended 31 March 2018.

The preparation of financial statement of Brahma Putra 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 this 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 Brahma Putra 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 auditors 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 Auditor's Report.

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

Sd/-

(Suparna Deb)

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

Place: Kolkata
Date: 27th June, 2018

Brahmaputra Cracker and Polymer Limited

Registered Office: House No 6, Bhuban Road, Uzanbazar, Guwahati 781001, Assam; CIN: U11101AS2007GOI008290

FORM OF PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): _____
Registered address: _____
E-mail Id: _____
Folio No/Client Id: _____
DP ID: _____
I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
2. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
3. Name: _____
Address: _____
E-mail Id: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on the 28th day of September, 2018 at 3.00 p.m. at Hotel Vivanta by Taj, G. S. Road, Khanapara, Guwahati 781022 and at any adjournment thereof in respect of such resolutions as are indicated.

Below:

Resolution No.

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Affix
Revenue
Stamp ₹1/-

Signed this..... day of..... 2018.

Signature of Shareholder

Signature of Proxy holder(s)

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



Brahmaputra Cracker and Polymer Limited

Registered Office: House No 6, Bhuban Road, Uzanbazar, Guwahati 781001, Assam; CIN: U11101AS2007GOI008290

ATTENDANCE SLIP

I / We hereby record my/our presence at the 11th Annual General Meeting of the Company on the 28th day of September, 2018 at 3.00 p.m. at Hotel Vivanta by Taj, G. S. Road, Khanapara, Guwahati 781022

Name of the member(s)/proxy: _____

Folio No/Client Id: _____

No of shares. _____

Registered address: _____

Member's/Proxy's signature

Note: The Attendance Slip duly filled and signed is to be handed over at the venue for verification.



PLASTICS & PETROCHEMICALS

Think Plastic Think Assam

Think Plastic Think Assam

ADVANTAGE ASSAM



G-Lex
G-Lene





Brahmaputra Cracker and Polymer Limited

Registered Office
House No 6, Bhuban Road,
Uzanbazar, Guwahati 781001, Assam