

VISION

To become an Indian MNC in the field of Fluid handling Gas Compression, Gas storage equipment, services & Project management.

MISSION

To provide quality products and services to core sector industries with special thrust on Oil and Natural Gas, Petrochemicals, Refineries, Nuclear and Thermal power Plants, Fertilizers and Public Transport Services complying to health & safety requirements.

OBJECTIVES

- To increase market share of our products and services.
- To maximize customer's satisfaction by providing quality products and services within stipulated delivery.
- To increase the business of spares and rendering prompt after sale services including refurbishment.

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BOARD OF DIRECTORS

- | | | |
|---------------------------|---|--|
| 1. SHRI SUNIL PARWANI | - | CHAIRMAN & MANAGING DIRECTOR (FROM 28.08.2018) |
| 2. SHRI R.K. PAUL | - | CHAIRMAN & MANAGING DIRECTOR (FROM 25.05.2017 TO 24.08.2018) |
| 3. SHRI RAJEEV GARG | - | CHAIRMAN & MANAGING DIRECTOR (FROM 01.02.2017 TO 24.05.2017) |
| 4. SHRI ARVIND KUMAR | - | DIRECTOR (FROM 30.05.2016) |
| 5. SHRI V.J. PANDYA | - | DIRECTOR (FROM 29.02.2016) |
| 6. SHRI S. BALA KRISHANAN | - | DIRECTOR (FROM 13.04.2017) |

PRINCIPAL EXECUTIVES

- | | | |
|---------------------|---|---|
| SHRI MOHAN KUMAR | - | GENERAL MANAGER (MKT/QC/WORKS) |
| SHRI RATAN PRAKASH | - | GENERAL MANAGER (MM/HR/PDD) |
| SHRI INDRASEN SINGH | - | SR. MANAGER (F&A) AND COMPANY SECRETARY |

AUDITORS

M/S BALRAM CHANDRA & ASSOCIATES,
CHARTERED ACCOUNTANTS,
60-B/44, NAWAB YUSUF ROAD,
BEHIND SANGAM PLACE, CIVIL LINES,
ALLAHABAD - 211001

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

NAINI, ALLAHABAD
UTTAR PRADESH - 211010

BOARD OF DIRECTORS



SHRI SUNIL PARWANI
Chairman & Managing Director
(From 28.08.2018)



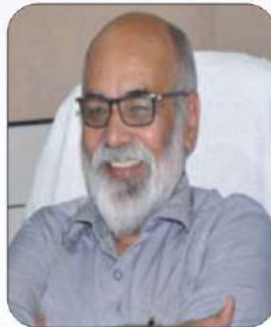
SHRI R.K. PAUL
Chairman & Managing Director
(From 25.05.2017 to 24.08.2018)



SHRI RAJEEV GARG
Chairman & Managing Director
(From 01.02.2017 to 24.05.2017)



SHRI ARVIND KUMAR
Director
(From 30.05.2016)



SHRI V. J. PANDYA
Director
(From 29.02.2016)



SHRI S. BALA KRISHNAN
Director
(From 13.04.2017)



SHRI INDRASEN SINGH
Company Secretary

DIRECTORS' REPORT

To,
The Shareholders,
Gentlemen,

Your Directors present the 48th Annual Report of the business and operation of the company together with the audited accounts, Auditors Report and comments of Comptroller & Auditor General of India thereon for the year ended 31st March 2018.

1. PERFORMANCE HIGHLIGHTS:

Our Company after achieving profitable performance for the continuous six years up to 2011-12, has started incurring losses from the financial year 2012-13 due to sluggish market condition and working capital crunch. During the year 2017-18, the Company has incurred a loss (after tax) of Rs 43.92 crores much lower production of Rs76.28 crores as against loss (after tax) of Rs.83.97crores and production of Rs. 76.01 crores respectively during the previous year.

The turnover during the year was Rs77.12 crores as against Rs. 74.91 crores during the previous year. The reduction in performance has been also due to non- positioning of critical inputs because of acute financial crisis and non-receipt of orders/delay in finalization of orders for spares and main equipment by the customers. During the year orders under execution involved very strict stage wise inspection by the customer/ inspecting agency, which has resulted into delays in positioning of inputs. During the year 2017-18 net worth of the Company was Rs. (-)148.21

crores as against Rs.(-)101.90 crores during the previous year 2016-17. The salient features of performance during the year 2017-18 are summarized below:

2. DIVIDEND:

Since the company has incurred losses, no dividend was recommended by your Directors for the year 2017-18.

3. SHARE CAPITAL:

The issued, subscribed and paid up share capital of the Company as on 31st March 2018 was Rs.53.53 Crores against authorized capital of Rs.65.00 Crores.

4. ORDER BOOK STATUS:

(₹ in crore)

A. ORDER BOOKED	2017-18	2016-17
Pumps & Compressors	11.58	9.68
Spare Parts	37.99	24.35
Gas Cylinders	0.38	0.39
Total Orders Booked	49.95	34.42
B. ORDER BOOK OUTSTANDING		
	2017-18	2016-17
Order Book Outstanding at the end of the year	91.11	108.20

The order book position at the end of the year under review is Rs. 91.11 crores, which along with some of the orders booked during the current year i.e. 2017-18 will help in achieving the turnover target of year 2017-18.

For achieving the current year's target for order booking, major emphasize is being made for increasing spare parts business as well as to obtain business related to refurbishing/ up-gradation and overhauling of earlier supplied Pumps & Compressors to various customers, specially to ONGC.

The company is confident of getting substantial business from spare parts, overhauling and refurbishing of Mud Pumps from ONGC and service contracts of earlier supplied products from various customers.

(₹ in crore)

Sl. No.	Particulars	2017-18	2016-17
1.	Production	76.28	76.01
2.	Turnover	77.12	74.91
3.	Net Profit/(Loss) after tax(PAT)	(43.92)	(83.97)
4.	Value addition	48.03	36.01
5.	Value Added per Employee (₹ in lacs)	0.16	9.20
6.	Net Worth	(148.21)	(101.90)

5. FUTURE OUTLOOK:

In order to meet stiff International competition, the company is continuously making efforts for cost reduction through design changes as well as sourcing material from alternative sources. Extra efforts are also being made to change the product mix to generate better margins to improve the bottom line.

Business for Mud Pumps from ONGC, are likely to increase substantially in coming years, due to replacement of old pumps as well as purchase of new oil rigs by ONGC wherein our Mud Pumps shall be required as one of the equipment. Also as Government is emphasizing on establishing more Nuclear Power plants, in turn, shall result in better order booking of our Pumps which are required for nuclear application in power plants.

The company has started manufacturing of Engine Coupling for M/s. DLW, Varanasi and expecting substantial business during the year. The company is expecting major orders from upcoming projects of Western Onshore Redevelopment Project/ Assam Renewal Project of ONGC, Euro-VI Project, overhauling orders from ONGC as soon region and Pipeline Projects. With a view to expansion and diversification, company is undertaking jobs of overhauling/ up-gradation of our equipment on LSTK basis by entering into pre-bid tie-up and synergy with BHEL in the area of cooling water pumps, etc. Company is also Undertaking development work of shut down cooling water pumps for NPCIL.

EIL has put Company on Holiday on 24.11.2015. Accordingly company is not allowed to participate in bidding/receiving orders from/for EIL projects directly or indirectly. This is adversely affecting the order book position of the company. However Company is making all out efforts to resolve the issue.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information in accordance with the provisions of Section 134 of the Companies Act 2013 and related rules (to the extent applicable) regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

6.1 CONSERVATION OF ENERGY:

As per our previous energy conservation report, we

have mentioned several points to save the electricity and reduce the consumption of oil (HSD). We have achieved success in reducing protective load from 1000 KVA to 0 in the month of December 2016 (i.e. from bill of December 2016), resulting Rs.30 lakhs approx. saved in financial year 2017-18. Due to availability of regular electricity power supply, use of generator is very less thus reduced the oil (HSD) consumption and many time, based on necessity we maintained power supply by running only 310 KVA DG set in place of 1450 KVA DG set resulting in reduction of HSD consumption by 1/4th. We are maintaining power factor above 0.90 (lagging) to reduce monthly electricity bill. We have started to eliminate the offices working table wise which reduces the energy consumption half of the light load and by implementing of LED bulbs, tubes and street lights, we have saved 50% consumptions in light loads. Necessary action for further reduction in energy conservation will be continued with available resources.

6.2 TECHNOLOGY ABSORPTION:

The company has absorbed technology from following world's renowned manufactures through technology transfer collaboration:

S.No.	Product	Collaborator
1.	Centrifugal Pumps	Pompes Guinard, France
2.	Reciprocating Pumps	Oil Well, USA
3.	Reciprocating Compressors	NuovoPignone, Italy
4.	Ammonia & Carbamate Pumps	URACA, Germany
5.	Cementing Units	B. J. Hughes, USA
6.	Sucker rod pump	Rom Consultant, Romania
7.	High pressure Industrial Gas Cylinder	Showa Koatsu, Japan

Its collaborators had vast experience in the field of rotating equipment and Company has completely absorbed technology for execution of orders for its complete range of products and its engineering division has been regularly upgrading the technology and design to meet upgraded, International code requirement.

In most of the cases, the collaboration period has expired, but Company had already absorbed complete technology and is meeting customer's requirements with available technology. During the

year, any new technological collaboration has not been done.

6.3 TECHNOLOGY UP-GRADATION/ ACQUISITION & PRODUCT DESIGN AND DEVELOPMENT:

Company is committed for continual up gradation and design improvement of its products to face stiff competition in the market and also for meeting objective of client satisfaction. The progress made in some important areas of technology up-gradation, design and development during the year 2017-18 are as follows:-

- a) 4 Nos. 4HM/3 Compressors were supplied to ONGC, Nazira, Assam, these units were commissioned in the year 2000. After 17 years of satisfactory performance, the gas parameters were changed and suction pressure has also been reduced. The cylinder heads mounted on compressors were with variable clearance pockets that too not operative. In order to make compressor compatible with change gas parameters, the cylinder heads of all the three stages have been upgraded for fixed clearance volume. After fitment of new cylinder head, the compressor is giving satisfactory performance.
- b) In order to cater increasing depth of oil drilling service, the required working pressure of mud pumps may go up to 7500 psi in place of existing 5000 psi maximum. Keeping in view the increased pressure requirement, the existing design of mud pump was reviewed and noted that design changed shall be required only in fluid end side of pumps and associated accessories. Accordingly, design analysis of existing fluid end and associated parts for suitability up-to 7500 PSI pressure is going on. After completion of analysis report, 1 no. proto type fluid end shall be manufactured and hydro-tested at BPC to suit the suitability. Thereafter, ONGC shall be requested to facilitate the field testing of the newly developed high pressure fluid end. It will enhance BPC capability of mud pump manufacturing up to 7500 PSI working pressure.

6.4 IMPORT SUBSTITUTION:

Company is continuously making efforts towards development of indigenous sources for import substitution of input and services. During the year following steps were taken in this area-

- a) At first time BPCL has completed the LSTK

project of M/s ONGC, Hazira for zero flare gas recovery service. In this project one no. 4HB/3 compressor of 50,000 SCMD capacity along with its all auxiliaries, instrumentation & 450.0 KW Electric Motor was supplied and erected at Hazira site along with construction of compressor house & provision of in house over head crane facility.

Earlier for above service, there was an imported compressor of lower capacity was installed on rental basis to complete this task.

- b) 14 pole 450.0 KW FLP motor to drive above compressor was indigenized against Customer's recommendation for imported motor.

6.5 FOREIGN EXCHANGE EARNING AND OUTGO:

Details of outgo and earning in foreign currency is as under-

(₹ in lacs)

Sl.No.	Particulars	2017-18	2016-17
A.	Value of imports calculated on CIF basis		
	i. Raw Materials	118.61	407.24
	ii. Store & Spares	0.00	0.00
	iii. Capital Goods	0.00	0.00
B.	Expenditure in Foreign Currency on		
	i. Analog Study	16.04	19.12
	ii. Tours and Travels	0.00	0.00
	iii. Contracts	0.00	0.00
	Earnings in Foreign Exchange		
	i. Consultancy	0.00	0.00
	ii. Interest	0.00	0.00
	Value of Raw Materials & Components, spare parts and store consumed	0.00	0.00
	i. Imported	258.70	409.86
	ii. Indigenous	1477.28	2598.16

7. CAPITAL EXPENDITURE:

For enhancement of plant capacity a capital expenditure plan was approved in the year 2007-08. Thereafter Company had so far spent Rs.67.61 crores towards the capital expenditure. Under this plan 20 new machines were procured along with supporting equipments and 20 old machines had been refurbished. Any fresh capital projects has not been taken up during the year 2017-18.

8. QUALITY IMPROVEMENT:

With the Total Quality Management tools company is stepping ahead in its journey of quality with strong backup of quality assurance for the commitment to provide quality products. The company has been accredited for the latest Quality Management system (ISO 9001:2015), Environment Management System (ISO 14001:2015) and Occupation Health and Safety Assessment Series (OHSAS 18001:2007).

The customer requirement of quality has been fulfilled by improvement in the field of casting, forging and finished product. For the above purpose, fresh vendor assessment has been made. Also our quality personnel are imparted training of latest technologies/ awareness time to time and are well equipped to carry out inspection.

The surveillance audit of IMS by outside agency is conducted during the year to have regular check of Quality Management System.

Complying to stringent quality requirement of NPCIL, BPCCL has executed nuclear jobs like FM supply Pumps, ECCS Pumps and PPP for major power project to the full satisfaction of NPCIL.

9. CONTRIBUTION TO EXCHEQUER:

Your Company has paid to the public exchequer Rs. 649.76 lakh during the Year 2017-18, the details are given below:

	(₹ in Lakhs)
Excise Duty	167.13
Custom Duty	35.80
Sales Tax/VAT	52.61
Service Tax	86.90
GST	307.32
Total	649.76

10. HUMAN RESOURCE DEVELOPMENT:

10.1 The Company is concerned with the development and implementation of people strategies which are integrated with corporate strategies and ensure that the culture, value, skills, motivation and the human resource development activities aimed at improving employees' productivity, attitude, skill and knowledge. In order to improve skills of employees, various training programs were conducted through Central Board of Workers Education. Efforts are being made to ensure participation of all level of employees towards the growth of organization.

10.2 During the year Cordial Industrial relations were maintained in the organization for better productivity and improved efficiency.

10.3 MAN POWER:

Total Employees strength of the Company was 296 as on 31.03.2018 against 391 as on 31.03.2017.

11. TRAINING:

During the year 2017-18, Training Department had conducted various Training Programs and in this process, earned revenue of Rs.58.52 lakh. Details of training programs are as under:

- Vocational Training- 989 trainee from various Institutes
- Customers Training Programs- 48 Participant trained during the year.
- Training on Unicode on Computer for Hindi Typing was given to employees as per Govt. Guidelines.
- Training/Seminar on "Life Management & Mind Power" by Being Capable organization, Pune was organized for stress management of employees and
- Training on IMS Procedures/ Auditors was organised.

12. SCHEDULED CASTE/SCHEDULED TRIBE /OBC/DISABLED PERSONS:

Government directives relating to Scheduled Caste/Scheduled Tribe/OBC and Disabled persons are being complied with.

13. OFFICIAL LANGUAGE:

During the year under review, efforts continued for enhancing use of Hindi by effectively and vigorously implementing the provisions of Official Language Implementation Act and various directives received from the Govt. of India from time to time. Hindi Divas/ Hindi Pakhwara was organized from 14th September to 28th September, 2017. All important circulars and advertisement were released in Hindi also.

14. RIGHT TO INFORMATION (RTI):

BPCCL has implemented the provisions of Right to Information Act 2005 and an appropriate mechanism has been set up. During the end of the year, no case is pending under RTI.

15. PARTICULARS OF EMPLOYEES:

During the year under review, there were no such employees whose particulars are required to be given under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel).

16. FIXED DEPOSIT:

The company has not invited deposits from Public under Section 2(31), 73 and 74 of the Companies Act, 2013.

17. POLLUTION AND ENVIRONMENT:

The statutory requirement for discharge of air under section 21 of air (prevention control of pollution) Act 1981 is fully complied by closing all oil furnaces and prevention of oil leakage. By which all the statutory requirements for discharge of air & water are maintained within the permissible limit of the board and deposited all necessary water cess charges to UPPCB. Central pollution control board (CPCB), New Delhi has issued directions on 11/10/2010 under section 5 of environment (Protection) Act 1986 on BPCL regarding compliance of some points in order to control pollution of Ganga River being caused by discharge of untreated waste water. Efforts are being made by BPCL by implementing the directions given by CPCB and matter has been taken suitably with CPCB in order to comply the direction issued by CPCB.

Our Company is taking a number of initiatives towards preservation of all elements of environment by adopting various pollution control systems, strict environment monitoring and judicious use of natural resources (coal, gas, water and land). To preserve nature and our commitment towards conservation of environment, several tree-plantation drives were organized in the company time to time and nearly 1000 saplings have been planted.

18. VIGILANCE:

Vigilance Department of the company is committed to improve the vigilance administration in the company by creating better awareness about CVC Guidelines, by introducing transparent and simplified procedures. Routine and surprise inspections have been made effective to control and deter the corrupt practices. Strict vigil was exercised over various activities as part of

preventive Vigilance measures. Necessary recommendations are being made to management for improving the systems on the basis of investigations. Improvement in purchase policy of the company and transparency in tendering/ procurement activities have been the focus point by the vigilance department in the current year.

During the year 2017-18, following Vigilance activities were conducted:-

Regular Inspection	- 54
Surprise Inspection	-208
No. of Investigation	- 01
Major Penalty	- 01
Scrutiny of APR	- 47
Job rotation	- 04

19. SECURITY:

The security of the Company is being managed by CISF. The security of Regional and Branch offices is being looked after by private agencies deployed by owners of premises. During the year no major case of theft/ loss/damage was reported.

20. STATUS OF REVIVAL PLAN:

20.1 The revival plan through financial restructuring and strengthening of the Company was approved by the Government on 18/12/2006. Implementation of the same had already been done. However, for ensuring implementation of Government decision w.r.t. ordering of Equipments/ spares on nomination/preferential basis by ONGC, it is observed that ONGC had not given sufficient orders except entering rate contract for supply of spares.

20.2 STATUS OF STRATEGIC DISINVESTMENT-

In line with Government direction, a leading consultant M/s. Care Advisory, Mumbai was appointed on 24.12.2015 for preparing revival plan of BPCL. M/s. Care Advisory has submitted its final report on revival plan on 20.02.2016.

After submission of revival package and subsequent discussions with DHI, the statutory /terminal dues and CISF dues was revised up to September 2016 as Rs.111.59 crores. Further, DHI vide letter dated 13th October 2016 informed that Cabinet Committee on Economic Affairs (CCEA) of GOI has approved release of Rs.111.59 crores towards statutory dues, terminal dues to retired employees and CISF dues along with strategic

disinvestment of the company in principle. Further, company has received above amount in two parts (Rs.99.30 crores in December 2016 and Rs 11.29 crores in June 2017) and same has been utilized/underutilization in line with terms and conditions of sanctioned letters received from Govt.

Further based on CCEA decision, DIPAM (Department of Investment and Public Asset Management of Ministry of Finance/GOI) has started step wise proceedings for disinvestment of the company. Accordingly, transaction advisor and legal advisor had been appointed by DIPAM and Asset valuer has been appointed by DHI.

After completion of asset valuation and finalization of Preliminary Information Memorandum (PIM) transaction advisor M/s. Resurgent India has issued EOI (Expression of Interest) along with PIM on 15.04.2018. Further, M/s. Resurgent India has extended date of submission of offer three times and now the last date of submission of EOI was 31.07.2018.

21. CORPORATE SOCIAL RESPONSIBILITY:

Since past few years, the company has acknowledged its responsibility towards society at large and CSR policy in line with DPE Guidelines is already formulated in the year 2011. The company has also acknowledged mandatory provisions of companies act 2013 relating to compliance of CSR activity. Due to continuous incurring of losses, the company is not able to contribute towards CSR activities. However, on the request of the nearby Govt. Primary School, the company has contributed towards arrangement of some tables, bench etc. During the year, 989 vocational trainees were imparted training as one of the important area of CSR.

22.1 AUDITORS:

M/s. Balram Chandra Pandey & Associates, Chartered Accountants, Allahabad, has been appointed by the Comptroller & Auditor General of India, as Statutory Auditors for auditing the accounts of the Company for the year 2017-18, holds the office until the conclusion of the ensuing Annual General Meeting.

22.2 AUDITOR'S REPORT:

The Statutory Auditors in their report on the accounts of the company for the year 2017-18 have made certain observations. The replies of

the your Directors on the observations are furnished below :

Observations of the Auditors	Replies of the Management
(Para No. of the Report)	
(a)	Company has already disclosed all the facts by the way of Note No. 28 (xi). Company has made provisions amounting to Rs.2108.69 lakh towards LD etc for more than five years old sundry debtors except of the amount lying in the head of balance payments and clear collection in line with management decision. Company is hopeful with reasonable certainty for realization of the rest of the sundry debtors.
(b)	Accounting of DGFT claims has been done based on certainty of refund. Claims of refund will be lodged after receipt of payment certificate of balance amount/ project completion certificate in line with DGFT's Guidelines, which are under process.
(c)	Facts relating to interest liability claimed by CISF has already been disclosed by the way of Note No. 28 (xvi)(a)(5).
(d)	Noted for compliance.
(e)	There is no agreement between the company and the co-operative society that interest is payable on delayed payment of society dues. However, the same is considered as contingent liability and disclosed by way of Note No.28 (xvi)(a)(8).
(f)	This type of transaction will be reviewed for necessary compliance.
(g)	This is very old pending issue and matter is still under correspondence with UP Govt.
(h)	Noted for compliance
(i)	Noted for compliance
(j)	This will be reviewed for necessary compliance.
(k)	This will be reviewed for necessary compliance.
(l)	Noted for compliance

23. COMMENTS OF THE C & A G:

The Comptroller & Auditor General of India has conducted the supplementary audit of the financial statements of the company u/s 143(6)(a) of the

Companies Act 2013 and has given NIL comments on the accounts of the company for the year 2017-18 u/s 143(6)(b) of the Companies Act 2013. As per their report, nothing significant has come to their knowledge which would give any rise to any comment upon or supplement to statutory auditors' report. The comments received from C&AG is enclosed.

24. RISK MANAGEMENT:

Company is always following principles of risk management during planning. There is an adequate internal financial control in place and such controls are reviewed time to time and also audited by the independent Internal Auditors.

25. EXTRACT OF ANNUAL RETURN:

As required under the provisions of Section 92(3) of the Companies Act 2013, the extract of annual return of the year 2017-18 is enclosed.

26. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

The details of directors is as under:

Shri Rajiv Garg Executive Director BHEL has been entrusted additional charge of CMD BPCL w.e.f. 01.02.2017 who continued till his superannuation on 24.05.2017. Further, Shri R. K. Paul, General Manager (subsequently promoted as Executive Director), BHEL, has taken over additional charge of CMD, w.e.f. 25.05.2017 and is still continuing.

Shri Arvind Kumar, Dy. Secretary, Deptt. of Heavy Industry, Govt. of India has taken over the charge of part-time Official Director on the Board of BPCL w.e.f. 30.05.2016 or until further orders and is still continuing.

Shri V.J. Pandya, ED, ONGC has been appointed on the Board of BPCL as ONGC nominee Director w.e.f. 29.2.2016 and is still continuing.

Shri S. Balakrishanan, General Manager, BHEL (subsequently elevated as Director-BHEL) has been appointed as BHEL Nominee Director w.e.f. 13.04.2017 and is still continuing.

The nominee Director from EIL has not been appointed since 01.04.2017.

Any non-official part-time directors are also not appointed on the Board of BPCL since 26.03.2016.

27. REPORT ON CORPORATE GOVERNANCE:

27.1 BPCL is committed to sound corporate practices based on conscience, openness,

fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. BPCL is maintaining full transparency and ethical behavior to all stake holders as required by all applicable laws, rules & regulation.

27.2 Board of Directors- For composition of Board of Directors in the line with DPE Guidelines, the Company had requested DHI for appointment of three part-time non-official directors on its Board. Accordingly two Non-official part-time Director had been appointed w.e.f. 26.03.2013 whose tenure has already been completed on 26.3.2016 and thereafter, appointment of non-official part-time directors is yet to be done on the Board of BPCL.

27.3 The Company has laid down formal code of business conduct and ethics for all Board Members and Senior Management Team w.e.f. 1.4.2008.

27.4 Dates of meeting held during the year 2017-18 are as under:-

B.M. No.	Date of Meeting
233 rd	28.06.2017
234 th	13.07.2017
235 th	14.12.2017
236 th	28.03.2018

Attendance of Directors is attached

27.5 Audit Committee & Remuneration Committee-

On appointment of two Non-official part-time Director on 26.03.2013, Audit Committee and Remuneration Committee were reconstituted on 17.05.2013 with composition of three members and Shri N. C. Sridharan , Non-official part-time Director had been nominated chairman of the audit committee and Shri Ashok Anand, Non-official part-time Director had been nominated chairman of the remuneration committee . The terms of reference of audit committee and remuneration committee was also approved by the Board of Directors. However after completion of tenure of appointment of non officials part time Directors on 25.03.2016 Audit committee was reconstituted with available directors.

During the year 2017-18, two meetings of audit

committee were held on 13.12.2017, and 28.03.2018. Audit committee had reviewed all matters as required as per Companies Act and also in line with terms of reference approved by the Board.

27.6 Annual General Meetings of the Shareholders for last three years were held at registered office as per following details :

AGM No.	Date of Meeting
45 th	29.12.2015 29.04.2016
46 th	31.12.2016 28.04.2017
47 th	30.12.2017 26.02.2018

27.7 Disclosures- Company has made required disclosures in the annual accounts including remuneration to key Management Personnel and details of related party transaction as per Indian Accounting standard mentioned in the Companies Act 2013.

27.8 Means of communication- The Company communicates with its shareholders through its Annual Report, General Meeting and disclosures through web site. All significant information and events can be accessed at Company's website www.bharatpumps.co.in

28. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance to Section 134 (3) (c) of Companies Act, 2013, the Directors confirmed as under in respect of Annual Accounts for the year 2017-18:

- (i) That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 2017-18 and of the profit or loss of the Company for that period.
- (iii) That the Directors had taken proper and

sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) That the Directors had prepared the Annual Accounts for the financial year ended 31st March, 2018 on a going concern basis.
- (v) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

29. ACKNOWLEDGEMENT:

The Board places on record its sincere thanks to the valued customers for the support and confidence reposed by them in the organization and look forward to the continuance of this mutually supportive relationship in future.

The Board of Directors wish to place on record their gratitude and appreciation of the continued support, guidance and cooperation received from the Govt. of India, particularly Department of Heavy Industry, Ministry of Heavy Industry & Public Enterprises, Department of Public Enterprises (DPE) and from the State Government.

Your Directors also convey their deep sense of appreciation for the co-operation and support received from BHEL, EIL and ONGC.

The Directors also place on record their appreciation for the co-operation extended by the Principal Director of Commercial Audit & Ex-officio Member Audit Board, the Statutory Auditors, Internal Auditors and Bankers.

The directors also take this opportunity to express their appreciation for the efforts & contributions made by all the employees at all levels to ensure that company continues to grow and excel.

For and on behalf of the Board of Directors of
Bharat Pumps & Compressors Ltd.



(R.K. Paul)

Chairman & Managing Director

Date : 08.08.2018

Place: New Delhi

EXTRACT OF ANNUAL RETURN

 As on Financial Year ended 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] Form No. MGT-9

I. Registration and other details :

CIN	U28991UP1970GOI003577
Registration Date	01/01/1970
Name of the Company	Bharat Pumps & Compressors Ltd.
Address of Registered Office and contract details	Mirzapur Road, Naini, Allahabad-211010 Fax: 0532-2687075, Website: www.bharatpumps.co.in
Whether listed company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	Not applicable

II. Principal Business Activities of the Company:

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

Sr.No.	Name and description of main products/ services	NIC code of products/ services	% to total turnover of the company
1	Pumps	8413	78
2	Compressors	8414	22
3	Cylinders for compressed Gases	7311	0

III. Particulars of Holding, Subsidiary and Associate Companies:

Not Applicable

IV. Share Holding Pattern (Equity Share Capital as percentage of total Equity):

Presently, all shares of total paid up capital is held in the name of President of India through Nominee of Department of Heavy Industry of Ministry of Heavy Industries and Public Enterprises except one share which is held in the name of CMD, BPCL.

Category of shareholders	Number of shares held at the beginning of the year 01.04.2017				No. of shares held at the end of the year 31.03.2018				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
A. Indian									
1. GOI	-	5,35,299	5,35,299	99.99	-	5,35,299	5,35,299	99.99	-
2. CMD BPCL	-	1	1	00.01	-	1	1	00.01	-
3. Total	-	5,35,300	5,35,300	100	-	5,35,300	5,35,300	100	-

V. Indebtedness:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

	Secured loans excluding deposits (Rs. in lakh)	Unsecured loans (Rs. in lakh)	Deposits (Rs. in lakh)	Total indebtedness (Rs. in lakh)
Indebtedness at the beginning of the financial year				
i) Principal amount	4480.92	9930.00	0.00	14410.92
ii) Interest due but not paid	384.71	0.00	0.00	384.71
iii) Interest accrued but not due	0.00	392.98	0.00	392.98
Total	4865.63	10322.98	0.00	15188.61
Change in indebtedness during the financial year				
- Addition	109.85	2735.01	0.00	2844.86
- Reduction	528.40	0.00	0.00	528.40
Net change	-418.55	0.00	0.00	2316.46
Indebtedness at the end of the financial year				
i) Principal Amount	3986.52	11159.00	0.00	15145.52
ii) Interest due but not paid	460.56	1340.55	0.00	1801.11
iii) Interest accrued but not due	0.00	558.44	0.00	558.44
Total (i+ii+iii):	4447.08	13057.99	0.00	17505.07

ATTENDANCE OF THE DIRECTORS DURING THE YEAR 2017-18

Sl.	Name & Designation of Director	Total nos. of Board Meetings held during tenure	Total no. of Board Meetings attended
1.	Shri Rajiv Garg, Chairman & Managing Director	00	00
2.	Shri R.K. Paul Chairman & Managing Director	04	04
3.	Shri S. Bala Krishnan Director	04	01
4.	Shri Arvind Kumar, Director	04	04
5.	Shri V. J. Pandya, Director	04	04

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF BHARAT PUMPS & COMPRESSORS LIMITED FOR THE YEAR ENDED 31ST MARCH 2017.

The preparation of financial statements of Bharat Pumps & Compressors Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 the 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 30 December, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the financial statements of Bharat Pumps & Compressors Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which give rise to any comment upon or supplement to statutory auditors' report.

**For and On the behalf of the
Comptroller & Auditor General of India**

A handwritten signature in blue ink, appearing to read 'N. Munshi', is positioned above the printed name.

(Nandana Munshi)

Principal Director of Commercial Audit
& Ex-officio, Member, Audit Board-II,
New Delhi.

Place : New Delhi
Date : 02.02.2018

INDEPENDENT AUDITORS' REPORT

To

The Members of Bharat Pumps & Compressors Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statement of BHARAT PUMPS & COMPRESSORS LIMITED ("the company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss & the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Amendment 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 there under and the order issued under section 143(11) of the Act.

We conducted our audit of Standalone Financial Statement in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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 standalone financial statements are free from materials misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatements of the standalone 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 and presentation of the standalone 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the Internal Auditors (a Chartered Accountant firm) with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls are sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

(a) Short provision of old debts amounting to Rs. 3121.74 lakhs

Attention is drawn to Note No. 28 (xiii) with regard to Sundry Debtors amounting to Rs.9402.57 lakhs which includes Rs.4894.97 Lakhs held towards deductions/LD/shortages till 31.3.2018 and Rs. 335.46 Lakhs due towards withhold money till 2010-11 aggregating to Rs. 5230.43 Lakhs, in respect of which company's ability to make ultimate collection thereof with

reasonable certainty is lacking. Company has made provision of Rs.2108.69 lakhs only against old debts amounting to Rs.5230.43 Lakhs in spite of the fact that the company had written off a sum of Rs.4520.19 Lakhs during the year 2009-10 pertaining to similar type of outstanding.

Moreover, no provision has been made for admitted liquidated damages (LD) aggregating to Rs. 87.19 Lakhs included in Rs. 5230.43 Lakhs above inspite of the fact that output liability w.r.t. GST on those LDs has been reversed.

(b) DGFT claims amounting to Rs.262.05 lakhs

Attention is drawn to sub-head "Statutory/ Govt. Authorities/ Bodies" amounting to Rs.280.56 lakhs under Note No. 17 which includes a sum of Rs.262.05 lakhs towards claim from DGFT from financial year 2012-13 onwards without any evidence of claims being lodged/ acknowledgement thereof.

(c) Non provision of interest claimed by CISF amounting to Rs.684.83 lakhs

Attention is drawn to Note No. 28 (xvi)(a)(5) relating to contingent liabilities with regard to interest liability claimed by CISF for Rs.684.83 lakhs for which no provision has been made in respect of such confirmed liability.

(d) Non-provision of interest liability on delayed payment of indirect taxes ,non compliance of TDS provisions and on outstanding supply bills discounted with State Bank of India

No provision has been made for interest which have accrued on delayed payment of indirect taxes inter alia ; GST, CST , VAT/UPST etc. and for non compliance of TDS provisions of Income Tax Act. In addition to this, no provision has been made for interest payable on various supply bills aggregating to Rs.291.29 Lakhs discounted with State Bank of India and remain outstands as on 31.03.2018. The aggregate amount of such interest could not be quantified for want of relevant information.

(e) Non provision of interest amounting to Rs. 95.47 Lakhs payable to Co-operative society

Attention is drawn to Note No. 28 (xvi)(a)(8) relating to contingent liabilities with regard to interest liability amounting to Rs.95.47 lakhs payable to Cooperative Society, on amount of deductions made from employees against the loan taken by them from co-operative society and withheld by the company, for which no provision has been made.

(f) Wrong accountal and disclosure of some items relating to income/ expenditure and current / non-current advances

Accountal / Disclosure of following items of Income/expenditure and current/non-current advances are not in accordance with the accounting principles generally accepted in India including accounting standards:

- (i) Attention is drawn to Finance cost wherein payment of interest amounting to Rs.266.29 lakhs made on account of delayed payment of gratuity to various superannuated employees includes Rs.173.38 lakhs pertaining to earlier years which should have been shown under the head "Prior Period Expense".
- (ii) Attention is drawn to Note No. 19 "Other Income" wherein interest income amounting to Rs.4.01 lakhs pertaining to year 2016-17 has wrongly been shown under the head "Interest income" instead under the head "Prior period income".
- (iii) Attention is drawn to Note No. 19 "Other Income" wherein wrong deduction of Liquidated Damages (LD) of Rs.49.38 lakhs from supplier in earlier years, now refunded ,has wrongly been shown under the head "Liquidated Damages recovered from supplier/ contractor " instead under the head "Prior period expense".
- (iv) Attention is drawn to Note No. 19 "Other Income" wherein overstated provision of liability towards consultancy charges to the tune of Rs.10.01 lakhs in earlier years has been written back during the current financial year but wrongly shown under the head "liabilities written back" instead under the head prior period income.
- (v) Attention is drawn to Note No. 17 " Short term Loans and Advances" wherein advance made for capital expenditure for Rs.81.12 lakhs has wrongly been shown under the head

"short term advances" instead under the head "long term advances".

- (vi) During the year company has made adjustment / write-off of old payments aggregating to Rs.67.27 lakhs to sales –tax authorities under Protest pertaining to financial year 1987-88 to 1998-99 and shown under the head " Rates & Taxes" under note no.23 but for want of supporting documentary evidence viz assessment order etc. for such adjustment/ write-off we could not assess the correct disclosure of the same.
- (vii) During the year company has made adjustment / write-off of old deposit to UPSEB of Rs. 11.27 lakhs by debiting to Power and Fuel Expenses under note No.23 but for want of supporting documentary evidence viz Bills etc. for such adjustment/ write-off we could not assess the correct disclosure of the same.

(g) Conveyance deeds are pending

Attention is drawn to note no. 28(ii) with regard to conveyance deeds in respect of 295.45 acres of land which has not yet been executed. Further, no documentary evidences showing plot wise/area-wise details are available with the company to identify its Land Holding with area allotted by Government with boundaries thereof. The impact if any, on the standalone financial statements is not ascertainable.

(h) Current liabilities and current assets are overstated

Constituents of Current Liabilities aggregating to Rs.21642.24 lakhs as well as constituents of Current Assets aggregating to Rs.8915.83 lakhs as shown in the Balance Sheet are overstated due to non-matching of debit and credit outstanding entries in various heads of accounts.

(i) Current liabilities and current assets are understated

GST aggregating to Rs.31.94 Lakhs constituting Rs. 30.59 Lakhs accrued towards various supplies and services availed during the year and GST on reverse charge for Rs. 1.35 Lakhs payable/acrued on account of medical bills of CISF, has not been accounted for during the year under audit resulting in understatement of Current Liabilities and current assets.

(j) Non disclosure of contingent liability w.r.t. to PF & ESI to be paid by contractors

Company's Contingent Liability on account of non-payment of Provident Fund, ESI etc. by contractors on behalf of their labours engaged by the company has not been shown as Contingent Liability. The amount could not be quantified for want of relevant information.

(k) Non provision of adjustable advance payment amounting to Rs.155.43 lakhs made to Sales Tax authorities

Attention is drawn to Note No. 12 wherein adjustable advance payments amounting to Rs.155.43 lakhs made to Sales Tax authorities during the period from 1999-2000 to 2013-14 has been shown under the head deposit but no provision has been made despite the fact that no sales tax cases are pending at any stage in respect of these payments.

(l) Overstatement of Interest Income

Attention is drawn to Note no. 19 "Other Income" sub-head "Interest income" wherein interest accrued on margin money held with bank is overstated by Rs. 1.28 Lakhs.

- (m) Attention is drawn to point no. (iii), (v), (vii) and (x) of Note no.28, the impact, if any, on the standalone financial statement is not ascertainable for want of relevant information.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matters described in the Basis for Qualified opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manners so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note no. 28(xii) wherein it is stated by the company's management itself that the Department of Investment and Public Asset Management of Ministry of Finance, Govt. of India (DIAPM) has started step wise proceedings for disinvestment of the company. Further, the Net Owned fund of company is completely eroded and has dropped to the negative level to the tune of Rs.15313.96 Lakhs as on 31.03.2018. The current liability exceeded the current assets. Moreover, statutory dues to the tune of Rs. 4895.15 Lakhs are also pending for

payment as on 31.03.2018. In view of this factual matrix, the management's use of the going concern basis of accounting in preparing and presenting the standalone financial statement is inappropriate because there exists material uncertainty related to crystallization of dues and recovery from negative net owned fund. All these cast significant doubt on the company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirement

- 1) As required by the companies (Auditors' Report) order, 2016 ("The Order") issued by the Central Govt. of India in term of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2) Directions and sub-directions issued by CAG under Section 143(5) of the Companies Act, 2013 has been compiled and set out in the Annexures "B & C".
- 3) As required by Section 143(3) of the Act, we report, subject to our comments / observations stated above, 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 purpose of our audit.
 - (b) In our opinion, proper books of accounts 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 and the statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
 - (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph & Emphasis of matter paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standard specified under Section 133 of the Act read with Rules made there under.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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, we give our separate report in Annexure "D" to this report.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As informed to us, the company has pending litigations as at 31st March 2018 as referred to in Note No. 28(xvi) (a) "Contingent Liabilities" which may have material impact on its financial position in its standalone financial statements.
 - ii. Company did not have any foreseeable losses on long term contract including derivatives.
 - iii. There were no amounts which were required to be transferred by the company to the Investors, Education and Protection Fund.
 - iv. Since the disclosure requirement as per Notifications no. G.S.R. 307(E) and G.S.R. 308(E) dated 30th March 2017 issued by Ministry of Corporate Affairs regarding holdings as well dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 was event specific and was relevant for the financial year 2016-17 only, hence the same is not applicable for the financial year ending on 31st March, 2018 and; accordingly not disclosed.

For Balram Chandra & Associates
Chartered Accountants
(Firm Registration No. 002817C)



(BALRAM CHANDRA)

Partner

(Membership No. 070875)

Date: 30th December, 2017

Place: Allahabad

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BHARAT PUMPS & COMPRESSORS LTD.

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirement" of our report of even date to the Members of BHARAT PUMPS & COMPRESSORS LTD. on the standalone Financial Statements of the Company for the year ended March 31, 2018 :

In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. (a) The company has not maintained proper records showing full particulars, including quantitative details and situations of fixed assets. Further, no documentary evidences are available with the company to correlate topography of its Land Holding with area allotted by Government with boundaries thereof.
- (b) According to the information and explanations given to us, the fixed assets have not been physically verified by the management. Hence, the question of noticing or otherwise of any discrepancy does not arise.
- (c) The Company has immovable properties in the shape of land and buildings. Conveyance deeds in respect of 295.45 acres land is still pending.
2. According to the information and explanations given to us, inventory has not been physically verified by the management during the year. Hence, the question of noticing or otherwise any discrepancy does not arise. Further, Internal control is lacking in respect of material issued by stores to shop floor against sales order which aborted/cancelled later on.
3. According to the information and explanations given to us and on the basis of our examinations of the Books of Accounts, the Company has not granted any loans, secured or unsecured, to Companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clauses (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has not given any loan, investments, guarantees and securities to which the provisions of Section 185 and 186 of the Companies Act 2013 are applicable.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public within the provisions of Section 73 to 76 of the Act and the rules framed there under.
6. To the best of our knowledge and according to the information and explanations given to us, the Central Govt. has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act 2013 and the Companies (cost records and audit) Rules 2014, as amended for any services/activity rendered by the company.
7. a) According to the information and explanations given to us and according to the books and records produced and examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues to extent applicable, with the appropriate authorities.

AND

According to the information and explanations given to us, the undisputed statutory dues including interest on Provident Fund Loan recovered pending remittance, outstanding as at 31st March, 2018 for the period of more than six months, from the date it became payable are as under :

SNo.	Particulars	Amount (Rs.)
1	Employer's Contribution to Provident Fund	284.63
2	Employee's Contribution to Provident Fund	612.07
3	Deficit of Provident Fund Trust	494.74
4.	Excise Duty	570.96
5.	Sales Tax/VAT/CST	74.97

- b) The disputed statutory dues aggregating to Rs.2670.01 lakhs that have not been deposited on account of matters pending before appropriate authorities are as under :

(₹ in lacs)

Sl. No.	Name of Statute	Nature of dues	Forum where dispute is pending	Amount
1.	Central Excise Act,	Excise Duty	CESTAT, New Delhi	22.04
2.	Central Sales/Entry Tax Including Intrest	Sales Tax/ET Act & UP Trade Tax Act, 1948	Jt. Comm. (Corporate) -High Court Addl. Comm. (Appeal)	7.57 246.05 90.44
3.	Income Tax Act,	Income Tax	I.T. Appellate Tribunal	2303.91
			Total	2670.01

8. According to the information and explanation given to us and based on documents and records produced before us, the Company has generally not defaulted in repayment of loan or borrowings to banks, financial institutions, and government or debenture holders except repayment of borrowing availed against discounting of supply bills amounting to Rs.291.29 Lakhs.
9. According to the information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the company has obtained term loan from BHEL and Non-Plan loan from Govt. of India and the same have been applied for the purpose for which they were raised.
10. Based upon the audit procedures performed for the purpose of reporting and 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 course of our audit, nor we have been informed of any such instance by the management
11. In our opinion and according to the information and explanations given to us, the company has not paid/ provided any managerial remuneration during the financial year 2017-18. Hence, the question of requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013, does not arise.
12. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause

3(xii) of the Order are not applicable to the company and hence, not commented upon.

13. Based upon the audit procedures performed for the purpose of reporting and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013 where applicable and the details of related party transactions have been duly disclosed in the standalone financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and overall examinations of the standalone financial statements, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review and hence, reporting under clause (xiv) of the CARO 2016 order is not applicable.
15. Based upon the audit procedures performed for the purpose of reporting and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him, hence the provisions of clause 3(xv) of the order are not applicable to the company.
16. According to the information and explanations given to us, company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Balram Chandra & Associates
Chartered Accountants
(Firm Registration No. 002817C)



(BALRAM CHANDRA)
Partner
(Membership No. 070875)

Date: 09th December, 2018
Place: Allahabad

COMMENTS ON DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 IN RESPECT OF BHARAT PUMPS & COMPRESSORS LTD., NAINI, ALLAHABAD FOR THE YEAR ENDED 31ST MARCH, 2018

ANNEXURE – B

Sl.No.	Directions	Comments
1.	Whether the Company has clear title/lease deeds for free hold and lease hold land respectively? If not, please state the area of free hold and lease hold for which title/ lease deeds are not available	<p>a) The Government of Uttar Pradesh has given 295.45 acres of land free of cost against actual allotment of 300 acres of land. Further, a sum of Rs.3.50 lakhs (previous year Rs.3.50 lakhs) (shown under advances towards capital expenditure) has been paid by the Central Govt. to the Govt. of Uttar Pradesh for acquisition of 87.50 acres of land for pumps and compressors project. Thus, 4.55 acres plus 87.50 acres of land have to be taken from UP Govt. for which the matter is still under correspondence.</p> <p>b) Conveyance Deeds in respect of 295.45 acres of land have not yet been executed and the matter is still correspondence. This has provisionally been capitalized by debiting land and crediting capital reserved account in terms of Bureau of Public Enterprises, New Delhi, letter No. BPE/159/Adv. Dated 7th November, 1969 at the valuation of Rs.10.04 lakhs (previous year Rs.10.04 lakhs) being the value shown in the records of land acquisition officer, Allahabad. Valuation certificate from Land Acquisition Officer, Allahabad is still awaited.</p>
2.	Please report whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons thereof and the amount involved.	NO
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Govt. or other authorities.	Even though, some records have been maintained but no acknowledgement/ confirmation was made available to us in respect of assets lying with third party. The company has not received any gift/ grant from Govt. or other authorities during the year.

For Balram Chandra & Associates Chartered Accountants
(Firm Registration No. 002817C)



(BALRAM CHANDRA)
Partner
(Membership No. 070875)

Date: 09th December, 2018
Place: Allahabad

COMMENTS ON SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 IN RESPECT OF BHARAT PUMPS & COMPRESSORS LTD., NAINI, ALLAHABAD FOR THE YEAR ENDED 31ST MARCH, 2018

ANNEXURE – C

SI.No.	Sub Directions	Comments
1.	<p>Employee Benefit: Independent verification may be made of information/ input furnished to Actuary, viz number of employees/ average salary/ retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provisions for liability of retirement benefits viz gratuity, leave encashment, post retirement medical benefits, etc.</p>	<p>The actuarial valuation of retirement benefits (gratuity and leave encashment) are being made by accredited outside independent agency. All data provided to the actuary have been verified and the basis of assumptions is already mentioned in report of the Actuary in line with prevailing norms. Any post retirement medical benefit scheme is not prevailing in the company.</p>

For Balram Chandra & Associates Chartered Accountants
(Firm Registration No. 002817C)



(BALRAM CHANDRA)

Partner

(Membership No. 070875)

Date: 09th December, 2018

Place: Allahabad

ANNEXURE "D" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BHARAT PUMPS & COMPRESSORS LIMITED.

Referred to in paragraph 3 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of the company for the year ended March 31, 2018.

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have relied on comments/ observations given by Internal Auditors against questionnaire on the Internal Financial Controls over financial reporting of BHARAT PUMPS & COMPRESSORS LTD ("The Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statement 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 of 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 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 auditors judgment, including the assessment of the risks of material misstatement of the financial statement whether due to fraud or error.

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

INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROL 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 control, material misstatement 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 risks 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, according to the explanations given to us, and relying upon the comments/ observations given by the independent internal auditors, the company needs strengthening in all material aspects with respect to internal financial control system over financial reporting 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 Balram Chandra & Associates
Chartered Accountants
(Firm Registration No. 002817C)



(BALRAM CHANDRA)
Partner
(Membership No. 070875)

Date: 09th December, 2018
Place: Allahabad

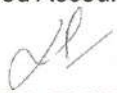
Balance Sheet as at 31st March, 2018

(₹ in Lakh)

PARTICULARS	Note No.	As at		As at	
		31st March, 2018		31st March, 2017	
1	2	3		4	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	5353.10		5353.10	
(b) Reserves and Surplus	2	(20667.06)	(15313.96)	(16275.55)	(10922.45)
(2) Non Current Liabilities					
(a) Long Term Borrowings	3	6941.20			7944.00
(b) Other Long Term Liabilities	4	9.29			9.02
(c) Long Term Provisions	5	2463.96	9414.45	3390.37	11343.39
(3) Current Liabilities					
(a) Short Term Borrowings	6	2786.52			3280.92
(b) Trade Payables		3519.07			3971.75
(c) Other Current Liabilities	7	16732.14			16418.17
(d) Short Term Provisions	8	1391.03	24428.76	618.37	24289.21
(4) Deferred Tax Liability	11		493.43		732.16
TOTAL :			19022.68		25442.31
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets	9				
(i) Tangible Assets		3823.89		4235.08	
(ii) Intangible Assets		2.04		2.06	
(iii) Capital Work-in-Progress - Tangible		0.00		23.84	
		3825.93		4260.98	
(b) Non Current Investments	10	0.00		0.00	
(c) Deferred Tax Assets (Net)	11	0.00		0.00	
(d) Long Term Loans and Advances	12	1348.97		1370.67	
(e) Other Non Current Assets	13	0.00	5174.90	0.00	5631.65
(2) Current Assets					
(a) Inventories	14	4403.33		4827.51	
(b) Trade Receivables	15	7293.88		7460.31	
(c) Cash and Cash Equivalents	16	528.62		5873.06	
(d) Short Term Loans and Advances	17	1621.95	13847.78	1649.78	19810.66
TOTAL :			19022.68		25442.31

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report dated 09.12.2017
For Balram Chandra & Associates
Chartered Accountants


(B.C. PANDEY)
Partner
M.No. 070875


(MOHAN KUMAR)
GM (Mktg/QC/Works)

On behalf of the Board


(ARVIND KUMAR)
Director


(R.K. PAUL)
Chairman and
Managing Director


(INDRASEN SINGH)
Sr. Manager (F&A) &
Co. Secretary

Place : New Delhi
Date : 08.08.2018


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

(₹ in Lakh)

PARTICULARS	Note No.	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
1	2	3		4	
(I) Revenue from operations :	18				
Gross revenue from sale of products and services		7712.20		7490.94	
Less : Excise Duty, GST & Service Tax		841.50		808.30	
Net revenue from sale of products and services		6870.70		6682.64	
Other operating revenue		(0.09)	6870.61	36.38	6719.02
(II) Other Income	19		104.74		195.36
(III) Total Revenue			6975.35		6914.38
(IV) Expenses :					
Cost of materials consumed	20		1735.97		3008.02
Changes in inventories of Finished goods and Work-in-progress	21		84.19		(110.18)
Employee benefits expenses	22		4982.07		6063.77
Finance costs			2639.44		1805.25
Depreciation and amortisation expenses	9		478.45		506.04
Other expenses	23		1302.45		1052.95
Provision for bad & doubtful debts			383.02		1725.67
Total Expenses			11605.59		14051.52
Profit before exceptional and extra ordinary items and tax			(4630.24)		(7137.14)
Prior Period Adjustment (Net)	24		0.00		1052.30
Provision for Income Tax Written back			0.00		0.00
Profit before Tax			(4630.24)		(8189.44)
Tax expense :					
Current Tax		0.00		0.00	
Deferred Tax		(238.73)	(238.73)	207.96	207.96
Profit for the year			(4391.51)		(8397.40)
Earning per share (Face value ₹ 1000.00 each)					
Basic		₹	(820.37)	₹	(1568.70)
Diluted		₹	(820.37)	₹	(1568.70)

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report dated 09.12.2017
For Balram Chandra & Associates
Chartered Accountants


(B.C. PANDEY)
Partner
M.No. 070875


(MOHAN KUMAR)
GM (Mktg/QC/Works)

On behalf of the Board


(ARVIND KUMAR)
Director


(R.K. PAUL)
Chairman and
Managing Director


(INDRASEN SINGH)
Sr. Manager (F&A) &
Co. Secretary

Place : New Delhi
Date : 08.08.2018

Cash Flow Statement for the year ended 31st March, 2018

(₹ in Lakh)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash Flows from Operating Activities :		
Profit Before Tax	(4630.24)	(8189.44)
Adjustments for :-		
Depreciation	449.44	469.86
Interest Income	(70.65)	(146.49)
Interest Expenditure	2639.44	1805.25
Depreciation written back	0.00	0.00
Operating Profit Before Working Capital Changes	(1612.01)	(6060.82)
Change in Working Capital :		
(Increase) / Decrease in Stock	424.18	(67.15)
(Increase) / Decrease in Trade Receivables, Loans and Advances and other assets	155.51	61.64
Increase / (Decrease) in Trade payables and other Liabilities	(2723.37)	13579.72
Total Working Capital Changes - Decreased / (Increased)	(2143.68)	13574.21
Cash generated from Operating Activities	(3755.69)	7513.39
Tax Paid	43.83	39.68
Net Cash from Operating Activities (A)	(3799.52)	7473.71
B. Cash Flows from Investing Activities :		
Purchase of Fixed Assets & DRE Expenses	(14.39)	(24.09)
Interest Received	109.40	103.00
Net Cash from Investing Activities (B)	95.01	78.91
C. Cash Flows from Financing Activities :		
Increase / (Decrease) in Share Capital	0.00	0.00
Increase / (Decrease) in Provisions	(153.75)	(1311.52)
Increase / (Decrease) in Reserves & Surplus	0.00	0.00
(Increase) / Decrease in Long Term Loans and Advances	65.53	(1.46)
Increase / (Decrease) in Other Long Term Liabilities	0.27	0.34
Interest Paid	(1057.58)	(1338.75)
Repayment of Short Term Borrowings	0.00	0.00
Dividend and Dividend Tax Paid	0.00	0.00
Net Cash from Financing Activities (C)	(1145.53)	(2651.39)
Net Increase in Cash and Cash Equivalents (A+B+C)	(4850.04)	4901.23
Cash & Cash Equivalents at beginning of the year	2592.14	(2309.09)
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	(2257.90)	2592.14

NOTE :

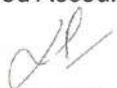
Components of Cash & Cash Equivalents :

Cash & Bank Balances	528.62	5873.06
Secured Loans (Cash Credit)	(2786.52)	(3280.92)
Cash & Cash Equivalents as stated above	(2257.90)	2592.14

(Figures in bracket represents negative figures)

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report dated 30.12.2017
For Balram Chandra & Associates
Chartered Accountants


(B.C. PANDEY)
Partner
M.No. 070875


(MOHAN KUMAR)
GM (Mktg/QC/Works)

On behalf of the Board


(ARVIND KUMAR)
Director


(INDRASEN SINGH)
Sr. Manager (F&A) &
Co. Secretary


(R.K. PAUL)
Chairman and
Managing Director

Place : New Delhi
Date : 14.12.2017

Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2018	As at 31st March, 2017
(1) Share Capital :		
AUTHORISED :		
6,50,000 Equity Shares of ₹1000/-each (Previous Year 6,50,000 Equity shares of ₹1,000/- each)	6500.00	6500.00
ISSUED, SUBSCRIBED & PAID UP :		
535310 fully paid up Equity Shares of ₹1,000/- each (Previous year 535310 Equity Shares of ₹1000/- each)	5353.10	5353.10
Of the above, 1588 equity shares were allotted as fully paid without payment having been received in cash being the shares allotted against expenditure incurred by Govt of India prior to the formation of the company. Out of the total fully paid up equity shares, 535309 fully paid equity shares of ₹1000/- each are held by the President of India through nominee (previous year 535309 fully paid equity shares were held by the President of India through nominee.) The company has one class of equity share having a par value of ₹1000/- each. These shares ranked pari- passu in all respect including voting right and entitlement to dividend. The President of India is only Shareholder, holding more than 5% Shares.		
TOTAL :	<u>5353.10</u>	<u>5353.10</u>
(2) RESERVES & SURPLUS :		
Capital Reserve :		
At the beginning of the year	3001.70	3001.70
At the end of the year	3001.70	3001.70
Surplus in Statement of Profit and Loss :		
At the beginning of the year	(19277.25)	(10879.85)
Add : Profit for the year	(4391.51)	(8397.40)
At the end of the year	(23668.76)	(19277.25)
TOTAL :	<u>(20667.06)</u>	<u>(16275.55)</u>

Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2018	As at 31st March, 2019
(3) LONG-TERM BORROWINGS :		
Loans and advances from related parties		
Secured		
Loan from Bharat Heavy Electricals Ltd.	0.00	0.00
Loan from Government of India (unsecured)	6941.20	7944.00
TOTAL :	6941.20	7944.00

Note :

(1) Loan from Bharat Heavy Electricals Ltd. is secured by hypothecation of three Nos. machines of the Company and repayable in five annual instalments plus interest from first anniversary of loan and carry an interest equal to Bank Rate (Presently 6.75 %) with monthly rests. As per terms of loan, the repayment was due for completion on 10.01.2017.

Non Plan Loan from Government of India (unsecured) , repayable in five annual instalment plus interest from first anniversary of loan and carry an interest rate of 13.50 %.

(2) The scheduled maturity of the Long-term borrowings is summarised as under :

	2017-18 Loan From BHEL	2017-18 Loan From GOVT.	2016-17 Loan From BHEL	2016-17 Loan From GOVT.
Borrowings repayable				
in the first year (Note No. 7)	1200.00	4217.80	1200.00	1986.00
Current maturities of long term debt	1200.00	4217.80	1200.00	1986.00
in the second year	0.00	2231.80	0.00	1986.00
in the third to fifth year	0.00	4709.40	0.00	5958.00
after five years	0.00	0.00	0.00	0.00
Long -term borrowings	0.00	6941.20	0.00	7944.00

	As at 31st March, 2018	As at 31st March, 2017
(4) OTHER LONG TERM LIABILITIES :		
Sundry deposits	0.00	0.00
Others	9.29	9.02
TOTAL :	9.29	9.02

	As at 31st March, 2018	As at 31st March, 2017
(5) LONG-TERM PROVISIONS :		
Provision for employee benefits		
Provision for Gratuity	1842.15	2333.91
Provision for Leave Encashment	621.81	1056.46
Others		
Provision for taxation (net of advance payment)	0.00	0.00
TOTAL :	2463.96	3390.37

Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2018	As at 31st March, 2017
(6) SHORT-TERM BORROWINGS :		
Secured		
Loans from Bank		
Cash credit facilities from SBI Naini (Cash Credit limit from SBI Naini is secured by hypothecation of entire current assets)	2656.35	2765.03
Overdraft facilities from Corporation Bank (Secured by hypothecation of Fixed deposit Receipts)	130.17	515.89
TOTAL :	2786.52	3280.92
(7) OTHER CURRENT LIABILITIES :		
Current maturities of long-term debts (Note No. 3)	5417.80	3186.00
Interest accrued on borrowings	2359.55	777.69
Sundry deposits	101.56	106.72
Payables for fixed assets	108.30	108.30
Statutory liabilities	4895.15	6839.86
Advance received from customers	442.22	840.87
Others	3407.56	4558.73
TOTAL :	16732.14	16418.17
(8) SHORT-TERM PROVISIONS :		
Current portion of long-term employee benefits		
Provision for Gratuity	1050.84	439.15
Provision for Leave Encashment	340.19	179.22
TOTAL :	1391.03	618.37

Notes to the financial statements

(9) FIXED ASSETS :

(₹ in Lakh)

Particulars	Gross Block			Depreciation and Amortisation				Net Book Value	
	As at 31.03.2017	Additions	Withdrawals and adjustments	As at 31.03.2018	Upto 31.03.2017	For the year and adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Tangible assets :									
Land (Free Hold)	10.04	0.00	0.00	10.04	0.00	0.00	0.00	10.04	10.04
Site Levelling & Development	5.72	0.00	0.00	5.72	0.00	0.00	0.00	5.72	5.72
Roads and Bridges	15.04	0.00	0.00	15.04	14.29	0.00	14.29	0.75	0.75
Buildings	529.07	0.00	0.00	529.07	389.99	5.26	395.25	133.82	139.08
Drain., sewer. & water supply	37.53	2.06	0.00	39.59	28.61	1.81	30.42	9.17	8.92
Plant & Machinery	8194.77	16.88	0.00	8211.65	4444.09	401.19	4845.28	3366.37	3750.68
Elect.fitting & Instal.(Factory)	160.29	0.00	0.00	160.29	155.52	1.23	156.75	3.54	4.77
Elect.Fitting & Instal. (Office)	73.86	0.24	0.00	74.10	60.41	4.60	65.01	9.09	13.45
Data Processing Elect.Equip.	245.28	0.53	0.00	245.81	239.28	0.63	239.91	5.90	6.00
Vehicles	21.26	0.00	0.00	21.26	20.63	0.00	20.63	0.63	0.63
Office & Misc. Equipments	273.84	0.61	0.00	274.45	257.16	5.21	262.37	12.08	16.68
Furniture and fixtures	65.95	0.00	0.00	65.95	63.71	1.21	64.92	1.03	2.24
Tele.Exchange & Fax Machine	23.25	0.06	0.00	23.31	22.57	0.01	22.58	0.73	0.68
Pattern & Dies	723.18	17.85	0.00	741.03	447.74	28.27	476.01	265.02	275.44
	10379.08	38.23	0.00	10417.31	6144.00	449.42	6593.42	3823.89	4235.08
Capital work-in-progress	23.84	0.00	23.84	0.00	0.00	0.00	0.00	0.00	23.84
TOTAL :	10402.92	38.23	23.84	10417.31	6144.00	449.42	6593.42	3823.89	4283.01
Previous year	10378.83	24.09	0.00	10402.92	5674.16	469.84	6144.00	4283.01	4704.67
Intangible assets :									
Computer Software	89.78	0.00	0.00	89.78	87.72	0.02	87.74	2.04	2.06
TOTAL :	89.78	0.00	0.00	89.78	87.72	0.02	87.74	2.04	2.06
Previous year	89.78	0.00	0.00	89.78	87.70	0.02	87.72	2.06	2.08

Note :

(1) Details of depreciation and Amortisation charged to

Profit and Loss Statement :

- (a) Depreciation on Tangible Assets as above
 (b) Depreciation on Intangible Assets as above
 * (c) Depreciation on Petty Assets charged off
 (d) Depreciation on Loose Tools

TOTAL :

* Being the value of petty assets upto ₹ 100/- each charged off directly to current year's depreciation.

(2) Gross block excludes ₹ 7.20 lacs (Previous year ₹ 7.15 lacs) being the value of petty assets upto ₹ 100/- each charged off.

(3) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April, 2014 have been adjusted in the opening balance of Profit & Loss Account amounting to ₹ 147.79 lacs in the year 2014-15.

(₹ in Lacs)

2016-17**2015-16**

449.42	469.84
0.02	0.02
0.05	0.05
28.96	36.13
478.45	506.04

Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2018	As at 31st March, 2017
(10) NON CURRENT INVESTMENTS :		
In fully paid 5 shares of ₹ 50/- each (unquoted) at cost in the Crescent Co-operative Housing Society Ltd., Mumbai	0.00	0.00
TOTAL :	0.00	0.00

NOTE : Investments are to the tune of ₹ 250/- (Previous year ₹ 250/-) due to rounding off in Lakhs, figure has been shown as ₹ 0.00 lacs.

	As at 31st March, 2018	As at 31st March, 2017
(11) DEFERRED TAX ASSETS (NET) :		
Deferred tax assets :		
Provision for employee benefits		
Gratuity	0.00	0.00
Leave encashment	0.00	0.00
Employers Contribution to Provident Fund	0.00	0.00
Employees Contribution to Provident Fund	0.00	0.00
Carry forward losses & Unabsorbed Depreciation	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Deferred tax liabilities :		
On fiscal allowances on fixed assets	493.43	732.16
	<u>493.43</u>	<u>732.16</u>
TOTAL (NET) :	(493.43)	(732.16)

	As at 31st March, 2018	As at 31st March, 2017
(12) LONG-TERM LOANS AND ADVANCES :		
Capital advances	3.50	3.50
Unsecured, considered good		
Deposits	187.42	246.43
Unsecured, considered good		
Other loans and advances	7.20	13.72
Unsecured, considered good		
Advance tax (net of provisions)	1150.85	1107.02
TOTAL :	1348.97	1370.67

	As at 31st March, 2018	As at 31st March, 2017
(13) OTHER NON CURRENT ASSETS :		
Interest accrued on deposits	0.00	0.00
TOTAL :	0.00	0.00

Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2018	As at 31st March, 2017
(17) SHORT TERM LOANS AND ADVANCES :		
Others (Unsecured, considered good)		
Advances to employees	28.22	43.99
Advances for purchases	1173.88	1176.59
Advances for purchase of fixed assets	81.12	79.62
Advances others	56.08	37.11
Commercial advances and deposits with Statutory / Government authorities / bodies	280.56	310.38
Other deposits	2.09	2.09
TOTAL :	1621.95	1649.78

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(18) REVENUE FROM OPERATIONS :		
Gross revenue from :		
Sale of products	7497.70	6906.81
Sale of services	214.50	584.13
	7712.20	7490.94
Less : Excise duty, GST and Service tax	841.50	808.30
Net revenue from sale of products and services	6870.70	6682.64
Other operating revenue :		
Scrap sales (Gross)	11.17	30.86
Less : Excise duty /GST	1.70	3.42
Scrap sales (Net)	9.47	27.44
Accretion /(decretion) to scrap stock	(9.56)	(18.05)
Exchange rate variation	0.00	26.99
TOTAL :	(0.09)	36.38

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(19) OTHER INCOME :		
Interest income	70.65	146.49
Liquidated damages recovered from Suppliers / Contractors	(44.64)	6.54
Other non-operating income :		
Liabilities written back	10.01	0.84
Miscellaneous income	68.72	41.49
TOTAL :	104.74	195.36
Interest income comprises interest from :		
Deposits with Banks	70.65	146.49
Others	0.00	0.00

Notes to the financial statements

(₹ in Lakh)

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
(20) COST OF MATERIALS CONSUMED :				
Consumption of Raw Materials		1715.25		2997.42
Consumption of Stores and Spares		20.72		10.6
TOTAL :		1735.97		3008.02
(21) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS :				
Finished goods manufactured (PC)				
Opening stock	0.00		0.00	
Closing stock	0.00	0.00	0.00	0.00
Finished goods manufactured (GC)				
Opening stock	81.06		121.05	
Closing stock	34.00	47.06	81.06	39.99
Work-in-progress (PC)				
Opening stock	2864.29		2718.57	
Closing stock	2818.16	46.13	2864.29	(145.72)
Work-in-progress (GC)				
Opening stock	95.66		95.66	
Closing stock	95.66	0.00	95.66	0.00
		93.19		(105.73)
Excise duty/GST on increase / (decrease) of finished goods		(9.00)		(4.45)
TOTAL :		84.19		(110.18)
(22) EMPLOYEE BENEFITS EXPENSE :				
1. EMPLOYEES REMUNERATION :				
(i) Salaries, Wages & Allowances		2644.48		3359.28
(ii) Contribution to Funds :				
Provident Fund & Family Pension		282.48		363.23
Employee's State Insurance		0.11	2927.07	0.11
2. EMPLOYEES WELFARE :				
(i) Staff Welfare Expenses		40.65		34.87
(ii) Medical Expenses		230.50	271.15	260.13
3. SOCIAL OVERHEADS :				
(i) Canteen Expenses (Net)		46.43		56.76
(ii) Subsidised Transport (Net)		48.72		48.44
(iii) Special Incentive & LTC		9.02	104.17	0.00
4. RETIREMENT BENEFITS :				
(i) Gratuity		1330.51		1376.60
(ii) Leave Encashment		349.17	1679.68	564.35
TOTAL :		4982.07		6063.77

Notes to the financial statements

(₹ in Lakh)

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
(23) OTHER EXPENSES :				
Power	241.31		181.35	
Fuel	<u>6.86</u>	248.17	<u>2.77</u>	184.12
Repairs and Maintenance to :				
Building	8.51		5.36	
Plant & Machinery	33.72		22.29	
Others	<u>13.28</u>	55.51	<u>8.12</u>	35.77
Rent (Net)		14.67		13.93
Rates and Taxes		72.45		7.81
Director's Fees and Travelling Exp.		0.00		0.26
Insurance		3.84		3.54
Payment to Auditors :				
Audit Fees	0.95		0.95	
Fees for other Services	<u>0.35</u>	1.30	<u>0.35</u>	1.30
Printing and Stationery		4.97		4.20
Postage and Telephone		11.95		12.80
Travelling & Conveyance - Inland	46.27		41.79	
- Foreign	<u>0.00</u>	46.27	<u>0.00</u>	41.79
Bank Charges		69.23		99.35
Training Expenses		0.95		0.56
Expenses on C.I.S.F.		439.65		501.90
Exchange Rate Variation		32.10		0.00
Other Administration Expenses		291.67		118.39
Entertainment Expenses		0.49		0.30
Advertisement & Publicity Expenses		0.49		0.40
Other Selling Expenses		8.74		26.53
TOTAL :		1302.45		1052.95
(24) PRIOR PERIOD ADJUSTMENTS (NET) :				
Expenses :				
Gratuity Provision		0.00		695.42
Leave Encashment Provision		0.00		356.70
Others		0.00		0.18
TOTAL :		0.00		1052.30

Notes to the financial statements

25. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These financial statements have been prepared on the historical cost basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAPP), including Accounting Standards notified under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other relevant provisions of the Companies Act, 2013. Further, the Guidance Notes/Announcements issued by The Institute of Chartered Accountant of India (ICAI) are also considered wherever applicable, as adopted consistently by the company.

1.2 USE OF ESTIMATES :

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of and indian accounting standards revenues and expenses during the reported period and the reported amounts of assets, liabilities and disclosures of contingent liabilities on the date of financial statements. Actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

2.0 FIXED ASSETS :

- 2.1 Land given by the Government of Uttar Pradesh is valued notionally at value shown in the records of Land Acquisition Officer, Allahabad and the corresponding amount credited to Capital Reserve Account.
- 2.2 Fixed assets including intangible assets are shown at their acquisition cost / historical cost including allocation from expenditure during construction of the company wherever so applicable.
- 2.3 Capitalization out of inter-plant transfer is made at factory cost including excise duty.
- 2.4 In the case of assets put to use, where final settlement of bills with contractors are yet to be effected, capitalization is done subject to necessary adjustment in the year of final settlement.
- 2.5 Grant-in-aid and CENVAT/ITC received against capital cost of fixed assets are reduced from the total cost of the concerned fixed assets.

- 2.6 Subsequent expenditures related to an item of fixed assets are added to its book value only if they increase the life of existing fixed assets beyond its previous life.

- 2.7 Fixed assets which are not ready for their intended use, are disclosed under Capital Work-in-Progress.

3.0 DEPRECIATION :

- 3.1 Depreciation on Fixed assets is charged / provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. However, where the historical cost of a depreciable asset undergoes a change, the depreciation on the revised unamortized depreciable amount is provided over the residual / remaining / increased useful life of the asset.
- 3.2 Depreciation on addition / deletion during the year is provided on pro-rata basis with reference to the date of additions / deletions.
- 3.3 Fixed Assets costing Rs .5000/- or less each are depreciated fully in the year of purchase.

4.0 FOREIGN CURRENCY :

- 4.1 Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.
- 4.2 Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date.
- 4.3 Foreign Exchange differences arising in respect of monetary item relating to acquisition of fixed assets are adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization. Other exchange differences are recognized as income or expense in the period in which they arise.

5.0 IMPAIRMENT OF ASSETS :

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of the recoverable amount,

6.0 VALUATION OF INVENTORY :

- 6.1 The pricing of issues of raw materials, components and stores & spares as well as valuation there of is done on periodical weighted average cost method.

Notes to the financial statements

- 6.2** Stores in Transit and Material with Fabricators / Contractors are valued at cost.
- 6.3** Loose Tools valuing Rs.500/- or above are depreciated @ 20% p.a. on written down value and below Rs.500/- are charged off to revenue.
- 6.4** Work in Progress of the products manufactured by the company are valued at absorption cost or estimated realisable value whichever is lower. Jobs done internally for use in capital works are valued at factory cost.
- 6.5** The finished goods are valued at absorption cost or realisable value whichever is lower. Valuation of finished goods is inclusive of excise duty.
- 6.6** Scrap is valued at estimated realizable value.
- 6.7** Based on technical assessment, necessary provision is made for identified obsolete/surplus/non moving items of inventory to reflect the current status there of.

7.0 REVENUE RECOGNITION:

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer. Revenue from operations includes sale of goods & services, Excise duty and service tax and GST. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

8.0 CLAIMS:

8.1 BY THE COMPANY:

Claims for price escalation on sale contracts, export incentives and other fiscal incentives etc. are accounted for on accrual basis. However, claims for liquidated damages/ penalty against suppliers are taken as income in the year of deductions from their bills.

8.2 AGAINST THE COMPANY:

- 8.2.1** Liability arising as a result of final assessment in respect of Customs Duty, Central Excise, Income Tax, Sales Tax, GST etc is provided during the year in which final assessments are made and/or decided.
- 8.2.2** Contingent liability is accounted for in the year in which it becomes evidentially estimatable and / or crystallized as payable.

9.0 RESEARCH & DEVELOPMENT EXPENDITURE:

Research and Development expenditure is charged to Profit & Loss Account in the year of incurrance. However, R & D expenditure on fixed assets is treated in the same way as other fixed assets of the Company.

10.0 FOREIGN EXCHANGE:

Liability for foreign currency loan and / or deferred credit payments is realigned as per the year's end exchange rates. Any loss or gain arising thereon, is charged to Profit & Loss Account.

11.0 PROVISIONS:

11.1 GRATUITY:

The Gratuity liability of the Company has been taken into account based on Acturial Valuation at the end of the year.

11.2 LEAVE ENCASHMENT:

The liability on account of Leave Encashment of the Company has been taken into account based on Acturial Valuation at the end of the year.

12.0 TAXATION :

- 12.1** Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.
- 12.2** Deferred Tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date.

13.0 GOVERNMENT GRANTS :

Government Grants are accounted when there is reasonable certainty of their receipts. Grants received against fixed assets are treated as per Accounting Policy No. 2.5. Grants related to revenue, unless received as compensation for expenses / losses, are recognized as revenue over the period to which these are related on the principal of matching costs to revenue.

Notes to the financial statements

26. Related Party Disclosures :

In compliance with the Indian Accounting Standard 24 "Related Party Disclosure" transactions with related parties are disclosed as under :-

(a) M/s Bharat Heavy Electricals Ltd. (BHEL) :

M/s BHEL has provided management support in line with the decision of Govt. of India, by providing Chairman & Managing Director of BPCL. In addition to this, BHEL has also provided a part time Director on BPCL Board.

(b) M/s Oil & Natural Gas Corpn.Ltd. (ONGCL) :

M/s ONGCL has provided one part time Director on BPCL Board.

(c) M/s Engineers India Ltd. (EIL) :

M/s EIL has provided one part time Director on BPCL Board. However, no one has been nominated/ appointed Director in BPCL Board since 01.04.2016.

FELLOW SUBSIDIARY / ASSOCIATES :

The Company has made the following transactions with fellow subsidiary/associated Companies :

	2017-18			2016-17		
	BHEL	ONGC	EIL	BHEL	ONGC	EIL
A. Purchases made from	142.42	0.00	0.00	88.62	0.00	0.00
B. Sales made to	722.40	3303.26	0.00	50.88	2351.54	0.00
C. Amount realisable from	1353.91	2010.65	241.21	1046.87	1167.54	289.41
D. Amount payable to	689.85	0.00	0.00	672.39	0.00	0.00
E. Loan received from	0.00	0.00	0.00	0.00	0.00	0.00
F. Loan repaid to	0.00	0.00	0.00	0.00	0.00	0.00
G. Loan & Interest outstanding	1660.56	0.00	0.00	1511.19	0.00	0.00

(₹ in Lakh)

Notes to the financial statements

(₹ in Lakh)

27. SEGMENT INFORMATION : Primary Segment - Business Segment

	For the year ended 31.03.2018				For the year ended 31.03.2017			
	PUMPS	COMPRESSORS	GAS CYLINDERS	TOTAL	PUMPS	COMPRESSORS	GAS CYLINDERS	TOTAL
A. SEGMENT REVENUE :								
(i) Segment Revenue	5964.07	856.37	0.05	6820.49	4180.85	3315.64	43.66	7540.15
(ii) Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Operating Revenue - External (i - ii)	5964.07	856.37	0.05	6820.49	4180.85	3315.64	43.66	7540.15
B. SEGMENT RESULTS :								
(i) Segment Results	(1383.63)	(185.97)	(108.83)	(1678.43)	(2092.44)	(1254.13)	(406.14)	(3752.71)
(ii) Unallocated Expenses (Net) (Expenses)				(2951.81)				(4436.73)
(iii) Profit before Tax				(4630.24)				(8189.44)
(iv) Income Tax/FBT/MAT/Deferred Tax				238.73				(207.96)
(v) Profit after Tax				(4391.51)				(8397.40)
C. ASSETS & LIABILITIES :								
(i) Segment Assets	13229.29	2378.77	1217.90	16825.96	11008.14	5423.73	1417.13	17849.00
(ii) Unallocated Assets				2216.35				7593.31
(iii) Total Assets				19042.31				25442.31
(iv) Segment Liabilities	17431.75	2586.90	0.00	20018.65	10446.84	9613.46	338.64	20398.94
(v) Unallocated Liabilities				(976.34)				5043.37
(vi) Total Liabilities				19042.31				25442.31
D. OTHER INFORMATIONS :								
(i) Cost incurred during the period to acquire fixed assets (incl. Capital WIP)	26.82	4.01	7.40	38.23	10.43	9.02	4.64	24.09
(ii) Depreciation	335.60	50.23	92.62	478.45	219.16	189.48	97.40	506.04
(iii) Non Cash Expenses (other than Dep.)	318.21	64.81	0.00	383.02	1305.93	419.74	0.00	1725.67

Notes to the financial statements

(28) Additional Notes to the Financial Statements :

- (i) The Government of Uttar Pradesh has given 295.45 acres of land free of cost against actual allotment of 300 acres of land. Further a sum of ₹ 3.50 lakhs (Previous year ₹ 3.50 lakhs) (shown under Long term loans and advances) has been paid by the Central Government to the Government of Uttar Pradesh for acquisition of 87.50 acres of land for pumps and compressors project. Thus 92.05 acres (4.55 acres plus 87.50 acres) of land has to be taken from U.P. Government for which the matter is still under correspondence.
- (ii) Conveyance deeds in respect of 295.45 acres of land have not yet been executed and the matter is still under correspondence. This has provisionally been capitalised by debiting land and crediting capital reserve account in terms of Bureau of Public Enterprises, New Delhi, Letter No. BPE/159/Adv dated 7th Nov. 1969 at the valuation of ₹10.04 lakhs (Previous Year ₹ 10.04 lakhs) being the value shown in the records of Land Acquisition Officer, Allahabad. Valuation certificate from the Land Acquisition Officer, Allahabad is still awaited.
- (iii) Confirmation in respect of balances in various accounts of Sundry debtors, Loans and advances, Current liabilities including Sundry creditors, Advances from customers, Material with fabricators / contractors, Govt. loans and Fixed deposits / Margin money with banks are awaited and accordingly, the balances in these accounts are subject to confirmation / reconciliation, if any.
- (iv) Paper security received from suppliers / contractors / employees amounts to ₹ 0.16 lakhs (previous year ₹ 0.16 lakhs).
- (v) Provisions have not been made for Stamp duty and registration fees that may be payable on conveyance deeds for acquisition of land as the same is indeterminable at this stage.
- (vi) Central Industrial Security Force (CISF) has raised bills for their services which includes interest liability amounting to ₹ 684.83 lakhs (previous year ₹ 578.74 lakhs) due to non / delayed payment. CISF is a Central Government Agency and has accepted delayed payment with out interest in past. Accordingly, present claim of interest amount are shown as contingent liability.
- (vii) Advances to suppliers include balances (including old items) some of which are yet to be linked and set off with the corresponding credit appearing under the head Sundry Creditors.
- (B) Payment of gratuity and leave encashment to retired employees pertaining to year 2012-13 and 2013-14 has been debited to prior period account since liability against these payments had omitted to be made in respective years.
- (viii) The Company, at present, is not having any scheme for post-retirement medical benefits.
- (ix) In order to comply with the Indian Accounting Standard 36 – “ Impairment of assets” issued by the Regulatory Authority, the Company has formed a committee consisting of representatives of Finance, Planning, Purchase and Common services departments to assess the impairment of assets. Based on recommendations of the committee, there is no material impairment of assets of the Company and accordingly, no provision is required to be made in the books of accounts for this purpose.
- (x) A sum of ₹ 22.50 lakhs is outstanding for more than 45 days payable to Micro and Small Enterprises as at 31st March, 2018 (previous year ₹ 36.63 lakhs). This has been determined to the extent such parties have been identified on the basis of information available with the Company. No provision for interest for delay in payment has been made since generally bills are submitted / presented late by the suppliers.
- (xi) (A) Government of India vide letter No. 2(9)/2006-PE-IV dated 07.09.2009 has permitted the company to consider making disbursement of arrear of 1997 pay revision upto 25 % of profit before tax. The company has not made any provision in this regard during the year in view of loss before tax. However, estimated amount of wage revision arrear amounting to ₹ 3000.00 lakhs (previous year ₹ 3000.00 lakhs) has been shown as contingent liability.
- (B) Estimated amount of subjudice case of fitment benefit to Executive employees for wage revision 2007 amounting to ₹ 800.00 lakhs (previous year ₹ 800.00 lakhs) has also been shown as contingent liability.
- (C) Regarding Wage Revision arrear 2007 relating to workmen, it was decided by the Board of Directors in its meeting held on 29.10.2010 that the matter will be kept in abeyance till generation of adequate internal resources and improved performance of the company. Since the company is incurring continuous losses and earlier arrear is also pending, any consideration for recognizing this arrear is not being done by the company.
- (xii) Department of Heavy Industries (DHI) vide letter dated 13.10.2016 informed that Cabinet

Notes to the financial statements

Committee on Economic Affairs (CCEA) has approved release of ₹ 111.59 crores towards statutory dues, terminal dues to retired employees and CISF dues (₹ 99.30 crores released during the year) along with strategic disinvestment of the company in principle. Accordingly, Department of Investment and Public Asset Management of Ministry of Finance, Govt. of India (DIPAM) has started step wise proceedings for disinvestment of the company. Application of Expression of Interest (EOI) has been invited by entrusted agency (Transaction Advisor) appointed by DIPAM/ Govt. of India.

(xiii) Sundry Debtors as on 31.03.2018 amounting to ₹ 9402.57 lakhs (Previous Year ₹ 9185.98 lakhs) includes ₹ 4894.97 lakhs (Previous Year ₹ 4314.20 lakhs) towards amount deducted / with hold by customers on account of liquidated damages, shortages, Tax differences, freight & insurance, job done by customers etc. Since the matters have been taken up by the Company with the respective customers, for delivery extension / refund of deducted amount, and company is quite hopeful of refund of deducted / with hold amount. Accordingly, deductions made by customers, have not been accounted for in the books of accounts. However, the Company has made provisions for bad and doubtful debts amounting to ₹ 383.02 lakhs during the year (Previous year ₹ 1725.67 lakhs).

(xiv) There are certain inventory items under the head raw materials, components and stores and spares which were old and non moving against which provisions were made totaling to ₹ 1040.48 lakhs in different earlier years upto the year 2005-

06. These were written off in the year 2006-07 in the books of accounts and as such, these items are appearing in the records at zero value as realizable value is yet to be ascertained. However, these items are being sold as scrap items / used wherever possible with proper accounting for removal from records.

(In rupees)

Particulars	SBNs	Other Denomination	Total
Op. Balance as on 08.11.2016	337500	13640	351140
(+) Permitted receipts	0	323354	323354
(-) Permitted payments	0	251409	251409
(-) Amount deposited in Bank	337500	0	337500
Closing cash in hand as on 30.12.2016	0	85585	85585

(xv) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes to the financial statements

(₹ in Lakh)

(28) Additional Notes to the Financial Statements (Contd.) :

	As at 31st March, 2018	As at 31st March, 2017
(xvi) Contingent liabilities and commitments :		
(a) Contingent liabilities :		
Claims against the Company not acknowledged as debts :		
(1) Sales tax liability including interest pending appeal	401.41	792.23
(2) Electricity bill liabilities due to revised tariff and penalty pending appeal	51.97	51.97
(3) Excise duty liability pending appeal *	22.04	22.04
(4) In respect of civil suits	35.10	34.70
(5) Interest liability claimed by CISF	684.83	578.74
(6) Income Tax liability pending appeal*	2303.91	3299.87
(7) Outstanding Letter of Credit*	170.21	403.84
(8) Outstanding Bank Guarantees*	1401.06	1618.36
(9) Interest on BPC Employees Co-operative Society dues	95.47	59.61
(10) Liability related to Arrear of Wage revision 1997-(Estimated)	3000.00	3000.00
(11) Subjudice case of fitment benefit of Wage revision 2007 of Executive employees (Estimated)	800.00	800.00
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	205.64	205.64
* Excluding interest liability		
(xvii) Social overheads :	2017-18	2016-17
	Canteen	Transport
Total Expenditure	48.91	50.99
Less : Total Income	2.48	2.27
Net Expenditure	46.43	48.72
	Canteen	Transport
	59.27	51.54
	2.51	3.11
	56.76	48.43

Notes to the financial statements

(28) Additional Notes to the Financial Statements (Contd.) :

(xviii) Details of Provisions as per Indian Accounting Standard - 37 :

(₹ in Lakh)

SL	Particulars of Provisions	Op. Balance as on 01.04.2017	Additions during the year	Paid/ Adjustments during the year	Reversed during the year	Closing Balance as on 31.03.2018
1	Gratuity	2773.06	1330.51	1210.58	0.00	2892.99
2	Leave Encashment	1235.68	349.17	622.85	0.00	962.00
	TOTAL :	4008.74	1679.68	1833.43	0.00	3854.99
	Previous Year	5320.26	1940.95	1528.63	1723.84	4008.74

Brief Description :

Gratuity & Leave Encashment : The provisions for Gratuity and Leave encashment have been made on the basis of actuarial valuation obtained for the purpose. The payment of these items is made at the time of retirement/separation from the company. There is no uncertainty about these outflows. There is also no expected reimbursement.

Notes to the financial statements

(₹ in Lakh)

(28) Additional Notes to the Financial Statements (Contd.) :

	2017-2018	2016-2017
(xix) CIF VALUE OF IMPORTS :		
Raw materials and components	118.61	407.24
Stores and spares	0.00	0.00
(xx) EXPENDITURE IN FOREIGN CURRENCY: (on cash basis)		
A. Analog Study	16.04	19.12
B. Travelling Expenses	0.00	0.00
(xxi) F O B VALUE OF EXPORT :		
Exports of goods	0.00	0.00
(xxii) CONSUMPTION OF IMPORTED & INDIGENOUS MATERIALS :		
A. Value of all imported raw materials & components, stores & spare parts consumed	258.70	409.86
B. Value of all indigenous raw materials & components, stores & spare parts consumed	1477.27	2598.16
C. Percentage of each to total consumption	15 % & 85 %	14 % & 86 %

SUB NOTE :

In absence of separate figures available for spares, combined figures of stores and spares consumed have been included in giving the consumption of materials.

(xxiii) TURNOVER (GROSS) :

	2017-2018		2016-2017	
	Quantity (Nos)	Value (₹ in Lakhs)	Quantity (Nos)	Value (₹ in Lakhs)
A. Compressors	00 No.+spares	1677.57	04 No.+spares	3113.72
B. Pumps :				
1. R.P.	14 Nos+spares	3502.08	03 Nos+spares	2945.07
2. C.P.	17 Nos+spares	2273.96	06 Nos+spares	804.36
C. Gas Cylinders	653 Nos.	44.09	726 Nos.	43.66
D. Execution of erection & other jobs	-	214.50	-	584.13
TOTAL :		7712.20		7490.94

(xxiv) BREAKUP OF RAW MATERIALS & COMPONENTS CONSUMED :

	2017-2018		2016-2017	
	Quantity (Nos)	Value (₹ in Lakhs)	Quantity (Nos)	Value (₹ in Lakhs)
A. INDIGENOUS :				
1. Steel plates	49.01 MT	20.15	15.93 MT	6.47
2. Boughtout materials for PC*	-	674.45	-	1611.34
3. Other Misc. items*	-	761.96	-	969.75
TOTAL :		1456.56		2587.56
B. IMPORTED :				
1. Components for PC*	-	225.93	-	409.86
2. Seamless tubes	-	0.00	-	0.00
3. Other Misc. items*	-	32.76	-	0.00
TOTAL :		258.69		409.86
Total Raw Materials and components consumed		1715.25		2997.42

* There are thousands of items of different denominations and values, individual details are not possible to be given.

Notes to the financial statements

(28) Additional Notes to the Financial Statements (Contd.) :

(xxvi) STOCK OF GOODS PRODUCED :

	CLOSING STOCK		CLOSING STOCK	
	Quantity (Nos)	Value (₹ in Lacs)	Quantity (Nos)	Value (₹ in Lacs)
A. PUMPS :				
1. Centrifugal	00 Nos (00 Nos)	0.00 0.00	00 Nos (00 Nos)	0.00 0.00
2. Reciprocating	00 Nos (00 Nos)	0.00 0.00	00 Nos (00 Nos)	0.00 0.00
B. COMPRESSORS :				
1. Reciprocating	00 Nos (00 Nos)	0.00 0.00	00 Nos (00 Nos)	0.00 0.00
C. CYLINDERS :				
Various Types	400 Nos (1053 Nos)	34.00 (81.06)	1053 Nos (1779 Nos)	81.06 (121.05)

SUB NOTE :

Quantity and value in bracket indicate figures for the previous year.

In terms of our report dated 09.12.2018
For Balram Chandra & Associates
Chartered Accountants

On behalf of the Board


(B.C. PANDEY)
Partner
M.No. 070875


(MOHAN KUMAR)
GM (Mktg/QC/Works)


(ARVIND KUMAR)
Director


(R.K. PAUL)
Chairman and
Managing Director


(INDRASEN SINGH)
Sr. Manager (F&A) &
Co. Secretary

Place : New Delhi
Date : 08.08.2018

TEN YEAR DIGEST

(₹ in Lakh)

SL	PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
1	VALUE OF PRODUCTION	7628.0	7601.1	6967.5	7769.0	15012.6	15274.4	15829.8	20908.6	28193.8	23998.9
2	SALES	7712.2	7490.9	7851.9	10223.5	14705.8	12902.3	15215.3	21021.3	27111.8	23636.4
3	GROSS PROFIT/(LOSS) / PBDIT	(1129.3)	(4152.5)	(4696.0)	(3471.6)	(583.9)	(1883.9)	792.7	2867.0	4993.7	5968.6
4	DEPRECIATION / DRE	478.5	506.0	515.0	705.0	485.2	493.9	381.7	439.0	266.1	214.0
5	INTEREST	2639.4	1805.3	789.5	599.5	498.7	298.7	261.1	525.9	674.0	868.5
6	(a) PROFIT/(LOSS) BEFORE TAX	(4630.2)	(7137.1)	(5534.8)	(4776.0)	(1567.9)	(2676.4)	149.9	1902.1	4053.5	4886.1
	ON CURRENT OPERATIONS	383.0	1725.7	0.0	0.0	0.0	0.0	23.9	0.0	2.6	1021.4
	(b) (i) PROVISIONS	0.0	1052.3	775.8	0.0	0.0	0.0	30.9	(1.1)	71.2	130.3
	(ii) NET PRIOR PERIOD ADJ.	0.0	0.0	-310.1	0.0	0.0	0.0	0.0	475.5	1012.7	2031.4
	(iii) EXTRA ORDINARY ITEM	(4630.2)	(8189.4)	(6000.5)	(4776.0)	(1567.9)	(2676.4)	156.9	1425.5	3109.4	1963.6
7	(c) PROFIT/(LOSS) BEFORE TAX	-238.7	208.0	1590.1	727.7	-1043.6	114.7	248.2	472.6	544.4	107.1
	PROVISION FOR TAX	(4391.5)	(8397.4)	(7590.5)	(5503.8)	(524.3)	(2791.1)	(91.4)	952.9	2565.0	1856.5
8	NET PROFIT/(LOSS) AFTER TAX	10507.1	10468.9	10444.8	10435.8	8777.5	8648.7	8126.7	7003.3	5137.9	3801.3
9	GROSS BLOCK	3825.9	4237.1	4682.9	5145.3	4281.9	4584.5	4501.6	3702.9	2100.1	1041.5
10	NET BLOCK	(10581.0)	(4478.6)	(3742.1)	1828.5	5781.9	7883.8	11139.7	10886.8	17851.0	20643.9
11	WORKING CAPITAL	(6755.1)	(241.4)	940.8	6973.8	10063.8	12468.3	15641.3	14589.7	19951.1	21685.4
12	CAPITAL EMPLOYED	4802.4	3600.7	3149.5	3754.6	6543.6	5127.8	6909.5	9612.4	10842.5	9761.3
13	VALUE ADDED	(14820.5)	(10190.3)	(2000.9)	3999.6	8923.5	10491.3	13167.7	13040.8	12405.6	9860.8
14	NET WORTH	4886.9	5958.6	6517.2	6308.8	6702.5	6661.8	6267.0	5760.0	4097.6	4474.2
15	SALARIES, WAGES AND BENEFITS	649.8	380.8	686.7	947.2	1441.0	1403.0	1777.0	1840.0	3230.0	2885.6
16	CONTRIBUTION TO EXCHEQUER	(3036.6)	(5433.5)	(6861.4)	(4071.1)	(1082.6)	(2182.6)	532.6	1493.0	3862.4	4398.8
17	INTERNAL RESOURCE GENERATION	155.3	175.3	976.4	1202.5	710.4	1993.7	1315.5	7798.3	465.6	14.5
18	EXPORT INCLUDING DEEMED EXPORT	296	391	523	638	780	889	984	1072	1073	1062
19	NO. OF EMPLOYEES	16.2	9.2	6.0	5.9	8.4	5.8	7.0	9.0	10.1	9.2
20	VALUE ADDED PER EMPLOYEE	1.0	0.6	0.5	0.6	1.0	0.8	1.1	1.7	2.7	2.2
21	VALUE ADDED PER RUPEE OF WAGES	0.3	0.8	3.8	(1.4)	(0.1)	(0.3)	0.0	0.1	0.2	0.2
22	NET PROFIT/(LOSS) TO NET WORTH	(0.1)	(0.4)	(0.4)	(0.3)	(0.1)	(0.2)	0.1	0.4	1.0	1.6
23	GROSS MARGIN TO GROSS BLOCK	(0.2)	(0.7)	(0.7)	(0.6)	(0.1)	(0.3)	0.1	0.5	1.2	1.3
24	PBDIT TO EMPLOYEES COST	0.6	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.3
25	VALUE ADDED TO GROSS SALES	0.2	17.2	(5.0)	(0.5)	(0.1)	(0.2)	0.1	0.2	0.3	0.3
26	GROSS PROFIT TO CAPITAL EMPLOYED	345.2	363.5	361.1	269.6	254.9	226.6	203.4	138.0	111.5	126.0
27	SUNDRY DEBTORS TO NO. OF DAY OF TURNOVER	210.7	231.8	249.4	270.5	201.3	199.6	126.5	90.4	86.9	99.0
28	INVENTORY TO NUMBER OF DAY OF PRODUCTION										