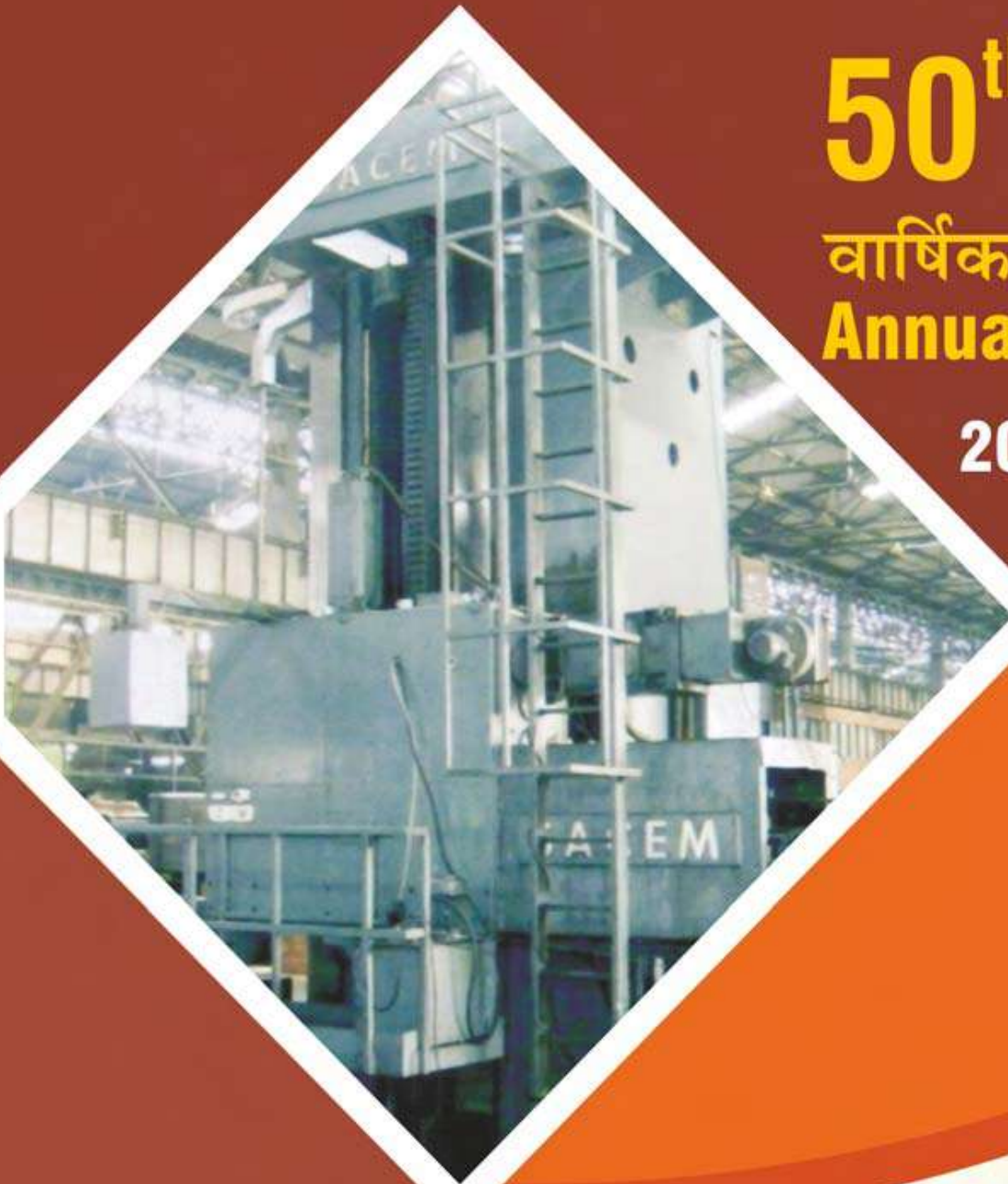


50<sup>th</sup>

वार्षिक प्रतिवेदन  
Annual Report

2019-2020



भारत पम्पस एण्ड कम्प्रेसर्स लिमिटेड

( भारत सरकार का उपक्रम )

**Bharat Pumps & Compressors Ltd.**

(A Government of India Enterprise)

भारत पम्पस एण्ड कम्प्रेसर्स लिमिटेड





**Different Products of BPCL**



## 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

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1. SHRI SUNIL PARWANI - CHAIRMAN & MANAGING DIRECTOR (FROM 25.08.2018)
  2. SHRI S.K. SINGH - DIRECTOR (FROM 11.05.2020)
  3. SHRI ARVIND KUMAR - DIRECTOR (FROM 30.05.2016 TO 11.05.2020)
  4. SHRI R.K. TRIVEDI - DIRECTOR (FROM 17.06.2019)
  5. SHRI G. UDAY KUMAR - DIRECTOR (FROM 17.06.2019 TO 14.12.2019)
- 

## PRINCIPAL EXECUTIVES

- |                     |   |   |
|---------------------|---|---|
| SHRI RATAN PRAKASH  | - | CHIEF GENERAL MANAGER                           |
| SHRI SANJAY KUMAR   | - | GENERAL MANAGER (WORKS)                         |
| SHRI P.G. CHAUDHARY | - | GENERAL MANAGER (MM/PEX)                        |
| SHRI INDRASEN SINGH | - | DY. GENERAL MANAGER (F&A) AND COMPANY SECRETARY |
- 

## AUDITORS

M/S S.R. GUPTA & COMPANY,  
CHARTERED ACCOUNTANTS,  
54D, STRACHEY ROAD,  
CIVIL LINES,  
ALLAHABAD - 211001

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## BANKERS

STATE BANK OF INDIA

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## REGISTERED OFFICE

NAINI, ALLAHABAD  
UTTAR PRADESH - 211010

## BOARD OF DIRECTORS



**SHRI SUNIL PARWANI**  
Chairman & Managing Director  
(From 25.08.2018)



**SHRI S.K. SINGH**  
Director  
(From 11.05.2020)



**SHRI ARVIND KUMAR**  
Director  
(From 30.05.2016 to 11.05.2020)



**SHRI R.K. TRIVEDI**  
Director  
(From 17.06.2019)



**SHRI G. UDAY KUMAR**  
Director  
(From 17.06.2019 to 24.12.2019)



**SHRI INDRASEN SINGH**  
Company Secretary

## DIRECTORS' REPORT

To,  
The Shareholders,  
Gentlemen,  
Your Directors present the 50th 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 2020.

### 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. However during the year 2019-20 the Company has shown consistent improvement in its Financial parameters in last 3 years. During the year Company has incurred a loss (after tax) of Rs 26.99 crores on turnover of Rs 65.72 crores as against loss (after tax) of Rs.33.48 crores and Turnover of Rs.68.66 crores respectively during the previous year.

In spite of continued fund constraints, financial performance of the company has started improving (loss reduced by 19% in comparison to last year). The Company has achieved positive Gross Margin in 2019-20 for the first time since 2012-13. The interest burden of Govt. loan, fund crisis and non-receipt of orders/delay in finalization of orders for spares and main equipment by the customers and shut down of operation in last quarter due to Government declared lock down for minimizing threats of COVID-19 pandemic have adversely affected better performance in 2019-20. During the year 2019-20 net worth of the Company was Rs. (-)213.61 crores as against Rs.(-)186.62 crores during the previous year 2018-19. The salient features of performance during the year 2019-20 are summarized below:

Sl. No.	Particulars	2019-20	2018-19
1.	Production	63.70	54.56
2.	Turnover	65.72	68.66
3.	Gross Margin	11.26	(3.95)
4.	Operating profit (PBIT)	6.62	(8.60)
5.	Profit/(Loss ) before tax(PBT)	(26.99)	(38.42)
6.	Net Profit/(Loss ) after tax(PAT)	(26.99)	(33.48)
7.	Value addition	43.36	33.48
8.	Value Added per Employee (Rs. in lakh)	0.28	0.16
9.	Net Worth	(213.61)	(186.62)

### 2. DIVIDEND:

Since the company has incurred losses, no dividend was recommended by your Directors for the year 2019-20.

### 3. SHARE CAPITAL:

The issued, subscribed and paid up share capital of the Company as on 31st March 2020 was Rs.53.53 Crores against authorized capital of Rs.65.00 Crores.

### 4. ORDER BOOK STATUS:

(₹ in crore)

A. ORDER BOOKED	2019-20	2018-19
Pumps & Compressors	11.19	4.57
Spare Parts	42.07	36.02
Gas Cylinders	0.00	0.00
Total Orders Booked	53.26	40.59
B. ORDER BOOK OUTSTANDING		
	2019-20	2018-19
Order Book Outstanding at the end of the year	44.06	50.26

The order book position at the end of the year under review is Rs. 44.06 crores. Following initiatives were taken for improving Order Book-

- Frequent Interaction with Customers at all level as a Confidence Building Measure.
- Liquidating the pending orders to remove Customer's apprehensions due to past delays.
- Rate Contract with Customers for supply of spares.
- Firming of vendors' offers in Pre-tender stage for competitive pricing.
- Targeting orders from Lump-sum Turnkey Contractors (LSTK).
- Success Achieved during the year are as follows:
  - Vacation achieved from EIL Holiday list, due to which BPCL was not being considered by many Oil sector PSUs since 2015.
  - Receipt of 2 Orders from IOCL for Main equipment after a gap of 5 years - order received against stiff competition.
  - First order from Private Customers namely received. More such orders are in pipe lines

- Entry in Power Sector - Approval of NTPC for supply of Pumps to Power Projects.
- Tapped foreign Customers - Spares order (~ Rs. 10 crs) likely to finalised from IRAN.

For achieving the current year's target for order booking, above initiatives will be continued and company is confident of getting substantial business to achieve budgeted target.

## 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. Business for Mud Pumps from ONGC is likely to be low as ONGC has placed bulk order last year for the replacement of old pumps as well as purchase of new oil rigs by ONGC wherein our Mud Pumps were not considered there is need to target other business to compensate the Mud Pump business.

Government is emphasizing on establishing more Nuclear Power plants, which in turn, shall result in better order booking of our Pumps required for nuclear application in power plants. In near future following Opportunities are expected-

1. Oil Sector PSUs and NPCIL are the major Customers of BPCL. There is continuous requirement of Pumps and Compressors and their spare parts for expansion projects, renewals and old equipment, refurbishment and Operation and Maintenance (O&M).
2. Major new Projects in pipeline:
  - Rajasthan Refineries (Joint Venture Project of HPCL & Govt of Rajasthan) P-25 project of Panipat Refinery
  - Capacity augmentation of IOCL Pipelines
  - Numaligarh Paradip Pipeline project
  - 5 Projects (2 x700 MW each) of NPCIL
  - RCF Trombay Amonia V Revamp Project
  - Replacement of Old Pumps and Compressors at ONGC / Mehsana, Ahmedabad, Uran etc

- O&M Spares and refurbishment of various assets of ONGC, IOCL and OIL
- Pumps and Compressors requirements of Lump sum Turnkey (LSTK) jobs.

However due to ongoing proceedings of closure of the Company, Customers are reluctant/ in dilemma to place long cycle orders. 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:

We are continuously in process to save electricity and reduce the consumption of fuel (HSD) for generators by proper utilization and maintenance of generator sets. We are in process to replace the conventional lights (fluorescent, incandescence, mercury etc.) by energy efficient LED light fittings (used to illuminate offices and shop) which will reduce the electricity consumption by 1/4th in light loads. We also continuously maintain the power factor above 0.90(lagging) to minimize the power losses. Our machines are also being maintained in such a way to run with minimum power losses. We also conduct awareness program to educate people to switch off light, fan, computers & machines when they are not in use.

### 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 most of the 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 2019-20 are as follows:-

1. For the first time BPCL have secured order for 1000 mm dia Liner for 1st stage of Reciprocating Compressor model 5HE/5, originally supplied by M/S NP-Italy in the year 1975 to M/S MCF Mangalore.
2. To resolve frequent failure of suction and discharge valves of 4HM/1 Reciprocating Compressor model at M/S NBPPL-Namrup, Assam, Indigenous Non-Metallic valves have been developed in place of originally supplied Imported Metallic valves. The compressors are now under smooth operation.
3. Indigenous RTD and Level Switches have been supplied to M/S IOCL Pipe Line Noida project for pump models VB430x16-7-stg and DVMX6x8x11E-4stg against customer's recommendation for Imported Instruments.
4. Supplied Ammonia Pump Crank shaft developed from Indigenous source to M/s NFL Vijaypur to which they were importing from M/s Uraca Germany

### 6.4 FOREIGN EXCHANGE EARNING AND OUTGO:

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

(₹ in lakh)

Sl.No.	Particulars	2019-20	2018-19
A.	Value of imports calculated on CIF basis		
	i. Raw Materials	57.35	209.12
	ii. Store & Spares	0.00	0.00
	iii. Capital Goods	0.00	0.00
B.	Expenditure in Foreign Currency on		
	i. Analog Study	22.08	9.62
	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	60.31	135.93
	ii. Indigenous	1213.82	1153.09

### 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 notable capital projects have not been taken up during the year 2019-20.

### 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.



## 9. CONTRIBUTION TO EXCHEQUER:

Company has paid to the public exchequer Rs. 651.29 lakh during the Year 2019-20, the details are given below:

	(₹ in Lakh)
Excise Duty	225.74
Custom Duty	16.03
Sales Tax/VAT	17.08
Service Tax	2.45
GST	389.99
<b>Total:</b>	<b>651.29</b>

## 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 171 as on 31.03.2020 against 218 as on 31.03.2019.

### 11. TRAINING:

During the year 2019-20, Training Department had conducted various Training Programs and in this process, earned revenue of Rs.35.79 lakhs. Details of such training programs are as under:

- Vocational Training- 1014 trainees from various Institutes.
- Customers Training Programs- 50 Participant trained during the year.

### 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, effort 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, 2020. All important circulars and advertisement were released in Hindi also.

### 14. RIGHT TO INFORMATION (RTI):

BPCL has implemented the provisions of Right to Information Act 2005 and an appropriate mechanism has been set up. During the year, all applications were processed and suitable replies were given.

### 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 and 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 up 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 700 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 2019-20, following Vigilance activities were conducted:-

Regular Inspection	- 147
Surprise Inspection	- 52
Scrutiny of APR	- 14
Investigation	- 01
Case closed	- 01

A Vigilance awareness week was organized in the company from 28th October to 2nd November, 2019 as per directive of Central Vigilance Commission, New Delhi and during the week following activities were undertaken:

1. Display of hoardings, banners, posters etc. within and outside of the organization.
2. Taking of Integrity pledge by officers and employees.
3. Essay & Slogan competition.
4. Quiz competition.
5. At the end of Occasion prize distribution were made to the winners of the Competition by CMD, BPCL.

## 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 STRATEGIC DISINVESTMENT- PRESENT SCENARIO:

Cabinet Committee on Economic Affairs (CCEA) 'in-principle' decided in Oct 2016 to disinvest 100% equity of BPCL through strategic sale with transfer

of Management control. However No response received against Request for Proposal (RFP) upto 1st Aug 2019( last extended date). As per Transaction Analyst (TA), despite good products, disinvestment did not succeed due to Negative 'Net Worth' of the Company, continuous loss over past few years and lease charges at industrial circle rate for 176 acres of land in case of disinvestment.

During Evaluation Committee (EC) meeting held on 23/09/2019, DHI recommended postponement of Disinvestment of BPCL till the Company's performance improves, as the losses have reduced over last 2-3 years, New business opportunities due to revocation from the Holiday List of Engineers India Limited and huge financial outgo & practically no return in case of closure (as the land assets were given to BPCL by the U.P. Govt. free of cost and ,with closure, these land assets cannot be monetized and will be returned to the Govt. of U.P.).

Further Core Group of secretaries (CGD) in their meeting held on 28.11.2019 recommended proposal of DIPAM to proceed for the closure of Company. In this regard, Company has received a letter bearing no. 2(5)/2020-PE.IV dated 28.01.2020 from DHI vide which certain information of liabilities and assets has been asked. The point wise desired information has been submitted by the company vide letter dated 18.02.2020 and 08.05.2020. A Draft Cabinet Note has been circulated to various concerned Ministries/ Departments for the proposal to close BPCL.

Despite the above facts, Company is hopeful for favourable response from competent authority for continuance of the company on the ground of various improvements and initiatives.

## 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. However, due to continuous incurring of losses, since 2012-13 any major CSR activity has not been taken up.

### 22.1 AUDITORS:

M/s. S. R. Gupta & Company, 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 2019-20, 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 account of the company for the year 2019-20 have made certain observations. The reply of 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 way of Note No. 28 (xiii). Company has made provision of 3103.53 lakh towards LD etc for more than 5 years old sundry debtors except of the amount lying in the head of balance payment 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 way of Note No. 28 (xvi)(a)(4).
(d)	Noted for compliance.
(e)	This is very old pending issue and matter is still under correspondence with UP Govt
(f)	Noted for compliance
(g) & (h)	These will be reviewed for compliance in next year.
(i) & (j)	Noted.
(k)	Quantifications of pending cases has already been done, so far as possible.

## 23. COMMENTS OF THE C & A G:

The Comptroller & Auditor General of India has decided to conduct the supplementary audit of the financial statements of Bharat Pumps & Compressors Limited for the year ended 31st March 2020 u/s 143(6) of the Companies Act 2013. Observations of the Comptroller & Auditor General of India on the Accounts of the Company for the year 2019-20 is attached where in it is mentioned that they have no further comment to offer upon or

supplement to Statutory Auditors Report under section 143 (6)(b) of the Companies Act, 2013.

## 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 2019-20 is enclosed.

## 26. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

The details of directors is as under:

Shri Sunil Parwani, Executive Director BHEL has taken over additional charge of CMD, w.e.f. 25.08.2018 and is still continuing.

Shri S.K. Singh, director DHI 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. 11.05.2020 until further orders vice Shri Arvind Kumar Deputy Secretary DHI.

Shri G Uday Kumar ED BHEL has been ceased as a director on the Board of BPCL due to superannuation from BHEL on 24.12.2019. Any other nomination has not been received from BHEL.

Shri R.K.Trivedi Executive Director EIL has been ceased as a director on the Board of BPCL due to superannuation from EIL on 30.04.2020. Any other nomination has not been received from EIL

Shri V.J. Pandya, ED, ONGC has been ceased as a director on the board of BPCL due to superannuation from ONGC on 30.11.2018. Any other nomination has not been received from ONGC.

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 board meeting held during the year 2019-20 are as under:-

B.M. No.	Date of Meeting
240 <sup>th</sup>	20.06.2019
241 <sup>st</sup>	23.09.2019
242 <sup>nd</sup>	31.12.2019
243 <sup>th</sup>	31.03.2020

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 .Non-official part-time Director had been nominated chairman of the Audit and 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 only Audit committee was reconstituted with available directors.

During the year 2019-20, one meeting of audit committee was held on 23.09.2019. 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
47 <sup>th</sup>	30.12.2017 26.02.2018
48 <sup>th</sup>	30.12.2018 16.02.2019
49 <sup>th</sup>	31.12.2019

**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](http://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 2019-20:

- (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 2019-20 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, 2020 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.

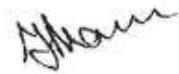
The Board of Directors wish to place on record their gratitude and appreciation of the continued support, guidance and cooperation received from the Govt. of India, particularly Department of Heavy Industry, Ministry of Heavy Industry & Public Enterprises, Department of Public Enterprises (DPE) and from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



(Sunil Parwani)  
Chairman & Managing Director

Date : 23.12.2020

Place: New Delhi



ENCLOSURE

**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended 31<sup>st</sup> March 2020

[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 :**

<b>CIN</b>	<b>U28991UP1970GOI003577</b>
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	77
2	Compressors	8414	23
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 01.04.2019				No. of shares held at the end of the year 31.03.2020				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
A. Indian									
1. GOI	-	5,35,309	5,35,309	99.99	-	5,35,309	5,35,309	99.99	-
2. CMD BPCL	-	1	1	00.01	-	1	1	00.01	-
3. Total	-	5,35,310	5,35,310	100	-	5,35,310	5,35,310	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	4024.40	11159.00	0.00	15183.40
ii) Interest due but not paid	564.73	2938.50	0.00	3503.23
iii) Interest accrued but not due	0.00	594.72	0.00	594.72
<b>Total</b>	<b>4589.13</b>	<b>14692.22</b>	<b>0.00</b>	<b>19281.35</b>
Change in indebtedness during the financial year				
- Addition	94.09	1737.20	0.00	1831.29
- Reduction	145.64	0.00	0.00	145.64
<b>Net change</b>	<b>-51.55</b>	<b>1737.20</b>	<b>0.00</b>	<b>1685.65</b>
Indebtedness at the end of the financial year				
i) Principal Amount	3890.33	11159.00	0.00	15049.33
ii) Interest due but not paid	647.25	4636.22	0.00	5283.47
iii) Interest accrued but not due	0.00	634.20	0.00	634.20
<b>Total (i+ii+iii):</b>	<b>4537.58</b>	<b>16429.42</b>	<b>0.00</b>	<b>20967.00</b>

ATTENDANCE OF THE DIRECTORS DURING THE YEAR 2019-20

Sl.	Name & Designation of Director	Total nos. of Board Meetings held during tenure	Total no. of Board Meetings attended
1.	<b>Shri Sunil Parwani</b> Chairman & Managing Director	04	04
2.	<b>Shri Arvind Kumar,</b> Director	04	03
3.	<b>Shri G. Uday Kumar</b> Director	04	01
4.	<b>Shri R.K. Trivedi</b> Director	04	04

कार्यालय प्रधान निदेशक लेखापरीक्षा  
उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी.एस्टेट,  
नई दिल्ली- 110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE  
NEW DELHI- 110 002

संख्या: ए.एम.जी.111 /2(28)/वार्षिक लेखे-बी.पी.सी.एल./2020-21/Vol.II /208

दिनांक: 23/12/2020

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,  
भारत पम्पस एवं कम्प्रेसर्स लिमिटेड  
नैनी, प्रयागराज,  
उत्तर प्रदेश- 211010

विषय : कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2020 को समाप्त वर्ष के लिए भारत पम्पस एवं कम्प्रेसर्स लिमिटेड के वार्षिक वित्तीय लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2020 को समाप्त हुए वर्ष के लिए भारत पम्पस एवं कम्प्रेसर्स लिमिटेड के वार्षिक वित्तीय लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित की जा रही है। इन टिप्पणियों को कंपनी की वार्षिक रिपोर्ट में प्रकाशित किया जाये।

भवदीया,

(रिना अकोइजम)  
प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT PUMPS & COMPRESSORS LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020.**

The preparation of financial statement of Bharat Pumps & Compressors Limited for the year ended 31st March 2020 in accordance with the financial reporting frame work prescribed under the Companies Act 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller & Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statement 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 Revised Audit Report dated 03.12.2020 which super sedes their erlier Audit Report dated 29.09.2020.

I, on behalf of the Comptroller & Auditor General of India, have conducted a supplementary audit of the financial statement of Bharat Pumps & Compressors Ltd. for the year ended 31st March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without assess to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision (s) made in the statutory auditor's report, to give effect to three of my audit observations raised during supplementary audit. I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

Place : New Delhi  
Date : 23.12.2020

**(Rina Akoijam)**  
Principal Director of Audit  
(Industry & Corporate Affairs)  
New Delhi.



## REVISED INDEPENDENT AUDITOR'S REPORT

To  
The Members of Bharat Pumps & Compressors Limited

### Report on the Standalone Financial Statements

#### Opinion

Our report dated 29th September 2020 on the accounts for the year ended 31st March 2020 has been revised to give effect to the observations made by the Comptroller & Auditor General of India in the Supplementary Audit carried out by them under Section 143(6)(a) of the Companies Act, 2013.

We have audited the accompanying standalone financial statements of Bharat Pump & Compressors Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, statement of Profit and Loss and statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (collectively hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the basis for qualified opinion section of our report (cumulative effect of our qualified opinion is understatement of loss by Rs. 39.67 crores), the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

**(a) Short provision of old debts amounting to Rs. 2514.53 lakh:**

Attention is drawn to Note No. 28 (xiii) with regard to Sundry Debtors amounting to Rs.10061.05 lakh which includes Rs.5111.85 lakh held towards deductions/LD/shortages till 31.3.2020 and Rs.506.21 lakh due towards withhold money till 2012-13 aggregating to Rs. 5618.06 lakh in respect of which company's ability to make ultimate collection thereof with reasonable certainty is lacking. Company has made provision of Rs.3103.53 lakh only upto 31.03.2020 against old debts amounting to Rs. 5618.06 lakh.

**(b) Non reversal of DGFT claims amounting to Rs.262.05 lakh:**

Attention is drawn to sub-head "Statutory/ Govt. Authorities/ Bodies" amounting to Rs.315.06 lakh under Note No. 17 which includes a sum of Rs.262.05 lakh towards receivable from DGFT from financial year 2012-13 to 2017-18 without any evidence of claims lodged/ acknowledgement thereof.

**(c) Non provision of interest claimed by CISF amounting to Rs.1034.74 lakh:**

Attention is drawn to Note No. 28 (xvi)(a)(4) relating to contingent liabilities with regard to interest liability claimed by CISF for Rs. 1034.74 lakh for which no provision has been made in respect of such undisputed liability.

**(d) Non-provision of interest liability on delayed payment of indirect taxes, non compliance of TDS provisions:**

No provision has been made for interest which have accrued on delayed payment of indirect taxes i.e. GST and non compliance of TDS provisions of Income Tax Act. The aggregate amount of such interest could not be quantified for want of relevant information.

**(e) 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.

**(f) Current liabilities and current assets are overstated:**

Constituents of Current Liabilities aggregating to Rs.33537.38 lakh as well as constituents of Current Assets aggregating to Rs.11726.80 lakh as shown in the Balance Sheet are overstated due to non-matching of debit and credit outstanding entries in various heads of accounts.

**(g) Non provision of adjustable advance payment amounting to Rs.155.43 lakh made to Sales Tax authorities:**

Attention is drawn to Note No. 12 wherein adjustable advance payments amounting to Rs.155.43 lakh 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.

**(h) 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. However, management submit, security deposit of contractor is retained by the company against any such contingent liability.

**(i) Additional inventory of scrap :**

During the current financial year 2019-20, an additional inventory of scrap has been identified and accounted for amounting Rs. 123.33 lakhs. This old scrap was not taken into consideration in earlier years. The quantity and value of stock of scrap has been certified by the management itself.

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

**(k) Non-Quantification of pending court cases under Contingent Liabilities:**

Attention is drawn to Note No. 28 (xvi)(a)(4) relating to contingent liabilities with regard to civil suits for 6 cases amounting to Rs.39.66 lakh, out of 82 cases. No quantification is done for remaining 76 cases.

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

**Other Matter – Material Uncertainty related to Going Concern**

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 and further discussion with the management use of the going concern basis of accounting in preparing and presenting the standalone financial statement is seems appropriate for the year 2019-20 in given circumstances. However, Core Group of Secretaries (CGD) in their meeting held on 28.11.2019 in principal recommended to proceed for the closure of Company, which cast significant doubt on the company's ability to continue as a going concern in future. Our opinion is not modified in respect of this matter.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report

that fact. We have nothing to report in this regard.

#### Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of "the Act" for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 "we give Annexure-A" a statement on the matter specified in paragraph 3 & 4 of the Order, to the extent applicable.
- 2) Directions issued by CAG under Section 143(5) of the Companies Act, 2013 has been compiled and set out in the Annexures "B".
- 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, except for the effects of the matters described in the "Basis for qualified opinion" paragraph & Emphasis of matter paragraph, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of "the Act", read with relevant rules made thereunder.
  - (e) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, as per section 143(3)(i) of the Companies Act 2013, we give our separate report in Annexure "C" 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 2020 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.

For S R Gupta & Company  
Chartered Accountants  
FRN : 001939C

(V K Singh)  
Partner

M.No.: 078747

Date: 03<sup>rd</sup> December, 2020  
Place: Prayagraj

UDIN : 20078747AAAAHN7601

## 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 Requirements" 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, 2020 :

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 maintained proper records showing full particulars, including quantitative details and situations of fixed assets except pattern & dies lying with others.
- (b) According to the information and explanations given to us, the fixed assets were not physically verified by the management during the year under audit. However addition to fixed assets during the year was physically verified by independent Internal Auditor as per the report produced before us.
- (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, physical verification of inventory has been conducted by independent Internal Auditor on test check basis during the year but not at reasonable intervals which, considering high number of items, size of the company and nature of its business, needs improvement.  
  
During the current financial year 2019-20, an additional inventory of scrap has been identified and accounted for amounting Rs. 123.33 lakhs. This old scrap was not taken into consideration in earlier years. The quantity and value of stock of scrap has been certified by the management itself. Management submit that valuation of inventory of these scrap items has been done as per past practice i.e. less than last selling price of identical items.
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, GST, 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, 2020 for the period of more than six months, from the date it became payable are as under :

(₹ in lakh)

SNo.	Particulars	Amount
1	Employer's Contribution to Provident Fund	682.45
2	Employee's Contribution to Provident Fund	883.94
3	Deficit of Provident Fund Trust	845.09

b) The disputed statutory dues aggregating to Rs.1707.74 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 Sales/Entry Tax Including Interest	Sales Tax/ET Act & UP Trade Tax Act, 1948	Jt. Comm. (Corporate) /Addl. Comm. (Appeal) - High Court -	37.57 267.69
2.	Income Tax Act,	Income Tax	I.T. Appellate Tribunal	1403.48
			<b>Total</b>	<b>1707.74</b>

8. According to the information and explanation given to us and based on documents and records produced before us, the Company has defaulted in repayment of Government Loan including interest of Rs. 11085.82 lakh.
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 2019-20. 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 S R Gupta & Company  
Chartered Accountants  
FRN : 001939C



(V K Singh)  
Partner

M.No.: 078747

UDIN : 20078747AAAAHN7601

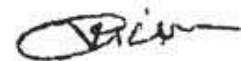
Date: 03<sup>rd</sup> December, 2020  
Place: Prayagraj

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
BHARAT PUMPS & COMPRESSORS LIMITED**

**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, 2020**

Sl.No.	Directions	Comments
1.	Whether the company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated.	Yes. Accounting of the company is computerized in Oracle Operating System. All transactions are finally routing through IT System. As such, there is neither any impact on integrity of accounts nor any financial impact.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	NO
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List of cases of deviation.	YES

For S R Gupta & Company  
Chartered Accountants  
(FRN : 001939C)



(V K Singh)  
Partner

(M.No.: 078747)

UDIN : 20078747AAAAHN7601

Date: 03<sup>rd</sup> December, 2020  
Place: Prayagraj

## ANNEXURE "C" 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, 2020.

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

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 2020 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 some material aspects with respect to internal financial

control system over financial reporting as at March 31, 2020 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R Gupta & Company  
Chartered Accountants  
(FRN : 001939C)

(V K Singh)  
Partner

(M.No.: 078747)

UDIN : 20078747AAAAHN7601

Date: 03<sup>rd</sup> December, 2020  
Place: Prayagraj

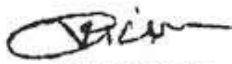
## Balance Sheet as at 31st March, 2020

(₹ in Lakh)

PARTICULARS	Note No.	As at 31st March, 2020		As at 31st March, 2019	
1	2	3		4	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	5353.10		5353.10	
(b) Reserves and Surplus	2	(26714.32)	(21361.22)	(24015.40)	(18662.30)
<b>(2) Non Current Liabilities</b>					
(a) Long Term Borrowings	3	2477.60		4709.40	
(b) Other Long Term Liabilities	4	8.23		8.32	
(c) Long Term Provisions	5	1368.20	3854.03	1711.88	6429.60
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	6	2690.33		2824.40	
(b) Trade Payables		2942.60		3303.22	
(c) Other Current Liabilities	7	26976.47		22758.44	
(d) Short Term Provisions	8	927.98	33537.38	1152.74	30038.80
<b>(4) Deferred Tax Liability</b>	<b>11</b>		<b>0.00</b>		<b>0.00</b>
<b>TOTAL :</b>			<b>16030.19</b>		<b>17806.10</b>
<b>II. ASSETS</b>					
<b>(1) Non Current Assets</b>					
(a) Property, Plant and Equipment	9				
(i) Tangible Assets		2971.39		3396.42	
(ii) Intangible Assets		2.67		2.85	
		2974.06		3399.27	
(b) Non Current Investments	10	0.00		0.00	
(c) Long Term Loans and Advances	12	1329.33		1331.64	
(d) Other Non Current Assets	13	0.00	4303.39	0.00	4730.91
<b>(2) Current Assets</b>					
(a) Inventories	14	3177.02		3232.50	
(b) Trade Receivables	15	6957.52		7684.51	
(c) Cash and Cash Equivalents	16	450.14		444.46	
(d) Short Term Loans and Advances	17	1142.12	11726.80	1713.72	13075.19
<b>TOTAL :</b>			<b>16030.19</b>		<b>17806.10</b>

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

In terms of our revised report dated 03.12.2020  
For S.R. Gupta & Company  
Chartered Accountants



(V.K. SINGH)

Partner

M.No. 078747

UDIN : 20078747AAAAHN7601



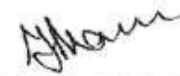
(RATAN PRAKASH)

Chief General Manager



(S.K. SINGH)

Director



(SUNIL PARWANI)

Chairman and  
Managing Director



(INDRASEN SINGH)

DGM (F & A) &  
Co. Secretary

Place : Allahabad  
Date : 29.09.2020



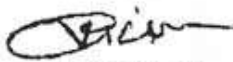
## Statement of Profit & Loss for the year ended 31st March, 2020

(₹ in Lakh)

PARTICULARS	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	2	3	4
<b>(I) Revenue from operations :</b>	<b>18</b>		
Gross revenue from sale of products and services		6572.48	6866.29
Less : GST		603.91	646.37
Net revenue from sale of products and services		5968.57	6219.92
Other operating revenue		125.01	5.13
		6093.58	6225.05
<b>(II) Other Income</b>	<b>19</b>	246.56	536.16
<b>(III) Total Revenue</b>		<b>6340.14</b>	<b>6761.21</b>
<b>(IV) Expenses :</b>			
Cost of materials consumed	20	1274.13	1289.02
Changes in inventories of Finished goods and Work-in-progress	21	202.08	1410.24
Employee benefits expenses	22	2571.71	3188.18
Finance costs		2672.88	2675.12
Depreciation and amortisation expenses	9	464.28	465.09
Other expenses	23	1166.07	1268.40
Provision for bad & doubtful debts		687.91	306.93
<b>Total Expenses</b>		<b>9039.06</b>	<b>10602.98</b>
<b>Profit before exceptional and extra ordinary items and tax</b>		<b>(2698.92)</b>	<b>(3841.77)</b>
Prior Period Adjustment (Net)	24	0.00	0.00
<b>Profit before Tax</b>		<b>(2698.92)</b>	<b>(3841.77)</b>
<b>Tax expense :</b>			
Current Tax		0.00	0.00
Deferred Tax		0.00	(493.43)
			(493.43)
<b>Profit for the year</b>		<b>(2698.92)</b>	<b>(3348.34)</b>
Earning per share (Face value ₹ 1000.00 each)			
Basic		₹ (504.18)	₹ (625.50)
Diluted		₹ (504.18)	₹ (625.50)

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

In terms of our revised report dated 03.12.2020  
For S.R. Gupta & Company  
Chartered Accountants



(V.K. SINGH)

Partner

M.No. 078747

UDIN : 20078747AAAAHN7601



(RATAN PRAKASH)

Chief General Manager



(S.K. SINGH)

Director



(SUNIL PARWANI)

Chairman and

Managing Director



(INDRASEN SINGH)

DGM (F & A) &  
Co. Secretary

Place : Allahabad  
Date : 29.09.2020

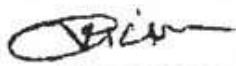
## Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lakh)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash Flows from Operating Activities :</b>		
Profit Before Tax	(2698.92)	(3841.77)
Adjustments for :-		
Depreciation	445.52	441.88
Interest Income	(23.16)	(489.34)
Interest Expenditure	2672.88	2675.12
Depreciation written back	0.00	0.00
<b>Operating Profit Before Working Capital Changes</b>	<b>396.32</b>	<b>(1214.11)</b>
<b>Change in Working Capital :</b>		
(Increase) / Decrease in Stock	55.48	1170.83
(Increase) / Decrease in Trade Receivables, Loans and Advances and other assets	1306.70	(478.09)
Increase / (Decrease) in Trade payables and other Liabilities	(184.67)	1830.80
Total Working Capital Changes - Decreased / (Increased)	1177.51	2523.54
<b>Cash generated from Operating Activities</b>	<b>1573.83</b>	<b>1309.43</b>
Tax Paid	8.57	17.06
Tax Adjusted	10.86	33.09
<b>Net Cash from Operating Activities (A)</b>	<b>1576.12</b>	<b>1325.46</b>
<b>B. Cash Flows from Investing Activities :</b>		
Purchase of Fixed Assets & DRE Expenses	(20.31)	(15.22)
Interest Received	15.05	485.03
<b>Net Cash from Investing Activities (B)</b>	<b>(5.26)</b>	<b>469.81</b>
<b>C. Cash Flows from Financing Activities :</b>		
Increase / (Decrease) in Share Capital	0.00	0.00
Increase / (Decrease) in Provisions	(568.44)	(990.37)
Increase / (Decrease) in Reserves & Surplus	0.00	0.00
(Increase) / Decrease in Long Term Loans and Advances	0.02	1.30
Increase / (Decrease) in Other Long Term Liabilities	(0.09)	(0.97)
Interest Paid	(862.60)	(927.27)
Repayment of Short Term Borrowings	0.00	0.00
Dividend and Dividend Tax Paid	0.00	0.00
<b>Net Cash from Financing Activities (C)</b>	<b>(1431.11)</b>	<b>(1917.31)</b>
Net Increase in Cash and Cash Equivalents (A+B+C)	139.75	(122.04)
Cash & Cash Equivalents at beginning of the year	(2379.94)	(2257.90)
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>(2240.19)</b>	<b>(2379.94)</b>
<b>NOTE :</b>		
<b>Components of Cash &amp; Cash Equivalents :</b>		
Cash & Bank Balances	450.14	444.46
Secured Loans (Cash Credit)	(2690.33)	(2824.40)
<b>Cash &amp; Cash Equivalents as stated above</b>	<b>(2240.19)</b>	<b>(2379.94)</b>
(Figures in bracket represents negative figures)		

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

In terms of our revised report dated 03.12.2020  
For S.R. Gupta & Company  
Chartered Accountants



(V.K. SINGH)

Partner

M.No. 078747

UDIN : 20078747AAAAHN7601

Place : Allahabad  
Date : 29.09.2020



(RATAN PRAKASH)

Chief General Manager

On behalf of the Board



(S.K. SINGH)

Director



(INDRASEN SINGH)

DGM (F & A) &  
Co. Secretary



(SUNIL PARWANI)

Chairman and  
Managing Director

## Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
<b>(1) Share Capital :</b>		
<b>AUTHORISED :</b>		
6,50,000 Equity Shares of ₹1000/-each (Previous Year 6,50,000 Equity shares of ₹1,000/- each)	<u>6500.00</u>	<u>6500.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
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.		
<b>TOTAL :</b>	<u>5353.10</u>	<u>5353.10</u>
<b>(2) RESERVES &amp; SURPLUS :</b>		
<b>Capital Reserve :</b>		
At the begining of the year	3001.70	3001.70
At the end of the year	3001.70	3001.70
<b>Surplus in Statement of Profit and Loss :</b>		
At the begining of the year	(27017.10)	(23668.76)
Add : Profit for the year	<u>(2698.92)</u>	<u>(3348.34)</u>
At the end of the year	(29716.02)	(27017.10)
<b>TOTAL :</b>	<u>(26714.32)</u>	<u>(24015.40)</u>

## Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
<b>(3) LONG-TERM BORROWINGS :</b>		
Loans and advances from related parties		
<b>Unsecured</b>		
Loan from Government of India	2477.60	4709.40
<b>TOTAL :</b>	<u>2477.60</u>	<u>4709.40</u>

**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 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, 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 :

	2019-20 Loan From BHEL	2019-20 Loan From GOVT.	2018-19 Loan From BHEL	2018-19 Loan From GOVT.
<b>Borrowings repayable</b>				
in the first year (Note No. 7)	1200.00	8681.40	1200.00	6449.60
<b>Current maturities of long term debt</b>	<u>1200.00</u>	<u>8681.40</u>	<u>1200.00</u>	<u>6449.60</u>
in the second year	0.00	2231.80	0.00	2231.80
in the third to fifth year	0.00	245.80	0.00	2477.60
after five years	0.00	0.00	0.00	0.00
<b>Long -term borrowings</b>	<u>0.00</u>	<u>2477.60</u>	<u>0.00</u>	<u>4709.40</u>

	As at 31st March, 2020	As at 31st March, 2019
<b>(4) OTHER LONG TERM LIABILITIES :</b>		
Other Deposits	8.23	8.32
<b>TOTAL :</b>	<u>8.23</u>	<u>8.32</u>

	As at 31st March, 2020	As at 31st March, 2019
<b>(5) LONG-TERM PROVISIONS :</b>		
Provision for employee benefits		
Provision for Gratuity	1007.33	1270.76
Provision for Leave Encashment	360.87	441.12
<b>TOTAL :</b>	<u>1368.20</u>	<u>1711.88</u>

## Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
<b>(6) SHORT-TERM BORROWINGS :</b>		
Secured		
Loans from Bank		
Cash credit facilities from SBI Naini (Cash Credit limit from SBI Naini is secured by hypothecation of entire current assets)	2555.10	2687.45
Overdraft facilities from Corporation Bank (Secured by hypothecation of Fixed deposit Receipts)	135.23	136.95
<b>TOTAL :</b>	<u>2690.33</u>	<u>2824.40</u>
<b>(7) OTHER CURRENT LIABILITIES :</b>		
Current maturities of long-term debts (Note No. 3)	9881.40	7649.60
Interest accrued on borrowings	5917.68	4107.41
Sundry deposits	86.68	95.67
Payables for fixed assets	113.24	106.71
Statutory liabilities	6752.38	6647.19
Advance received from customers	259.67	371.78
Others	3965.42	3780.08
<b>TOTAL :</b>	<u>26976.47</u>	<u>22758.44</u>
<b>(8) SHORT-TERM PROVISIONS :</b>		
Current portion of long-term employee benefits		
Provision for Gratuity	679.63	835.86
Provision for Leave Encashment	248.35	316.88
<b>TOTAL :</b>	<u>927.98</u>	<u>1152.74</u>

## Notes to the financial statements

## (9) Property, Plant &amp; Equipment : GROSS BLOCK

(₹ in Lakh)

Particulars	Gross Block			Depreciation and Amortisation			Net Book Value		
	As at 31.03.2019	Additions	Withdrawals and adjustments	As at 31.03.2020	Upto 31.03.2019	For the year and adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>Tangible assets :</b>									
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	400.31	5.06	405.37	123.70	128.76
Drain, sewer, & water supply	39.59	0.00	0.00	39.59	32.23	1.37	33.60	5.99	7.36
Plant & Machinery	8216.25	0.00	0.00	8216.25	5246.10	403.08	5649.18	2567.07	2970.15
Elect.fitting & Instal.(Factory)	160.29	0.00	0.00	160.29	157.79	1.09	158.88	1.41	2.50
Elect.Fitting & Instal. (Office)	74.34	0.94	0.00	75.28	68.12	3.62	71.74	3.54	6.22
Data Processing Elect.Equip.	245.91	0.50	0.00	246.41	240.34	0.38	240.72	5.69	5.57
Vehicles	21.26	0.00	0.00	21.26	20.63	0.00	20.63	0.63	0.63
Office & Misc. Equipments	275.29	0.13	0.00	275.42	264.02	2.12	266.14	9.28	11.27
Furniture and fixtures	65.95	0.03	0.00	65.98	65.21	0.08	65.29	0.69	0.74
Tele.Exchange & Fax Machine	23.33	0.00	0.00	23.33	22.61	0.01	22.62	0.71	0.72
Pattern & Dies	749.61	18.71	0.00	768.32	503.62	28.53	532.15	236.17	245.99
<b>TOTAL :</b>	<b>10431.69</b>	<b>20.31</b>	<b>0.00</b>	<b>10452.00</b>	<b>7035.27</b>	<b>445.34</b>	<b>7480.61</b>	<b>2971.39</b>	<b>3396.42</b>
Previous year	10417.31	14.38	0.00	10431.69	6593.42	441.85	7035.27	3396.42	3823.89
<b>Intangible Assets :</b>									
Computer Software	90.62	0.00	0.00	90.62	87.77	0.18	87.95	2.67	2.85
<b>TOTAL :</b>	<b>90.62</b>	<b>0.00</b>	<b>0.00</b>	<b>90.62</b>	<b>87.77</b>	<b>0.18</b>	<b>87.95</b>	<b>2.67</b>	<b>2.85</b>
Previous year	89.78	0.84	0.00	90.62	87.74	0.03	87.77	2.85	2.04
<b>GRAND TOTAL :</b>	<b>10522.31</b>	<b>20.31</b>	<b>0.00</b>	<b>10542.62</b>	<b>7123.04</b>	<b>445.52</b>	<b>7568.56</b>	<b>2974.06</b>	<b>3399.27</b>
Previous Year :	10507.09	15.22	0.00	10522.31	6681.16	441.88	7123.04	3399.27	3825.93

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 :**

(₹ in Lakh)

**2019-20**

445.34  
 0.18  
 0.15  
 18.61  
**464.28**

**2018-19**

441.85  
 0.03  
 0.01  
 23.20  
**465.09**

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

(2) Gross block excludes ₹ 7.36 lakh (Previous year ₹ 7.21 lakh) being the value of petty assets upto ₹ 100/- each charged off.



## Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
<b>(10) NON CURRENT INVESTMENTS :</b>		
In fully paid 5 shares of ₹ 50/- each (unquoted) at cost in the Crescent Co-operative Housing Society Ltd., Mumbai	0.00	0.00
<b>TOTAL :</b>	<u>0.00</u>	<u>0.00</u>

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, 2020	As at 31st March, 2019
<b>(11) DEFERRED TAX ASSETS (NET) :</b>		
Deferred tax assets :		
Provision for employee benefits		
Gratuity	421.74	526.66
Leave encashment	152.31	189.50
Employers Contribution to Provident Fund	38.99	48.72
Employees Contribution to Provident Fund	34.82	82.66
	<u>647.86</u>	<u>847.54</u>
Deferred tax liabilities :		
On fiscal allowances on fixed assets	335.46	381.03
	<u>335.46</u>	<u>381.03</u>
<b>TOTAL (NET) :</b>	<u>0.00</u>	<u>0.00</u>

NOTE : Since there is no virtual certainty of future taxable income, DTA has not been created in line with AS-22.

	As at 31st March, 2020	As at 31st March, 2019
<b>(12) LONG-TERM LOANS AND ADVANCES :</b>		
Capital advances	3.50	3.50
Unsecured, considered good		
Deposits	190.85	190.87
Unsecured, considered good		
Other loans and advances	2.45	2.45
Unsecured, considered good		
Advance tax (net of provisions)	1132.53	1134.82
<b>TOTAL :</b>	<u>1329.33</u>	<u>1331.64</u>

	As at 31st March, 2020	As at 31st March, 2019
<b>(13) OTHER NON CURRENT ASSETS :</b>		
Interest accrued on deposits	0.00	0.00
<b>TOTAL :</b>	<u>0.00</u>	<u>0.00</u>

## Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
<b>(14) INVENTORIES :</b>		
(As taken, valued & certified by the Management)		
Raw Materials (at cost)	1143.29	1140.11
Work-in-progress :		
(at cost or realisable value whichever is lower)		
Pumps & Compressors	1205.84	1132.32
Gas Cylinders	<u>95.66</u>	<u>95.66</u>
	1301.50	1227.98
Finished goods (manufactured) :		
(At cost or realisable value whichever is lower)		
Pumps & Compressors	0.00	275.60
Gas Cylinders	<u>34.00</u>	<u>34.00</u>
	34.00	309.60
Stores and Spares (at cost)	457.33	418.87
Loose Tools (at cost less depreciation)	74.43	92.80
Scrap (at estimated realisable value)	<u>166.47</u>	<u>43.14</u>
	<u>3177.02</u>	<u>3232.50</u>
The above includes goods in transit as under :		
Raw materials	0.00	0.00
Stores and Spares	<u>0.00</u>	<u>0.00</u>
<b>TOTAL :</b>	<u>0.00</u>	<u>0.00</u>
<b>(15) TRADE RECEIVABLES :</b>	As at 31st March, 2020	As at 31st March, 2019
Outstanding for a period exceeding six months from the date they are due for payment	6625.46	6860.76
Unsecured, considered good		
Others	3435.59	3239.37
Unsecured, considered good		
	<u>10061.05</u>	<u>10100.13</u>
Less : Provisions for bad & doubtful debts	<u>3103.53</u>	<u>2415.62</u>
<b>TOTAL :</b>	<u>6957.52</u>	<u>7684.51</u>
<b>(16) CASH AND CASH EQUIVALENTS :</b>	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks		
Current / Saving Accounts	51.45	53.06
Margin money Accounts	220.97	213.82
Deposit Accounts	176.30	175.33
Cash / Postage Stamps on hand	<u>1.42</u>	<u>2.25</u>
<b>TOTAL :</b>	<u>450.14</u>	<u>444.46</u>



## Notes to the financial statements

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
<b>(17) SHORT TERM LOANS AND ADVANCES :</b>		
Others (Unsecured, considered good)		
Advances to employees	32.29	37.87
Advances for purchases	662.14	1239.58
Advances for purchase of fixed assets	44.53	79.03
Advances others	85.47	72.88
Commercial advances and deposits with Statutory / Government authorities / bodies	315.60	282.27
Other deposits	2.09	2.09
<b>TOTAL :</b>	<b>1142.12</b>	<b>1713.72</b>

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>(18) REVENUE FROM OPERATIONS :</b>		
<b>Gross revenue from :</b>		
Sale of products	6478.26	6622.85
Sale of services	94.22	243.44
	<u>6572.48</u>	<u>6866.29</u>
Less : GST	603.91	646.37
Net revenue from sale of products and services	<u>5968.57</u>	<u>6219.92</u>
<b>Other operating revenue :</b>		
Scrap sales (Gross)	1.98	6.10
Less : GST	0.30	0.93
Scrap sales (Net)	1.68	5.17
Accretion /(decretion) to scrap stock	123.33	(0.04)
<b>TOTAL :</b>	<b>125.01</b>	<b>5.13</b>

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>(19) OTHER INCOME :</b>		
Interest income	23.16	489.34
Liquidated damages recovered from Suppliers / Contractors	10.67	9.39
Other non-operating income :		
Liabilities written back	72.59	3.15
Miscellaneous income	140.14	34.28
<b>TOTAL :</b>	<b>246.56</b>	<b>536.16</b>
Interest income comprises interest from :		
Deposits with Banks	17.96	17.38
Others	5.20	471.96

## Notes to the financial statements

(₹ in Lakh)

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>(20) COST OF MATERIALS CONSUMED :</b>				
Consumption of Raw Materials		1255.13		1273.11
Consumption of Stores and Spares		19.00		15.91
<b>TOTAL :</b>		<u>1274.13</u>		<u>1289.02</u>
<b>(21) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS :</b>				
Finished goods manufactured (PC)				
Opening stock	275.60		0.00	
Closing stock	0.00	275.60	275.60	(275.60)
Finished goods manufactured (GC)				
Opening stock	34.00		34.00	
Closing stock	34.00	0.00	34.00	0.00
Work-in-progress (PC)				
Opening stock	1132.32		2818.16	
Closing stock	1205.84	(73.52)	1132.32	1685.84
Work-in-progress (GC)				
Opening stock	95.66		95.66	
Closing stock	95.66	0.00	95.66	0.00
		202.08		1410.24
GST on increase / (decrease) of finished goods		0.00		0.00
<b>TOTAL :</b>		<u>202.08</u>		<u>1410.24</u>
<b>(22) EMPLOYEE BENEFITS EXPENSE :</b>				
<b>1. EMPLOYEES REMUNERATION :</b>				
(i) Salaries, Wages & Allowances	1610.24		1978.33	
(ii) Contribution to Funds :				
Provident Fund & Family Pension	175.90		218.16	
Employee's State Insurance	0.41	1786.55	0.12	2196.61
<b>2. EMPLOYEES WELFARE :</b>				
(i) Staff Welfare Expenses	29.37		46.53	
(ii) Medical Expenses	129.31	158.68	142.63	189.16
<b>3. SOCIAL OVERHEADS :</b>				
(i) Canteen Expenses (Net)	42.68		51.38	
(ii) Subsidised Transport (Net)	52.67		57.84	
(iii) Leave Travel Concession	0.00	95.35	19.97	129.19
<b>4. RETIREMENT BENEFITS :</b>				
(i) Gratuity	338.40		351.25	
(ii) Leave Encashment	192.73	531.13	321.97	673.22
<b>TOTAL :</b>		<u>2571.71</u>		<u>3188.18</u>

## Notes to the financial statements

(₹ in Lakh)

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>(23) OTHER EXPENSES :</b>				
Power	150.39		165.76	
Fuel	<u>6.55</u>	156.94	<u>7.00</u>	172.76
Repairs and Maintenance to :				
Building	9.02		14.87	
Plant & Machinery	22.22		15.68	
Others	<u>7.34</u>	38.58	<u>9.91</u>	40.46
Rent (Net)		13.71		14.74
Rates and Taxes		15.35		6.81
Director's Fees & Expenses		0.12		0.00
Insurance		2.29		2.81
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		9.00		6.46
Postage and Telephone		8.72		9.90
Travelling & Conveyance - Inland	46.90		39.65	
- Foreign	<u>0.00</u>	46.90	<u>0.00</u>	39.65
Bank Charges		46.60		65.75
Training Expenses		2.24		1.12
Expenses on C.I.S.F.		572.41		575.95
Exchange Rate Variation		24.36		10.35
Other Administration Expenses		212.89		311.92
Entertainment Expenses		0.86		0.65
Advertisement & Publicity Expenses		1.12		0.32
Other Selling Expenses		12.68		7.45
<b>TOTAL :</b>		<u><b>1166.07</b></u>		<u><b>1268.40</b></u>
<b>(24) PRIOR PERIOD ADJUSTMENTS (NET) :</b>				
Expenses		0.00		0.00
Income		<u>0.00</u>		<u>0.00</u>
<b>TOTAL :</b>		<u><b>0.00</b></u>		<u><b>0.00</b></u>

## 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 applying going concern concept 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 and Accounting Standards requires estimates and assumptions to be made that affect the reported amounts of 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 / GST.
- 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, 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 Actuarial 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 Actuarial 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 Accounting Standard 18 "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.

### FELLOW SUBSIDIARY / ASSOCIATES :

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

	2019-20			2018-19		
	BHEL	ONGC	EIL	BHEL	ONGC	EIL
A. Purchases made from	0.00	0.00	0.00	3.63	0.00	0.00
B. Sales made to	0.00	2217.73	0.00	723.41	3273.22	0.00
C. Amount realisable from	1050.39	2112.48	182.94	1169.90	2332.67	241.21
D. Amount payable to	671.96	0.00	0.00	691.96	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	1847.26	0.00	0.00	1764.73	0.00	0.00

(₹ in Lakh)

## Notes to the financial statements

(₹ in Lakh)

### 27. SEGMENT INFORMATION : Primary Segment - Business Segment

	For the year ended 31.03.2020				For the year ended 31.03.2019			
	PUMPS	COMPRESSORS	GAS CYLINDERS	TOTAL	PUMPS	COMPRESSORS	GAS CYLINDERS	TOTAL
<b>A. SEGMENT REVENUE :</b>								
(i) Segment Revenue	4910.67	1406.31	0.00	6316.98	5361.56	910.31	0.00	6271.87
(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)	4910.67	1406.31	0.00	6316.98	5361.56	910.31	0.00	6271.87
<b>B. SEGMENT RESULTS :</b>								
(i) Segment Results	528.58	199.68	(89.55)	638.71	(1834.33)	547.76	(62.49)	(1349.06)
(ii) Unallocated Expenses (Net) (Expenses)				(3337.63)				(2493.24)
(iii) Profit before Tax				(2698.92)				(3842.30)
(iv) Income Tax/FBT/MAT/Deferred Tax				0.00				493.43
(v) Profit after Tax				(2698.92)				(3348.87)
<b>C. ASSETS &amp; LIABILITIES :</b>								
(i) Segment Assets	9597.90	3319.96	929.70	13847.56	11655.95	2889.32	1127.49	15672.76
(ii) Unallocated Assets				2182.63				2133.34
(iii) Total Assets				16030.19				17806.10
(iv) Segment Liabilities	22061.60	7865.70	0.00	29927.30	21024.43	5046.08	0.00	26070.51
(v) Unallocated Liabilities				(13897.11)				(8264.41)
(vi) Total Liabilities				16030.19				17806.10
<b>D. OTHER INFORMATIONS :</b>								
(i) Cost incurred during the period to acquire fixed assets (incl. Capital WIP)	14.97	5.34	0.00	20.31	9.90	2.38	2.94	15.22
(ii) Depreciation	276.24	98.47	89.57	464.28	302.57	72.62	89.90	465.09
(iii) Non Cash Expenses (other than Dep.)	514.65	173.26	0.00	687.91	234.69	72.24	0.00	306.93

## 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 ₹ 1034.74 lakhs (previous year ₹ 809.68 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.
- (viii) The Company, at present, is not having any scheme for post-retirement medical benefits.
- (ix) In order to comply with the Accounting Standard 28 - " 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 ₹ 12.56 lakhs is outstanding for more than 45 days payable to Micro and Small Enterprises as at 31st March, 2020 (previous year ₹ 16.48 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.



## Notes to the financial statements

(B) Estimated amount of subjudice case of fitment benefit to Executive employees for wage revision 2007 amounting to ₹ 1000.00 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 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. Request for Proposal (RFP) has been invited by entrusted agency (Transaction Advisor) appointed by DIPAM/ Govt. of India. However, no response received against RFP upto last extended date (1st Aug. 2019).

(xiii) Sundry Debtors as on 31.03.2020 amounting to ₹

10061.05 lakhs (Previous Year ₹ 10100.13 lakhs) includes ₹ 5111.85 lakhs (Previous Year ₹ 5030.71 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 ₹ 687.91 lakhs during the year (Previous year ₹ 306.93 lakhs) and cumulative provisions for bad & doubtful debts as on 31.03.2020 is ₹ 3103.53 lakhs (Previous year ₹ 2415.62 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.

(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, 2020	As at 31st March, 2019
<b>(xvi) Contingent liabilities and commitments :</b>		
<b>(a) Contingent liabilities :</b>		
Claims against the Company not acknowledged as debts :		
(1) Sales tax liability including interest pending appeal	305.26	317.14
(2) Electricity bill liabilities due to revised tariff and penalty pending appeal	32.61	32.61
(3) In respect of civil suits	39.66	34.70
(4) Interest liability claimed by CISF	1034.74	809.68
(5) Income Tax liability pending appeal *	1403.48	1403.48
(6) Outstanding Letter of Credit *	265.65	217.69
(7) Outstanding Bank Guarantees *	385.87	2571.59
(8) Interest on BPC Employees Co-operative Society dues	0.00	102.42
(9) Liability related to Arrear of Wage revision 1997 (Estimated)	3000.00	3000.00
(10) Subjudice case of fitment benefit of Wage revision 2007 of Executive employees (Estimated)	1000.00	800.00
<b>(b) Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	205.64	205.64

\* Excluding interest liability

	2019-20		2018-19	
	Canteen	Transport	Canteen	Transport
<b>(xvii) Social overheads :</b>				
Total Expenditure	44.82	53.94	53.46	59.42
Less : Total Income	2.14	1.27	2.08	1.58
Net Expenditure	42.68	52.67	51.38	57.84

## Notes to the financial statements

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

#### (xviii) Details of Provisions as per Accounting Standard - 29 :

( ₹ in Lakh)

SL	Particulars of Provisions	Op. Balance as on 01.04.2019	Additions during the year	Paid/ Adjustments during the year	Reversed during the year	Closing Balance as on 31.03.2020
1	Gratuity	2106.62	338.40	758.06	0.00	1686.96
2	Leave Encashment	758.00	192.73	341.51	0.00	609.22
	<b>TOTAL :</b>	<b>2864.62</b>	<b>531.13</b>	<b>1099.57</b>	<b>0.00</b>	<b>2296.18</b>
	Previous Year	3854.99	598.99	1589.36	0.00	2864.62

#### **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.) :

	2019-2020	2018-2019
(xix) <b>CIF VALUE OF IMPORTS :</b>		
Raw materials and components	57.35	209.12
(xx) <b>EXPENDITURE IN FOREIGN CURRENCY: (on cash basis)</b>		
Analog Study	22.08	9.62
(xxi) <b>F O B VALUE OF EXPORT :</b>		
Exports of goods	0.00	0.00
(xxii) <b>CONSUMPTION OF IMPORTED &amp; INDIGENOUS MATERIALS :</b>		
A. Value of all imported raw materials & components, stores & spare parts consumed	60.31	135.93
B. Value of all indigenous raw materials & components, stores & spare parts consumed	1213.82	1153.09
C. Percentage of each to total consumption	5 % & 95 %	11 % & 89 %

#### 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) :

	2019-2020		2018-2019	
	Quantity (Nos)	Value (₹ in Lakh)	Quantity (Nos)	Value (₹ in Lakh)
A. Compressors	00 No.+spares	1513.65	00 No.+spares	911.88
B. Pumps :				
1. R.P.	07 Nos+spares	3150.76	03 Nos+spares	3820.31
2. C.P.	01 Nos+spares	1813.85	07 Nos+spares	1890.66
C. Gas Cylinders	00 Nos.	0.00	00 Nos.	0.00
D. Execution of erection & other jobs	-	94.22	-	243.44
<b>TOTAL :</b>		<b>6572.48</b>		<b>6866.29</b>

### (xxiv) BREAKUP OF RAW MATERIALS & COMPONENTS CONSUMED :

	2019-2020		2018-2019	
	Quantity	Value (₹ in Lakh)	Quantity	Value (₹ in Lakh)
<b>A. INDIGENOUS :</b>				
1. Steel plates	1.16 MT	0.49	6.10 MT	2.71
2. Boughtout materials for PC *	-	508.27	-	683.27
3. Other Misc. items *	-	686.06	-	451.20
<b>TOTAL :</b>		<b>1194.82</b>		<b>1137.18</b>
<b>B. IMPORTED :</b>				
1. Components for PC *	-	60.31	-	124.22
2. Other Misc. items *	-	0.00	-	11.71
<b>TOTAL :</b>		<b>60.31</b>		<b>135.93</b>
<b>Total Raw Materials and components consumed</b>		<b>1255.13</b>		<b>1273.11</b>

\* 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.) :

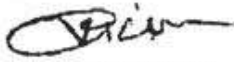
#### (xxvi) STOCK OF GOODS PRODUCED :

	2019-2020		2018-2019	
	Quantity (Nos)	Value (₹ in Lakh)	Quantity (Nos)	Value (₹ in Lakh)
<b>A. PUMPS :</b>				
1. Centrifugal	00 Nos (00 Nos)	0.00 (0.00)	00 Nos (00 Nos)	0.00 (0.00)
2. Reciprocating	00 Nos (02 Nos)	0.00 (275.60)	02 Nos (00 Nos)	275.60 (0.00)
<b>B. COMPRESSORS :</b>				
1. Reciprocating	00 Nos (00 Nos)	0.00 (0.00)	00 Nos (00 Nos)	0.00 (0.00)
<b>C. CYLINDERS :</b>				
Various Types	400 Nos (400 Nos)	34.00 (34.00)	400 Nos (400 Nos)	34.00 (34.00)

#### SUB NOTE :

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

In terms of our revised report dated 03.12.2020  
For S.R. Gupta & Company  
Chartered Accountants



(V.K. SINGH)

Partner

M.No. 078747

UDIN : 20078747AAAAHN7601



(RATAN PRAKASH)

Chief General Manager

On behalf of the Board



(S.K. SINGH)

Director



(SUNIL PARWANI)

Chairman and  
Managing Director



(INDRASEN SINGH)

DGM (F & A) &  
Co. Secretary

Place : Allahabad  
Date : 29.09.2020



## TEN YEAR DIGEST

(₹ in Lakh)

SL	PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
1	VALUE OF PRODUCTION	6370.40	5456.05	7628.01	7601.12	6967.47	7769.00	15012.60	15274.40	15829.80	20908.60
2	SALES	6572.48	6866.29	7712.20	7490.94	7851.94	10223.49	14705.80	12902.30	15215.30	21021.30
3	GROSS PROFIT/(LOSS) / PBDIT	1126.15	(394.63)	(1129.33)	(4152.48)	(4696.03)	(3471.56)	(583.90)	(1883.90)	792.70	2867.00
4	DEPRECIATION / DRE	464.28	465.09	478.45	506.04	514.96	704.95	485.20	493.90	381.70	439.00
5	INTEREST	2639.44	2675.12	2639.44	1805.25	789.48	599.53	498.70	298.70	261.10	525.90
6	(a) PROFIT/(LOSS) BEFORE TAX	(2011.01)	(3534.84)	(4247.22)	(5411.47)	(5534.76)	(4776.04)	(1567.90)	(2676.40)	149.90	1902.10
	ON CURRENT OPERATIONS *	687.91	306.93	383.02	1725.67	0.00	0.00	0.00	0.00	23.90	0.00
	(b) (i) PROVISIONS	0.00	0.00	0.00	1052.30	775.78	0.00	0.00	0.00	30.90	(1.10)
	(ii) NET PRIOR PERIOD ADJ.	0.00	0.00	0.00	0.00	(310.07)	0.00	0.00	0.00	0.00	475.50
	(iii) EXTRA ORDINARY ITEM	(2698.92)	(3841.77)	(4630.24)	(8189.44)	(6000.47)	(4776.04)	(1567.90)	(2676.40)	156.90	1425.50
7	(c) PROFIT/(LOSS) BEFORE TAX	0.00	(493.43)	(238.73)	207.96	1590.06	727.73	(1043.60)	114.70	248.20	472.60
	PROVISION FOR TAX	(2698.92)	(3348.34)	(4391.51)	(8397.40)	(7590.53)	(5503.77)	(524.26)	(2791.10)	(91.40)	952.90
8	NET PROFIT/(LOSS)/AFTER TAX	10542.62	10522.31	10507.09	10468.86	10444.77	10435.75	8777.50	8648.70	8126.70	7003.30
9	GROSS BLOCK	2974.06	3399.27	3825.93	4237.14	4682.91	5145.31	4281.90	4584.50	4501.60	3702.90
10	NET BLOCK	(21810.58)	(16963.61)	(10580.98)	(4478.55)	(3742.10)	1828.49	5781.90	7883.80	11139.70	10886.80
11	WORKING CAPITAL	(18836.52)	(13564.34)	(6755.05)	(241.41)	940.81	6973.80	10063.80	12468.30	15641.30	14589.70
12	CAPITAL EMPLOYED	4335.42	3347.90	4802.37	3600.68	3149.45	3754.63	6543.60	5127.80	6909.50	9612.40
13	VALUE ADDED	(21361.22)	(18662.30)	(14820.53)	(10190.29)	(2000.85)	3999.62	8923.45	10491.30	13167.74	13040.76
14	NET WORTH	2476.36	3102.29	4886.92	5958.57	6517.23	6308.84	6702.50	6661.80	6267.00	5760.00
15	SALARIES, WAGES AND BENEFITS	651.29	624.42	649.76	380.82	686.66	947.15	1441.00	1403.00	1777.00	1840.00
16	CONTRIBUTION TO EXCHEQUER	(1546.73)	(2576.32)	(3036.61)	(5433.53)	(6861.44)	(4071.09)	(1082.60)	(2182.60)	532.60	1493.00
17	INTERNAL RESOURCE GENERATION	0.00	0.00	155.33	175.30	976.42	1202.51	710.40	1993.70	1315.50	7798.30
18	EXPORT INCLUDING DEEMED EXPORT	170	218	296	391	523	638	780	889	984	1072
19	NO. OF EMPLOYEES	25.50	15.36	16.22	9.21	6.02	5.89	8.40	5.80	7.00	9.00
20	VALUE ADDED PER EMPLOYEE	1.75	1.08	0.98	0.60	0.48	0.60	1.00	0.80	1.10	1.70
21	VALUE ADDED PER RUPEE OF WAGES	0.13	0.18	0.30	0.82	3.79	(1.38)	(0.10)	(0.30)	0.00	0.10
22	NET PROFIT/(LOSS) TO NET WORTH	0.11	(0.04)	(0.11)	(0.40)	(0.45)	(0.33)	(0.10)	(0.20)	0.10	0.40
23	GROSS MARGIN TO GROSS BLOCK	0.45	(0.13)	(0.23)	(0.70)	(0.72)	(0.55)	(0.10)	(0.30)	0.10	0.50
24	PBDIT TO EMPLOYEES COST	0.66	0.49	0.62	0.48	0.40	0.37	0.40	0.40	0.50	0.50
25	VALUE ADDED TO GROSS SALES	(0.06)	0.03	0.17	17.20	(4.99)	(0.50)	(0.10)	(0.20)	0.10	0.20
26	GROSS PROFIT TO CAPITAL EMPLOYED	387.44	408.50	345.20	363.51	361.14	269.58	254.90	226.60	203.40	138.00
27	SUNDRY DEBTORS TO NO. OF DAYS OF TURNOVER	182.53	216.25	210.70	231.81	249.38	270.45	201.30	199.60	126.50	90.40
28	INVENTORY TO NUMBER OF DAYS OF PRODUCTION										



**Different Products of BPCL**



## BPCL REGIONAL OFFICES

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