



ANNUAL REPORT

2018-2019



ASSAM PETRO-CHEMICALS LIMITED

(A Government of Assam Undertaking) | An ISO 9001:2008 Certified Company
CIN- U24116AS1971SGC001339, GSTN: 18AABCA6913A1Z6

BOARD OF DIRECTORS

Shri Jagadish Bhuyan	Chairman
Shri Bikul Ch. Deka	Vice Chairman
Dr. Roshan Ara Begum, IAS	Director
Shri Puru Gupta, IAS	Director
Shri Virendra Mittal, IAS	Director
Shri Kailash Karthik N., IAS	Director
Shri D N Barua	Director
Shri A N Das	Director
Shri B K Sarma	Director
Shri Utpal Borah	Director
Shri S K Choubey	Director and
Shri Ratul Bordoloi	Managing Director

AUDIT COMMITTEE

Shri D N Barua	Chairman
Shri A N Das	Member
Shri B K Sarma	Member
Shri Utpal Borah	Member and
Shri S K Choubey	Member

INDEPENDENT AUDITOR

M/s SPRK & Co.
Chartered Accountants
1st Floor, Royale View Building, Dr. B K Kakati Road,
Ulubari, Guwahati-781 007
Ph. No. 0361-2460984, 9435110848
E-mail: sprkco@rediffmail.com

SECRETARIAL AUDITOR

M/s Amit Pareek & Associates
4th Floor, KC Choudhury Road
Ram Prasad Complex, Chatribari,
Guwahati-781 001
Ph. No. 0361-2608440
E-mail: amitpareek99@yahoo.com

REGISTRAR AND SHARE TRANSFER AGENT

C B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata-700019
Phone no. 033-40116713
E-mail :rta@cbmsl.com

BANKERS

Punjab National Bank
State Bank of India
United Bank of India
Axis Bank

REGISTERED OFFICE

4th Floor, Orion Place, Mahapurush Srimanta Sankardev Path
Bhangagarh, Guwahati, Assam-781005
Ph. 0361 2461470, 2461471
e-mail: aplguw@assampetrochemicals.co.in
www.assampetrochemicals.co.in

HEAD OFFICE & PLANT SITE

P.O. Parbatpur, Namrup
District: Dibrugarh, Assam 786 623
Ph. 0374 2500331
e-mail: admin_apl@assampetrochemicals.co.in
www.assampetrochemicals.co.in



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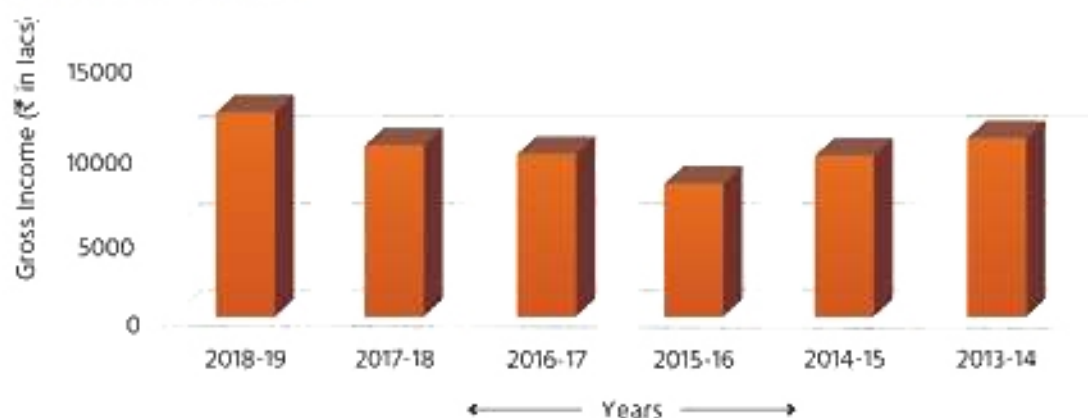
FINANCIAL SNAPSHOT OF LAST 10 YEARS

₹ In Lacs

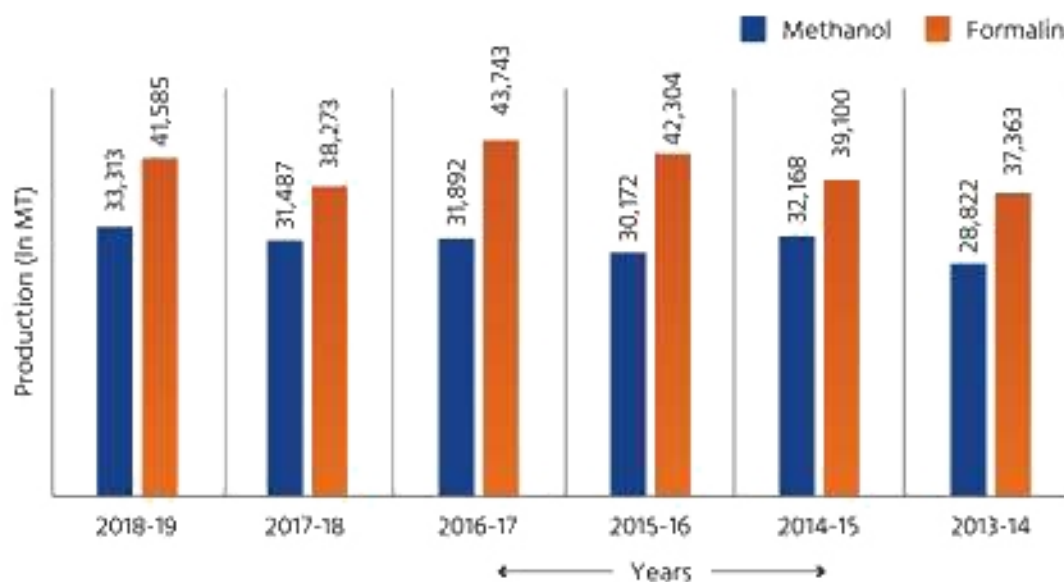
Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Operating Results										
Gross Total Income	11,862.28	9,978.23	8,742.79	7,676.52	9,062.29	10,284.63	8,705.78	6,419.50	3,868.78	5,577.69
Profit Before Interest										
Depreciation and Tax	881.76	682.71	475.74	-2,028.01	-440.55	1,391.12	737.82	64.61	-912.57	642.31
Depreciation	209.78	146.61	136.33	129.06	150.35	239.95	232.51	175.55	125.10	134.42
Profit Before Tax	671.98	536.1	307.07	-2,157.07	-590.90	1,151.17	505.31	-110.93	-1,037.67	507.89
Tax	-31.27	(-)8.1	21.14	61.90	56.85	212.82	101.30	-4.73	-13.85	228.96
Profit After Tax	703.25	544.2	285.93	-2,218.97	-647.75	938.35	404.01	-106.20	-1,023.82	278.93
Dividend and Tax										
Dividend %										
Retained Earnings	703.25	544.2	285.93	-2,218.97	-647.75	804.97	298.01	-106.20	-1,023.82	172.23
EPS in ₹ per Share	0.16	5.97	3.14	-24.33	-7.10	10.29	4.43	-1.16	-11.68	3.06
Gross Block	8,538.00	8,096.4	8,038.85	7,944.33	7,839.35	7,839.41	7,821.47	7,504.85	7,034.73	7,038.95
Net Block	1634.31	1,329.94	1,381.74	1,400.56	1,403.97	1,522.81	1,674.71	1,506.39	1,029.85	1,158.19
Reserves & Surplus	2,025.60	5,426.32	4,882.13	4,596.20	6,815.60	7,474.02	6,669.92	6,372.77	6,479.84	7,504.53
Capacity Utilisation										
Annual Installed Capacity (In MT)										
Methanol	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Formalin	41,250	41,250	41,250	41,250	41,250	41,250	41,250	33,000	33,000	33,000
Actual Production (In MT)										
Methanol	33,313	31,478	31,892	30,172	32,168	28,822	33,547	26,994	17,982	33,759
Formalin	41,585	38,273	43,743	42,304	39,100	37,363	34,877	29,888	22,906	31,443
Capacity Utilisation(In %)										
Methanol	101	95	97	91	97	87	102	82	54	102
	101	93	106	103	95	91	92	91	69	95

• Formalin production at Namrup only

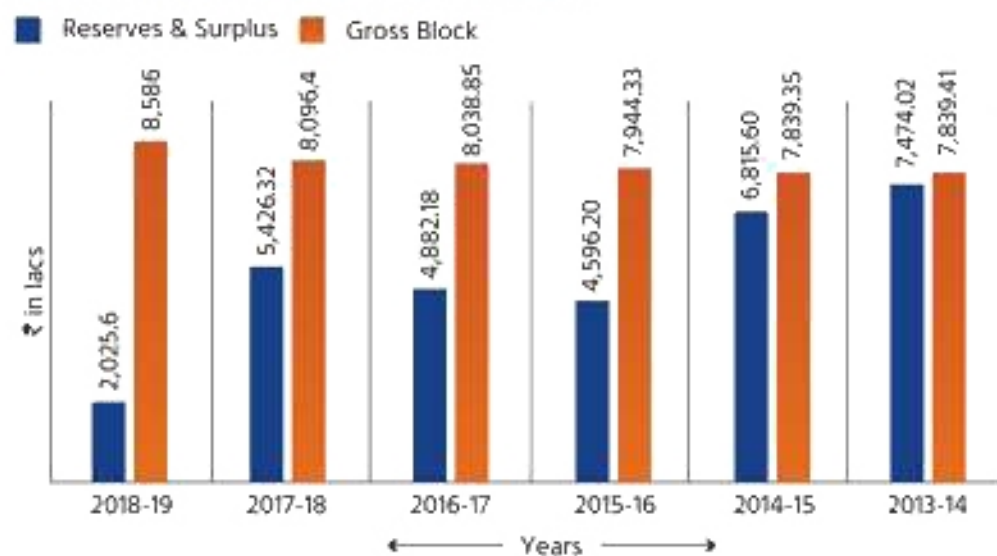
YEAR WISE INCOME



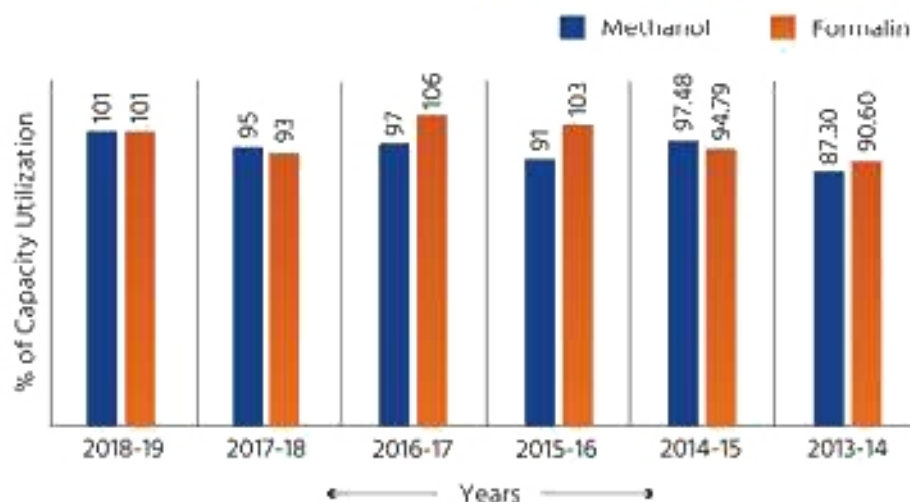
METHANOL VS. FORMALIN PRODUCTION



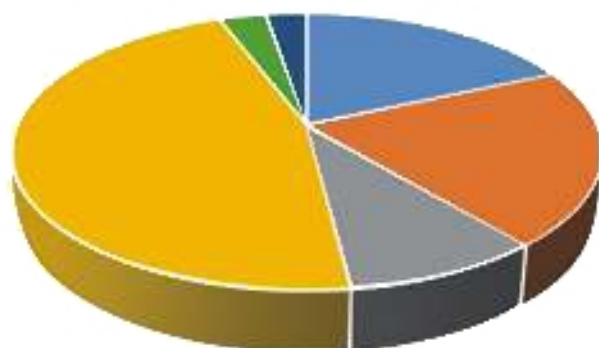
RESERVE & SURPLUS VS GROSS BLOCK



CAPACITY UTILIZATION IN %

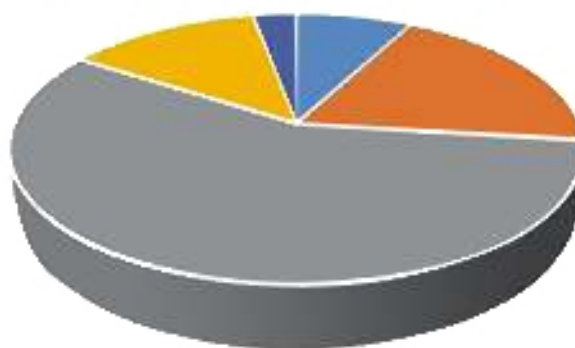


AREAWISE SALES OF FORMALIN



■ North East Region ■ North Bengal ■ South Bengal
■ Purnea / Adjacent Area ■ Patna ■ Nepal ■ Bhutan

AREAWISE SALES OF METHANOL



■ North East Region ■ West Bengal ■ North India
■ Nepal ■ Odisha

SHARE HOLDING PATTERN AS ON 31.03.2019



■ Governor of Assam ■ Oil India Limited ■ Assam Gas Company Limited
■ AIDC Limited ■ Others



Contribution to Chief Ministers Relief Fund



Launch of Methanol Cooking Stove as Pilot project



Foundation Stone laying Ceremony of 200 TPD Formalin plant at Boitamari, Bongaigaon



Share Certificate of Government of Assam equity handed over to Hon'ble Chief Minister



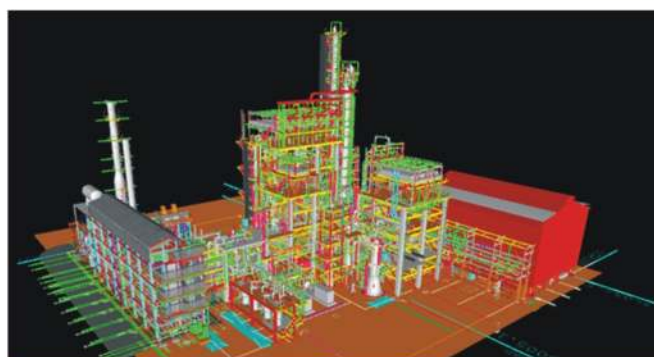
Project Construction of 500 TPD Methanol Plant in progress



Mechanical erection of 500 TPD Methanol Plant in progress



Skoch Gold Award conferred to Assam Petro-Chemicals Ltd.



3D Model of the 500 TPD Methanol Plant

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NOTICE

NOTICE is hereby given that 48th Annual General Meeting of the shareholders of **Assam Petro-Chemicals Limited** will be held on **Wednesday, 25th September, 2019 at 11:30 AM at Hotel Gateway Grandeur, Mahapurush Srimanta Sankardev Path, Christianbasti, Guwahati, Assam-781005** to transact the following businesses:-

A. ORDINARY BUSINESS :-

1. To receive, consider and adopt the Company's standalone Financial Statements as at 31st March, 2019 along with the Directors' Report, Independent Auditors' Report and Comments of the Comptroller and Auditor General of India, etc. thereon;
2. To appoint Shri Jagadish Bhuyan [DIN-01308520], who retires by rotation and being eligible, offers himself for re-appointment as a Director.
3. To appoint Shri Bikul Chandra Deka [DIN-07774812], who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard.

B. SPECIAL BUSINESS:-

4. To re-appoint Shri Amarendra Nath Das [DIN: 02818045] as an Independent Director.

To consider and if thought fit, to pass with or without modifications the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Amarendra Nath Das (DIN: 02818045) be and is hereby appointed as Independent Director for second term of five years effective from 25th September, 2019 or such shorter period as the Government of Assam decides"

5. To fix the remuneration of the Cost Auditors of the company for the Financial Year 2019-20.

To consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 ("the Act") read with Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the approval of the Company be and is hereby accorded for payment of remuneration of ₹ 23,900.00 (Rupees twenty three thousand nine hundred only) excluding travelling and other out of pocket expenses and applicable GST to Subhadra Dutta & Associates, Cost Accountants for the Financial Year 2019-20."

By Order of the Board of Directors

Date: 17th August, 2019
Place: 4th Floor, Orion Place
Mahapurush Srimanta Sankardev Path,
Bhangagarh, Guwahati-781005

Sd/-
(Uttam Bailing)
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Statements pursuant to Section 102 (1) of the Companies Act, 2013 concerning the special business mentioned under item numbers 4 and 5 of the notice are annexed hereto.
3. ISIN of the shares of the company is INE277D01010, members are requested to dematerialize their shares.
4. Corporate members intending to send their authorized representatives to attend in the meeting are requested to send to the company a certified true copy of the resolution of the Board of Directors authorizing their representative to attend and cast votes on their behalf in the meeting.
5. Register of members and share transfer books of the company will remain closed from 20th September, 2019 to 25th September, 2019 (both days inclusive) for the purpose of convening the 48th Annual General Meeting.
6. Members are requested to bring their copy of Annual Report to the meeting.
7. Members are requested to inform their respective e-mail id to the company so that corporate information can be disseminated promptly.

Date: 17th August, 2019
Place: 4th Floor, Orion Place
Mahapurush Srimanta Sankardev Path,
Bhangagarh, Guwahati-781005

By order of the Board of Directors

Sd/-
(Uttam Bailing)
Company Secretary

Explanatory Statement under Section 102(1) of the Companies Act, 2013

ITEM NO. 4

Shri Amarendra Nath Das (DIN: 02818045) was appointed as Independent Directors on the Board for a period of 5 years term in pursuance of the Section 149 of the Companies Act, 2013 by the members of the company at the 43rd Annual General Meeting held on 30th September, 2014. The five years term of Shri Das is about to end and the Board of Directors of the company has assessed his performance as director on the Board of the company and formed an opinion that his directorship as an Independent Director may be extended by passing a special resolution in terms of Section 149 (10) of the Companies Act, 2013 for another term of five years or such shorter term as the Government of Assam decides later.

Shri A N Das is a chemical engineering graduate from Indian Institute of Technology (IIT), Kharagpur. He is a fellow of the Institute of Engineers (India) and also a life member of Administrative Staff College of India (Hyderabad). He served in various capacities in Indian Oil Corporation Limited before his superannuation on 30th September 2002 as Executive Director. Shri Das has long experience in petroleum refining and marketing. Shri Das has been on the Board of the company since November, 2009. Shri Das has been attending the meetings of the Board of Directors and Board Sub-Committees of the company regularly and contributed immensely since his joining on the Board.

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None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution. The Board recommends this Special Resolution for your approval.

ITEM NO. 5

According to Section 148(3) of the Companies Act, 2013 read with Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), the Board of Directors requires to appoint a Cost Accountant or firm of Cost Accountants in practice as Cost Auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, the Board of Directors, at its meeting held on 17th August, 2019 appointed M/s Subhadra Dutta & Associates, Cost Accountants as the Cost Auditors for the Financial Year 2019-20 at fees of ₹ 23,900.00 (Rupees twenty three thousand nine hundred only) excluding of travelling expenses, out of pocket expenses and applicable GST, if any for conducting the audit of the cost records of the company.

In compliance with the said provisions the Ordinary Resolution for fixation of remuneration of the Cost Auditors is now placed before the members for their ratification/approval. Your directors recommend for passing the above resolution by the members.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in the resolution. The Board recommends this ordinary resolution for your approval.

Date: 17th August, 2019
Place: 4th Floor, Orion Place
Mahapurush Srimanta Sankardev Path,
Bhangagarh, Guwahati-781005

By order of the Board of Directors
Sd/-
(Uttam Bailung)
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting their 48th report of the company together with the audited standalone Financial Statements for the Financial Year ending on 31st March, 2019.

Financial Highlights (Standalone)

The Company's summarized financial performance (standalone) for the financial year ending on 31st March, 2019 as under:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from Operations	11,157.31	9,529.02
Other Income	704.97	448.01
Total Income	11,862.28	9,977.03
Gross Profit	1,634.93	1,366.08
Less : Depreciation and amortization	209.77	146.61
Finance Cost	2.25	-
Profit for the year before prior period adjustment, exceptional and extraordinary items	1,422.91	1,219.47
Less:Exceptional Item	750.93	683.36
Profit Before Tax	671.98	536.10
Less: Tax Expenses	(31.26)	(8.1)
Profit for the year after Taxation (PAT)	703.24	544.20
Balance brought forward from previous year	(2070.19)	(2,641.38)
Proposed Dividend	NIL	NIL
Tax on Dividend	NA	NA
Number of shares	43,11,59,708	91,19,947
Earnings Per Share (EPS) (in ₹)	0.16	5.96

The Financial Year ending on 31st March, 2019 was one of the best performed year of the company in its 48 years history. The company achieved highest ever turnover during the year ending on 31st March, 2019. During the year 2018-19 the company achieved record turnover of ₹ 11,157.31 lacs which is 17.08% higher than the previous year. The Company also earned higher income from other sources during the FY 2018-19 which resulted total income of ₹ 11,862.28 lacs compared to ₹ 9977.03 lacs in the FY 2017-18. The company earned ₹1422.91 lacs Profit Before Exceptional Items and Tax during the FY 2018-19 but due to provision of ₹ 580.41 lacs made for pay revision of the employees effective from 1st April, 2016 and payment of earlier year's VAT liabilities to Oil India Limited amounting to ₹172.86 lacs, the net profit for the FY 2018-19 reduced to ₹703.24 lacs.

The cost of raw materials increased by ₹ 881.23 lacs during the year over the previous year due to increase of natural gas price by the Government of India and higher consumptions of natural gas for production more methanol during the period. The employee benefit cost of the company was also increased by ₹507.81 lacs during the year 2018-19.

The company has a subsidiary company named Pragjyotish Fertilizers and Chemicals Ltd. (PFCL) incorporated in 2004. This subsidiary company has been a defunct company since its year of incorporation as the said subsidiary company couldn't

implement the project successfully for which it was incorporated. Although the company is required to consolidate the financial statements of its subsidiary company in accordance with the Section 129(3) of the Companies Act, 2013 but same was not possible as the financial statements of that company have not been finalized for the FY 2018-19 till this date. It is therefore only the standalone financial statements of the company are placed before the shareholders for adoption in the 48th Annual General Meeting. Your company is holding 55.55 % of equity share capital in Pragjyotish Fertilizers and Chemicals Ltd. as on 31st March, 2019. The entire investment made in Pragjyotish Fertilizers and Chemicals Ltd. have already been written off in the successive financial statements of the company over the years. The Company don't have any liability towards the said subsidiary as on 31st March, 2019. The company has moved to Government of Assam to allow it to start the winding up process in accordance with the Companies Act, 2013.

State of Company's Affairs and Future Outlook

Assam Petro-Chemicals Limited has been in petrochemical business for more than four decades. The company is presently producing methanol and formalin in its plants located at Namrup in the Dibrugarh district of Assam and a formalin conversion plant at Raninagar, near Siliguri in West Bengal. The company is marketing its products at globally competitive price in India and its neighbouring countries viz. Bhutan and Nepal. The company is having annual 33,000 MT installed production capacity for methanol and 41,250 MT installed production capacity for formalin. The company is also expanding its production capacity by setting up a 500 TPD Methanol plant and a 200 TPD Formalin Plant. The methanol expansion plant is targeted to commission in March, 2020. On commissioning of the new methanol plant, annual methanol production capacity of the company will increase from 33,000 MT to 1,65,000 MT. However, your Board is optimistic that the company will continue to operate the existing 100 TPD Methanol plant on receipt of required 0.11MMCMD additional natural gas from Oil India Limited or other sources. If the company operates the existing 100 TPD Methanol plant the total annual methanol production capacity of the company will be 1,98,000 MT. With the increased production the company will be able to cater the increasing methanol demand of the country. The 200 TPD Formalin project is under implementation at Boitamari, Bongaigaon. It is expected to give your company competitive advantage over its rival formalin producers. The total annual production capacity of Formalin will be increased from 41,250 MT to 1,07,250 MT.

Methanol demand in India has been increasing very rapidly but the domestic production of methanol is rather declining over the years. Your company is the only methanol producer in India as on this date. As per the report published by NITI Aayog the domestic production of Methanol in India has fallen by 57% in 2015-16 from 2010-11 at the same time domestic consumption has risen by 61%. India meets the domestic methanol demand by importing from middle east countries.

In a report published by a private research group, it is stated that the demand for methanol stood at 2,107 thousand tones in 2018 and is projected to grow at a CAGR of 7.51% during 2019-2030 to reach 4,675 thousand tones by 2030. Increasing usage of methanol in the production of formaldehyde, methyl tertiary-butyl ether, pharmaceuticals, acetic acid, etc., is the primary factor expected to boost the demand for methanol in India in coming years. Since methanol is used as an alternative fuel for combustion engines due to its efficient combustion, ease of distribution and easy availability, growing automotive industry would also drive the demand for methanol in the country during the forecast period of 2019-2030.

The Ministry of Road Transport and Highways, Government of India has already allowed the use of M-15, M-85, MD-95 and M-100 as fuel in the country. Methanol can also be used as fuel in power generation set, power tiller and de-watering pumps in agriculture sector. Generator sets with 4 KW and 15 KW are already successfully commissioned in India and same will be available in Indian market shortly. With the introduction of Methanol blending with gasoline and other alternative uses will lead to increase the domestic demand of methanol manifold. Assam Petro-Chemicals Limited is being one of the main producer of methanol in the country and with the increased production capacity the future of the company is looking bright.

Di-Methyle Ether (DME) is another efficient fuel and burns with lesser NO_x, Particulate Matter (PM), no SO_x. It is a clean fuel can be used as alternative to HSD and also blend with LPG. It is non-toxic compound and is safe to handle. Assam Petro-Chemicals Ltd is exploring the possibilities of setting up a DME plant at Namrup.

Assam Petro-Chemicals Limited introduced methanol as an alternative cooking fuel for the first time in India on 5th October, 2018 by launching a pilot project of 'Methanol Cooking Stove' under the aegis of NITI AAYOG, Government of India. The Company imported Methanol Cooking Stoves from CLEANCOOK, Sweden for the purpose of launching the pilot project. As a part of this pilot project households reside in the APL Township were surveyed. The survey covered around 154 households and the feedbacks from the household were found satisfactory. Besides, Methanol Stove was demonstrated successfully in 107th Indian Science Congress held in LPU, Jalandhar and 35th Tocklai Conference where the people found the stove useful and appreciated your company for this initiative. The pilot project of the methanol cooking stove has been a successful and the company is planning to launch it commercially in select places. Cost effective Methanol Cooking Stove is now manufactured in India and such domestically manufactured Methanol Cooking Stove has been sent to Bureau of Indian Standards (BIS) for their approval so that your company can launch methanol as cooking fuel commercially.

On 5th December, 2018 **Skoch Group** conferred the prestigious '**Skoch Gold Award**' under OIL and Gas sector to Assam Petro-Chemicals Limited for India's first Green and Clean Fuel Pilot Project of Methanol Cooking Stove. The award was received by Managing Director of the company in a function held at New Delhi.

It is expected that using of methanol as an alternative fuel will reduce India's increasing oil import burden to some extent and save valuable foreign exchange. Being a pollution free fuel it can also contribute to the betterment of the environment.

Your company is doing another pilot project for use of methanol as alternative fuel in all aspects of tea manufacturing process in collaboration with Tocklai Tea Research Institute (TTRI) Jorhat. The Tea Research Association, Tocklai is manufacturing tea using methanol fueled burner as a part of the pilot project. The manufacturing of tea is being carried out by TRA at their model tea factory by methanol, followed by HSD and LPG for comparison of consumption pattern, quality and cost analysis. The positive outcome of the pilot project will help the company find a new market in the State of Assam and other tea producing states in the country. The methanol burner used in the pilot project at TTRI for production of tea is developed locally.

Your Company is exploring pharmaceutical companies for using Methanol as an alternative fuel in burners for their boilers which is cost effective and environment friendly. Once, it is introduced, the entire North Eastern Region market will be involved followed by rest of the India resulting in more financial gain to your Company.

Under the aegis of NITI Aayog, Government of India, your company is proposing to incorporate a Joint Venture Company with equal shareholding arrangement with Gujarat Narmada Valley Fertilizers and Chemicals Limited (GNFC) and Rashtriya Chemicals Fertilizer Limited (RCF) to import methanol and market in India. The draft Joint Venture Agreement has been sent to the Government of Assam for approval. On receipt of approval from the State Government and completion of other formalities, a Joint Venture company is proposed to be incorporated.

Operating Results:

The existing 100 TPD Methanol plant of the company has completed thirty years against its normal life of fifteen years. The performance of the methanol plant has been very good and same is possible due to timely and preventive maintenance of the plant. The methanol plant of the company operated optimally during the financial year 2018-19. The company achieved more than 100% capacity utilization of the methanol plant during the financial year. Unlike the previous year, there was no major short/disruptions in supply of natural gas by Oil India Limited but disruption of power supply affected the production of methanol and formalin. Had there were no incidents of erratic power supply by Assam Power Generation Company Limited during the year the company could have achieved better capacity utilization of the plant.

The capacity utilization of Formalin plant depends entirely on market dynamics. The company produces formalin from methanol depending on demand of the market and realization of higher return from marketing it. Disruption of power supply from the grid affects the optimum utilisation of formalin plant.

The summary of production of methanol and formalin during the FY 2018-19 and FY 2017-18 are given as under:

Plants	Production in MT		
	Installed Annual Capacity	FY 2018-19	FY 2017-18
Methanol	33,000	33313	31487
Formalin	41,250	41585	38273
Capacity Utilisation of Plants:			
Methanol	100%	101%	95%
Formalin	100%	101%	93%

The company remained in its same business of manufacturing and marketing of methanol and formalin during the Financial Year 2018-19.

Sales & Marketing:

The company is marketing its products in North Eastern States, West Bengal, Bihar, Jharkhand, Odisha, Uttar Pradesh and other North Indian states and also exporting to neighbouring countries viz., Nepal and Bhutan.

The Company sold 10058.47 MT methanol during the FY 2018-19 against 10963.810 MT of the previous Financial Year. The total quantity of methanol sold was declined in the FY 2018-19 due to higher conversion of methanol to formalin during the period. The company sold 477752.49 MT of formalin during the FY 2018-19 as compared to 42541.88 MT in the previous financial year. There was an increase of 12.24% in sales quantity of formalin over the previous year. The realization from sale of formalin increased by 21% in the FY 2018-19 over the FY 2017-18. The company does conversion of methanol to formalin to realize better price.

The area wise sales quantity of the company's products in the year 2018-19 vis-a-vis in the previous year are as follows:

Area	Formalin (in MT)	
	FY 2018-19	FY 2017-18
North East Region	8732.53	8223.93
North Bengal	9794.29	9041.94
South Bengal	4396.09	4857.10
Purnea / Adjacent Area	22094.46	15659.44
Patna	0.00	1981.81
Nepal	1452.98	1697.49
Bhutan	1282.14	1080.17
Total	47752.49	42541.88

Area	Methanol (in MT)	
	FY 2018-19	FY 2017-18
North East Region	796.280	726.93
West Bengal	1923.960	1069.32
North India	5719.090	7123.92
Nepal	1317.410	2043.64
Odisha	301.73	0
Total	10058.470	10963.81

To increase the market share in the existing areas and to penetrate into the potential market of methanol and formalin following efforts are being made by your company:

01. Ensure timely delivery of our products at the consignee's/customers' end.
02. Periodical feedback on quality, delivery, transportation, etc. of products from our valued customers in "CUSTOMERS FEEDBACK CARD". Visit to our customer in person are also undertaken.
03. Redressal of customer grievances within 24 hours of lodging such complaint, where possible.
04. Company organizes Customer Meet on regular intervals for building business relationships and to showcase company's business plans and future prospective of its products.

Export of methanol to Bangladesh market is hindered as the potential customers in that country is reluctant to accept consignment of methanol in MS Drums. They prefer HDPE drums/containers over the MS drums. Indian Explosive Deptt. and licensing authority do not permit transportation of methanol in plastic drums. The company is requesting the Deptt. of Explosive, Government of India to allow the company for transportation of methanol in HDPE containers. On receipt of clearance to transport methanol in HDPE drums/containers, export to Bangladesh will be easier and the company will be able to capture the Bangladesh market.

The company appointed dealers to sale methanol in Bangladesh and Formalin in Nepal recently. Formalin in Bhutan and methanol in Nepal are being sold directly by the company. The Company officials also visit valued customers of the company to interact with them and gather first hand information about their requirements and address difficulties. Visit of the customers also helpful to build-up better business relation and trust.

On commissioning of 500 TPD Methanol Project, the company will have to sale additional quantity of methanol in the market. In order to have a systematic study, the company has engaged a market survey firm. Your company is looking for alternative use of methanol in the country as fuel. On commissioning of the new 500 TPD Methanol plant, the cost of production of methanol will reduced substantially due to energy efficient plant and better economy of scale. This will entail the company to compete with imported methanol effectively.

Project Activities:

The shareholders are aware that the company is implementing a 500 TPD Methanol and 200 TPD Formalin project at an estimated project cost of ₹ 1,33,700 lakhs with equity contributions from Government of Assam, Oil India Ltd. and Assam Gas Co. Ltd. in an agreed ratio. The project capital cost has been raised at debt equity ratio of 2:1. The Government of Assam, Assam Gas Company Ltd. and Oil India Limited has contributed ₹ 17,700 lacs, ₹ 2,800 lacs and ₹ 24,200 lacs respectively as equity capital. The Government of Assam along with Assam Industrial Development Corporation Ltd. and Assam Gas Company Limited will hold 51 % of share capital in the company and the remaining 49% will be held by Oil India Ltd. The shares held by other than the above entities will be very negligible.

The debt capital of the project amounting to ₹ 89,067.00 lacs has been arranged from Punjab National Bank. The company has drawn ₹ 8,636.91 lacs loan from the bank till this date.

As mentioned in the previous Boards' report, Engineers India Ltd. (EIL) has been executing the 500 TPD Methanol plant with LEPCM responsibility. The technology for the project is hired from Halder Topsoe, Denmark. The company has already placed almost all the work orders for the Methanol project & jobs are under different stages of execution. Ordering of all Static & Rotary equipment, packaged equipment, Piping, Electrical, Instrumentation & Structural items have already been made. Piling works of the Methanol project had already been completed and the civil-structural jobs are under progress by the contractors. Erection of structural works also started at site. The company is targeting to achieve the commercial production of the 500 TPD Methanol Plant in March, 2020. The project progress has been closely monitored by the Board of Directors of the company and the Government of Assam on regular basis.

The Hon'ble Chief Minister of Assam laid the foundation stone of the 200 TPD Formalin project at Boitamari, Bongaigaon on 4th March, 2019 in presence of Hon'ble Minister for Industries and Commerce Department, Government of Assam and host of other dignitaries. The Lum Sum Turn Key (LSTK) contract for the said project is in the process of finalization and the Board of Directors of your company is expecting that LSTK contract of the project will be awarded shortly. The company is also in the process of obtaining environmental clearance. The Company is also setting up a Marketing Terminal and Products Distribution Center at Boitamari. Methanol produced at Namrup will be transported and stocked there and then distributed to other places.

Human Resource Management and Industrial Relations:

To optimize the human resource of the Company, the HR Department has been continuously playing a pivotal role in terms of sourcing competent personnel through manpower planning and signed MoU with the Government of Assam in line with this objective. Importance has been given to elevate the present level of skills of the human resources of the company to the desired level by imparting training and organizing developmental programmes. The Company prepares annual training calendar for imparting in house as well as outside technical and behavioral training.

During the FY 2018-19, your company provided 12 nos. technical and behavioral training programme. Your company has also been providing academic short term training programme and skill development vocational training to the students of universities and institutions. During the year, the company provided academic short term training and skill development vocational training to 69 and 6 numbers students respectively.

The manpower strength of the Company as on 31st March, 2019 was 334 out of which 161 were Unionised Cadre and remaining 173 nos. were Executive Cadre employees. The total no. of woman employees were 33 on rolls of the Company as on 31st March, 2019. During the year 19 employees were retired on attaining their age of superannuation and 19 employees were recruited against the vacancies.

Industrial relations scenario of the Company during Financial Year 2018-2019 was very harmonious and cordial. All the issues raised by APL Workers' Union and APL Officers' Association were resolved amicably through discussion.

Dividend and transfer to Reserves:

During the Financial Year 2018-19 the company earned a net profit of ₹ 703.24 lacs but your directors couldn't recommend for payment of dividend for the year due to carry forward loss of the preceding financial years.

Unpaid and unclaimed dividend for the previous Financial Years:

In spite of repeated appeal to the shareholders some amount of dividend declared for the Financial Years 2012-13 and 2013-14 are laying as unclaimed in bank accounts of the company. According to Section 124(5) of the Companies Act, 2013 the company is required to transfer the above amount to the Investors Education and Protection Fund (IEPF) set up by the Central Government after expiry of 7 (seven) years from its transfer to Unpaid and Unclaimed Dividend account.

A good number of our valued shareholders haven't yet claimed their dividend for those two years. The details of unclaimed dividend amount and due date of transfer to IEPF are given as under.

Dividend Year	Amount unclaimed as on 31st March, 2019 (₹)	Due date for transfer to IEPF
2012-13	53,157.00	28/02/2021
2013-14	68,696.50	28/11/2021

The shareholders are requested to claim their unclaimed dividend by writing to the Company Secretary of the company.

The shareholders of the company are aware that according to Section 124(6) of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the company is required to transfer the corresponding shares of dividend unpaid amount to the Demat account of Investors Education and Protection Fund Authority. In compliance with the above law, the company transferred 1,91,431 nos. of equity shares of 436 nos. shareholders on 26th July, 2018 along with unclaimed dividend amount for the FY 2009-10.

We would like to inform the shareholders that the shares and the dividend amount transferred to the Demat account of the IEPF Authority as per law. The shareholders whose shares have been transferred to IEPF authority, same can be claimed by

filing the online Form IEPF 5. The e-form IEPF -5 is available at www.iepf.gov.in. For any clarification, the shareholders may write to the Company Secretary of the company or company's Registrar and Share Transfer Agent M/s C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata-700 019.

Credit Rating:

Your directors assigned the job of external rating of the rupee term loan of ₹ 890.67 Crore availed from Punjab National Bank for implementation of the 500 TPD Methanol and 200 TPD Formalin project to ICRA Ltd. The Credit Rating agency assigned a long-term rating of [ICRA] BBB+ in January, 2019. Efforts are given to improve the initial rating of ICRA Ltd.

Changes in Share Capital:

Pursuant to the approval of the shareholders in the Extraordinary General Meeting held on 21st May, 2018 for capitalization of free reserve by issue of 9 (nine) bonus equity shares against every 2 (two) existing shares, the Board of Directors of your company completed the allotment process by crediting 410,39,761 nos. of bonus equity shares to the existing shareholders of the company.

The shareholders of the company further authorized the Board of Directors of the company for issue of 44.7 crore equity shares at par to Governor of Assam, Oil India Ltd. and Assam Gas Company Limited on preferential basis as per Section 62(1) (c) of the Companies Act, 2013 in another Extraordinary General Meeting held on 27th August, 2018.

The Board of Directors of the company invited applications from Governor of Assam, Oil India Ltd. and Assam Gas Company Limited for allotment of equity shares of 44.7 Crore of ₹ 10 each. Oil India Limited, Governor of Assam and Assam Gas Company Limited together subscribed 38.1 crore shares of ₹ 10 each upto 31st March, 2019. Your Board of Directors appropriated the share application money received from the said shareholders by allotting equity shares to them at par.

Due to the issue of bonus shares to the existing shareholders and fresh issue of shares to Governor of Assam, Oil India Limited and Assam Gas Company Limited during the FY 2018-19, the paid -up share capital of the company enhanced from ₹ 9,11,99,470 to ₹ 431,15,97,080.

Meanwhile, the Governor of Assam, Oil India Limited and Assam Gas Company Limited infused their remaining committed equity capital of ₹ 66,00,00,000 into the company.

Disclosure regarding Issue of Equity Shares with Differential Rights/ Employee Stock Options/ Sweat Equity Shares:

The Company made allotment of 42,20,39,761 nos. of shares during the year 2018-19 as bonus and fresh issue of shares but all these shares are ranking pari-passu with the existing equity shares of the company. The Company didn't issue any shares with differential rights or Employee Stock Options or Sweat Equity Shares during the Financial Year 2018-19.

Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (3) of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in Form MGT-9 for the Financial Year ending on 31st March, 2019 is enclosed as **Annexure-'A'**.

Board of Directors and the Number of Board Meetings:

The Board of Directors of the Company is constituted as per the requirement of Section 149 of the Companies Act, 2013. The Board of Directors of the company comprises of nominee Directors from Assam Industrial Development Corporation Ltd. erstwhile holding company, Government of Assam, Woman Director, Independent Directors and Whole Time Director. The Board members of the company are mixture of civil servants, technocrats with desired experience in related field, finance professional and seasoned politicians. All the members of the Board of directors had/have requisite skills and knowledge to run the company.

There were several changes in the Board of Directors of the company during the year 2018-19. As the company is a Government of Assam Company, the State Government and Assam Industrial Development Corporation Ltd. keep change their representatives/ nominee members on the Board from time to time.

During the year Shri Kailash Karthik Natarajan, IAS [DIN-08271296] appointed as director on the Board in place of Shri S.K. Sinha, IAS w.e.f. 15th November, 2018. Dr. Roshan Ara Begum, IAS [DIN-07299267] appointed as director w.e.f. 9th January, 2019 in place of Shri Sanat Kalita [DIN-07845004]. The Government of Assam appointed Shri Umananda Doley, ACS [DIN-07842931] as director in place of Ms. Shehla Rahman, ACS [DIN- 06786580] w.e.f. 2nd August, 2018 but the Government of Assam later replaced him by appointing Shri Puru Gupta, IAS [07665168] as director on the Board with effect from 1st February, 2019.

The Company is presently having 12 nos. of members on the Board. As per Section 152(6) and (7) of the Companies Act, 2013 the term of six directors other than the Independent Directors and the Managing Director are retrieable by rotation in Annual General Meeting of the Company. As per the above provision, one third of the total retrieable directors i.e. two directors are going to retire by rotation in the ensuing 48th Annual General Meeting of the company who can offer themselves for reappointment. Shri Jagadish Bhuyan, [DIN-01308520] Chairman and Shri Bikul Ch. Deka, [07774812] Vice Chairman are going to retire in the ensuing AGM and both of them have offered themselves for re-appointment.

Shri Amarendra Nath Das [DIN-02818045] who was appointed as an Independent Director on the Board as per Section 149 of Companies Act, 2013 on 30th September, 2014 for a period of 5 years term. His five years term as Independent Director is completing soon. Considering his performance as a director on the Board of the company and active participation in the deliberations and contributions towards the growth as member of the Board of Directors of the company, the Board of Directors have decided to propose his appointment as Independent Director for second term of 5 (five) years or such shorter time as the Government of Assam decides later.

Number of Meetings of the Board of Directors:

During the Financial Year 2018-19, the company convened total 11 (eleven) meetings of the Board of Directors and the gap between two consecutive meetings of the Board of Directors never exceeded 120 days.

The details of the meetings of the Board of Directors held during the Financial Year 2018-19 are given under para Board of Directors in the Corporate Governance Disclosure enclosed as 'Annexure-B'.

Particulars of Loan, Guarantees and Investments under Section 186:

The Company has not given any loan or guarantee covered under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2018-19.

Particulars of Contracts or Arrangements with Related Parties:

The company didn't enter any related party transaction with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest with the company.

However, pursuant to issuance of fresh equity shares on 21st September, 2018, Assam Petro-Chemicals Limited became an associate company of Oil India Limited as per Section 2(6) of the Companies Act, 2013. Oil India Limited has been the sole supplier of natural gas to Assam Petro-Chemicals Limited since the day of its commercial production commenced in 1976. The company purchases natural gas in the FY 2018-19 also for production of methanol at a price fixed by the Ministry of Petroleum and Natural Gas, Government of India. The details of the transaction with Oil India Limited is disclosed in the Form AOC-2 annexed in this report as Annexure- C.

Material Changes Affecting the Financial Position of the Company:

There was no such material changes and commitments in the company which could affect the financial position from the date of the financial statements of the company for the Financial Year 2018-19 till the date of signing this report.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

I. Conservation of Energy-
A. Energy conservation measures taken:-

The process technology adopted in our plants is energy efficient. The Company selected the most developed I.C.I., Low Pressure Methanol Technology and Humphreys and Glasgow Reformation process for manufacture of Methanol & Derivados Forestales, Nederland's technology for manufacture of Formaldehyde. The waste heat has been recovered to produce steam required for the process. Hence heat is not radiated to atmosphere. Heat exchangers are well insulated to prevent any heat loss. Cooling waters used is heat exchangers are totally recycled to prevent Pollution and loss.

B. Additional investments and proposals if any being implemented for reduction of the consumption of energy:

There was no such proposal in the year under review

C. Impact of the measures (A) & (B) above:-

The specific consumption of electricity and fuel natural gas is well within the tolerance limit.

D. Total energy consumption and energy consumption per unit of production power and Fuel consumption

a. Electricity	2018-19	2017-18
i) Purchased Unit (MWH)	15464	15064
Total amount (₹/ Crores)	11.65	12.41
Rate per Unit (₹/KWH)	8.70	9.00
ii) Own generation (MWH)	3967	1721
b. Consumption per Unit of production		
i) Electricity (KWH)		
Unit-II	511561	
ii) Natural Gas (NM3) (Ref)		
Unit-II	1046994	

II. Technology Absorption: Research and Development(R & D)-

1. Specific area in which R & D carried out by the company: The company doesn't have R & D facilities. However, the company do take steps for plant improvement of process and debottlenecking.

2. Benefit derived as a result of above R & D: Does not arise

3. Future Plan of Action: The company don't have the plan to establish any in house research and development facilities as on this date.

4. Expenditure of R & D:

a) Capital	:Not applicable
b) Recurring	:Not applicable
c) Total	:Not applicable
d) Total R & D expenditure as per % of total turnover	:Not applicable

III. Technology Absorption and Adaptation-

i) The efforts made towards technology absorption, adaptation and innovation: APL has been operating the plant supplied by foreign supplier.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution etc.: Product quality improved & no pollution related issues faced. Cost of production increased due to higher price of raw material.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) The details of technology imported : Does not arise
- (b) The year of import : Does not arise
- (c) Whether the technology been fully absorbed : Does not arise
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Does not arise

IV. Foreign Exchange Earnings and Outgo-

a) Activities relating to exports: The company is taking initiatives to export its product to Bangladesh to earn foreign exchange for the country. The products sold in Bhutan and Nepal in Indian Currency only. Since, the company didn't export its products to Bangladesh, hence no foreign exchange earned during the FY 2018-19.

b) Total Foreign exchange used and earned:

Particulars	2018-19 (₹)	2017-18 (₹)
i. Earnings in Foreign Exchange (sales)	Nil	Nil
ii. Foreign Exchange Outgo	59,10,530	53,50,718

Details of Subsidiary:

Your company has a subsidiary company viz., Pragjyotish Fertilizers & Chemicals Ltd. (PFCL). This company was incorporated in 2004 jointly with another State Government undertaking Assam State Fertilizer Corporation Ltd. PFCL has not been carrying on any business since its incorporation. This company is under winding-up process. The financial statements for the Financial Year 2018-19 haven't been prepared and therefore the financial statements of the company could not be consolidated with the financial statements of the company as prescribed in Section 129(3) & 134(1) of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

Business Risk Management:

Although the company doesn't have any specific risk management policy as on this date, the Board of Directors of the company deliberates on threats, risks and concerns which may threaten the continuation of its business or pose threat its existence in its meetings.

Details of Directors and Key Managerial Personnel:

The provisions of Section 203 of the Companies Act, 2013 became applicable to the company w.e.f. 2nd June, 2018 due to increase of paid-up share capital of the company beyond ₹ 10 Crore. The Company appointed a Chief Financial Officer of the company on 30.03.2019. Other than appointment of CFO, there was no change in Key Managerial Personnel of the company during the year. Details of the Directors of the company along with the Directors who were appointed or have ceased as Director during the year have already been discussed elsewhere in this report in details and also stated in the Corporate Governance Disclosure.

Deposits:

The company does not have any outstanding deposit at beginning of the financial year nor did it accept any deposits from public during the year.

Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements:

Your Directors believe that the Company has adequate internal financial control system in place and same is commensurate with the nature and size of the business of the company. The company also appointed a Chartered Accountant firm as internal auditor of the company to discharge the internal audit function for the FY 2018-19. This enhances the effectiveness of the internal control system further.

Receipt of any commission by Managing Director from Company or for receipt of commission / remuneration from it's holding or subsidiary:

The company didn't pay any commission to its Managing Director nor did the Managing Director receive any commission from its holding or subsidiary company.

Declaration by Independent Director:

All the Independent Directors have given declarations in the beginning of the Financial Year 2019-20 that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

As per the declaration given and noted by the Board of Directors, none of the Independent Director was disqualified to be appointed or continue as Independent Director of the company as on 31st March, 2019.

Independent Auditor:

The present term of the Independent Auditors SPRK&Co., Chartered Accountants is up to conclusion of the ensuing 48th Annual General Meeting of the company. The company being a Government Company, as per section 139(5) of the Companies Act, 2013 the office of Comptroller and Auditor General of India vide their letter no. CA.V/COY/Assam, APETRO(1)/185 dated 2nd August, 2019 appointed AMD & Associates, Chartered Accountants as Independent Auditors of the company for the FY 2019-20.

Secretarial Auditor:

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, your Board appointed Amit Pareek & Co, Company Secretaries as the Secretarial Auditor of the company for the FY 2018-19. The Secretarial Auditor has conducted their audit and their report is annexed with this Report as Annexure-D.

Cost Auditors:

Pursuant to the Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, the Company appointed M/s Subhadra Dutta and Associates, Cost Accountants to undertake the Audit of the Cost Records of the Company for the Financial Year 2018-19. The Board of Directors also reappointed them as Cost Auditor of the Company for the FY 2019-20.

Corporate Social Responsibility (CSR) Policy:

The Corporate Social Responsibility Committee of the Board of Directors has been constituted as per requirements of the Companies Act, 2013. The shareholders are aware that the company didn't earned average net profit not exceeding ₹5 crore in last three financial years therefore the Section 135 of the Companies Act, 2013 is not applicable for the company for the FY 2018-19. However, being a responsible public sector organization, the company continues to discharge its social responsibilities.

The composition of Corporate Social Responsibility Committee is as follows:

- | | |
|-------------------------|---------------|
| a) Shri Jagadish Bhuyan | - Chairman |
| b) Shri Utpal Borah | - Member, and |
| c) Shri Ratul Bordoloi | - Member |

The shareholders are aware that the company is providing free quality education to the students of the neighbouring villages of the plants at Namrup in the schools run by the company within its premises. The Company is also providing drinking water in the neighbouring villages and does free health check-ups from time to time. The CSR Policy of the company is enclosed herewith as **Annexure-E**.

Audit Committee:

The Audit Committee of the Company is constituted under the Chairmanship of an Independent Director in terms of the Section 177 of the Companies Act, 2013. The details of the meeting of the Audit Committee held during the financial year 2018-19 and the roles and power of the Audit Committee are given in the Corporate Governance Disclosure.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 is a comprehensive piece of legislature covering all the aspects to provide protection against sexual harassment of women at workplace, prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. In order to ensure compliance of the provisions of the said Act, the company has constituted an Internal Complaint Committee on 29th May, 2015. The Internal Complaint Committee didn't receive any complaint and/or incidence of sexual harassment received during the financial year 2018-19.

Directors Responsibility Statement:

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the Financial Year ended on 31st March, 2019, all applicable accounting standards had been followed, along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March 2019 and of the profit and losses of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the accounts for the Financial Year ended on 31st March, 2019 on a 'going concern' basis.
- (v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Reply to the Comments of the Auditors :

The Auditors of the company including the Comptroller and Auditor General of India have made certain adverse comments or

remarks on the financial statements of the Company. According to the Section 134(3)(f) of the Companies Act, 2013, it is duty of the Board to give its reply on the same to the members. Accordingly, the reply of the Board is given as 'Annexure F'.

Celebration of National Safety Day and World Environment Day :

Your company celebrated the 48th National Safety day on 4th March, 2019 in the factory premises at Namrup with the theme **"Cultivate and Sustain a Safety Culture for Building Nation"**.

Your company like the previous years celebrated the World Environment Day on 5th June, 2018 in the company's head office and factory premises at Namrup with the theme of **"Beat Plastic Pollution- Save Environment"**. The Company planted saplings and organized awareness programme amongst the school children and residents of company's township about the need of protection of the environment and effects of plastic pollutions in the environment.

Acknowledgment:

Your Directors place on record their appreciation of the unstinted support and encouragement extended by the Government of Assam, banks, the valued shareholders, customers and the employees of the company.

Your Directors also place on record their sincere appreciation to Oil India Limited for continuous supply of Natural Gas as main feedstock for production of Methanol and Assam Gas Company Ltd. for transporting Natural Gas to the plant.

We also express the sincere and profound gratitude to NITI Aayog, Govt. of India for working on methanol economy and considering Assam Petro-Chemicals Ltd. as an important stakeholder in their methanol programme.

Your directors also like to express sincere thanks and gratitude to the dealers, transporters, customers and all other stakeholders for their continuous faith and support on the company.

For and on behalf of the Board of Directors

Place: Guwahati
Date: 17th August, 2019

Sd/-
(Jagadish Bhuyan)
Chairman

Form MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:					
i)	CIN	U24116AS1971SGC001339			
ii)	Registration Date	22 nd April, 1971			
iii)	Name of the Company	Assam Petro-Chemicals Limited			
iv)	Category/Sub-category of the Company	Public Company limited by shares			
v)	Address of the Registered office & contact details	4th Floor, Orion Place, Bhangagarh, Mahapurush Srimanta Shankardev Path,Guwahati, Assam, India, PIN-781005 Phone No.: 0361-2461594, 2461470 Fax No. 0361-2461471, e-mail: aplguw@assampetrochemicals.co.in website: www.assampetrochemicals.co.in			
vi)	Whether listed company	Unlisted			
vii)	Name , Address & contact details of the Registrar & Transfer Agent, if any.	C B Management Service (P) Limited, P-22, Bondel Road, Kolkata-700019, West Bengal, India			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10% or more of the total turnover of the company.					
SL No	Name & Description of main products/services	NIC Code of the Product /service*		% to total turnover of the company**	
i)	Methanol	201		25.68	
ii)	Formaldehyde	201		74.32	
* On the basis National Industrial Classification - Ministry of Statistics and Programme Implementation					
** On the basis of Net Turnover					
III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES					
SI No	Name & Address of the Company	CIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
i)	Pragjyotish Fertilizers & Chemicals Limited	U24124AS2004SGC007344	Subsidiary	55.56	2(87)
ii)	Oil India Limited	L11101AS1959GOI001148	Associate	48.71	2(6)

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)
(I) CATEGORY WISE SHARE HOLDING

Category of Shareholder	Number of shares held at the beginning of the year (01-Apr-2018)				Number of shares held at the end of the year (31-Mar-2019)				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	2,507	2,507	0.03	0	8,255	8,255	0.00	-0.03
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	8,941,180	6,700	8,947,880	98.11	49,675,340	36,850	49,712,190	11.53	-86.58
(d) Bodies Corporate	0	0	0	0	0	0	0	0	0
(e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	8,941,180	9,207	8,950,387	98.14	49,675,340	45,105	49,720,445	11.53	(86.61)
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	8,941,180	9,207	8,950,387	98.14	49,675,340	45,105	49,720,445	11.53	-86.61

Note : Promoters shareholding reduced by 86.61% on 31.03.2019 due to allotment of Fresh Shares to Governor of Assam, Oil India Limited and Assam Gas Co. Limited during the FY 2018-19.

B. Public shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/FI	0	0	0	0.00	0	0	0	0.00	-0.99
(c) Central Government (Oil India Limited)	0	0	0	0.00	75,000,000	135,000,000	210,000,000	48.71	48.71
(d) State Government(s)	0	0	0	0.00	0	171,000,000	171,000,000	39.66	39.66
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	-	-	-	0.00	75,000,000	306,000,000	381,000,000	88.37	88.37
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	90,700	300	91,000	1.00	825	1,100	1,925	0.00	-1.00
(ii) Overseas	0	0	0	0.00	0	0	0	0	0.00

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**ASSAM
PETRO-CHEMICALS LIMITED**



(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹1 lakh	1,260	76,750	78,010	0.86	17,304	214,854	232,158	0.05	-0.80
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	-	-	0.00	0	11,000	11,000	0.00	0.00
(c) Others (specify)									
(i) Society	0	550	550		0	2,750	2,750	0.00	-0.01
Investor Education & Protection Fund					191,430	0	191,430	0.04	0.04
Sub-Total (B)(2)	91,960	77,600	169,560	1.86	209,559	229,704	439,263	0.10	-1.76
Total Public Shareholding (B)= (B)(1)+(B)(2)	91,960	77,600	169,560	1.86	75,209,559	306,229,704	381,439,263	88.47	86.61
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
GRAND TOTAL (A)+(B)+(C)	9,033,140	86,807	9,119,947	100	124,884,899	306,274,809	431,159,708	100	0.00

(II) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2018)			Shareholding at the end of the year (31st March, 2019)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Assam Industrial Development Corporation Limited	8,947,880	98.11	Nil	49,712,190	11.53	Nil	-86.58
2	Shri Hemendra Prasad Barooah	1,001	0.01	Nil	5,505	0.00	Nil	0.00
3	Shri Prafulla Chandra Borooah	501	0.01	Nil	0	0.00	Nil	0.00
4	Shri R K Borooah	500	0.01	Nil	0	0.00	Nil	0.00
5	Shri Alok Mookherjee	500	0.01	Nil	2,750	0.00	Nil	0.00
6	Shri Krishna Prasad Barooah	1	0.00	Nil	0	0.00	Nil	0.00
7	Shri Radha Govinda Baruah	1	0.00	Nil	0	0.00	Nil	0.00
8	Shri Guru Prasad Das	1	0.00	Nil	0	0.00	Nil	0.00
9	Shri Ganesh Ch Phukan	1	0.00	Nil	0	0.00	Nil	0.00
10	Shri Mahan Singh	1	0.00	Nil	0	0.00	Nil	0.00
	Total	8,950,387	98.14		49,720,445	11.53		-86.58

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name the Directors & KMP	Shareholdings		Date	Increase/ Decrease in share holding	Details of Changes in Shareholding	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No.of shares at the beginning (01.04.2018) and at the end (31.03.2019) of the year	% of total shares of the company				No.of shares	% of total shares of the company
1	Assam Industrial Development Corporation Limited (AIDC Ltd.)	8,947,880 49,712,190	98.11 11.53	01-04-18 06-04-18 02-06-18 31-03-19	 90,700 40,673,610	Transferred Issued bonus	8,947,880 9,038,580 49,712,190 49,712,190	98.11 99.11 99.11 11.53*
2	Shri Hemendra Prasad Barooah	1001 5505	0.00 0.00	01-04-18 31-03-19	4504	Issued bonus	5,505	0.00
3	Shri Prafulla Chandra Borooah	501 -	0.00 0.00	01-04-18 02-06-18 20-07-18 31-03-19	501 2254 -2755	Issued bonus Transferred to IEPF	0.00	0.00
4	Shri R K Borooah	500 -	0.00 0.00	01-04-18 02-06-18 20-07-18 31-03-19	500 2,250 (2,750) 0	Issued bonus Transferred to IEPF	0.00	0.00
5	Shri Alok Mookherjee	500 500	0.00 0.00	01-04-18 02-06-18 31-03-19	500 2,250	Issued bonus	2,750	0.00
6	Shri Krishna Prasad Barooah	1 -	0.00 0.00	01-04-18 02-06-18 20-07-18 31-03-19	1 4 -5 0	Issued bonus Transferred to IEPF	1 5 0 0	0.00
7	Shri Radha Govinda Baruah	1 -	0.00 0.00	01-04-18 02-06-18 20-07-18 31-03-19	1 4 -5 0	Issued bonus Transferred to IEPF	1 5 0 0	0.00
8	Shri Guru Prasad Das	1 -	0.00 0.00	01-04-17 02-06-18 20-07-18 31-03-19	1 4 -5 0	Issued bonus Transferred to IEPF	1 5 0 0	0.00
9	Shri Ganesh Ch Phukan	1 -	0.00 0.00	01-04-18 02-06-18 20-07-18 31-03-19	1 4 -5 0	Issued bonus Transferred to IEPF	1 5 0 0	0.00
10	Shri Mahan Singh	1 -	0.00 0.00	01-04-17 02-06-18 20-07-18 31-03-19	1 4 -5 0	Issued bonus Transferred to IEPF	1 5 0 0	0.00

* Shares of Assam Industrial Development Corporation Ltd. increased due to issue of bonus shares on 2nd June, 2018. However, the percentage of holding declined due to allotment of shares on preferential basis to other entities during the FY 2018-19

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS

(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sl. No.	Name the Directors & KMP	Shareholdings		Date	Increase/ Decrease in share holding	Details of Changes in Shareholding	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No.of shares at the beginning (01.04.2018) and at the end (31.03.2019) of the year	% of total shares of the company				No.of shares	% of total shares of the company
1	Oil India Limited	0	-	01-04-18	0	0	0	0.00
			-	21-09-18	75,000,000	Shares allotted	75,000,000	17.39
				30-03-19	135,000,000	Shares allotted	210,000,000	48.71
		210,000,000	48.71	31-03-19	0	48.70	210,000,000	
2	Governor of Assam	0	-	01-04-18				0.00
			-	21-09-18	157,000,000	Shares allotted	157,000,000	36.41
		157,000,000	36.41	30-03-19			157,000,000	36.41
3	Assam Gas Co. Ltd	0	-	01-04-18	0	0		0.00
			-	21-09-18	14,000,000	Shares allotted	14,000,000	3.25
		14,000,000	3.25	30-03-19			14,000,000	3.25
4	Shri Kailash Bagaria	2,000	0.00	01-04-18				0.00
			-	02-06-18	9000		11,000	0.00
		11,000	0.00	30-03-19			11,000	0.00
5	Shri Keshalata Bymra	1,000	0.00	01-03-18				0.00
				02-06-18	4500		5,500	0.00
		5,500	0.00	30-03-19			5,500	0.00
6	Shri Somnath Mookherjee	1,000	0.00	01-04-18	0			0.00
				02-06-18	4,500		5,500	0.00
		5,500	0.00	30-03-19			5,500	0.00
7	Shri Keshalata Bymra	1,000	0.00	01-04-18	4500			0.00
				02-06-18			5,500	0.00
		5,500	0.00	30-03-19			5,500	0.00
8	Shri Suman Malu	1,000	0.00	01-04-18	-			0.00
				02-06-18	4,500		5,500	0.00
		5,500	0.00	30-03-19			5,500	0.00
9	AOD Oil-Co-Operative Society, IOC	500	0.00	01-04-18				0.00
				02-06-18	2,250		2,750	0.00
		2,750	0.00	30-03-19			2,750	0.00
10	SPA Capital Advisors Ltd	90,700	0.02	01-04-18			90,700	0.02
			-	06-04-19	(90,700)		-	0.00
		0	-	30-03-19			-	0.00

(V) SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	Name the Directors & KMP	Shareholdings		Date	Increase/Decrease in share holding	Details of Changes in Shareholding	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No.of shares at the beginning (01.04.2018) and at the end (31.03.2019) of the year	% of total shares of the company				No.of shares	% of total shares of the company
1	Shri Jagadish Bhuyan	0	0.00	01.04.18 31.03.19	0	No changes	0	0.00
2	Shri Bikul Ch. Deka	0	0.00	01.04.18 31.03.19	0	No changes	0	0.00
3	Shri Vinod Seshan, IAS (Ceased as Director w.e.f.24.04.2018)	0	0.00	01.04.18 24.04.18	0	No changes	0	0.00
4	Mrs. Shehla Rahman, ACS (Appointed as Director w.e.f. 15.11.2018)	0	0.00	01.04.18 02.08.18	0	No changes	0	0.00
5	Shri Sanat Kr. Kalita (Appointed as Director w.e.f. 15.11.2018)	0	0.00	01.04.18 28.08.18	0	No changes	0	0.00
6	Shri Samir Kr. Sinha, IAS (Ceased as Director w.e.f.15.11.2018)	0	0.00	01.04.18 15.11.18	0	No changes	0	0.00
7	Shri Kailash Karthik Natarajan, IAS (Appointed as Director w.e.f. 15.11.2018)	0	0.00	15.11.18 31.03.19	0	No changes	0	0.00
8	Ms. Roshan Ara Begum, IAS (Appointed as Director w.e.f. 09.01.2019)	0	0.00	09.01.19 31.03.19	0	No changes	0	0.00
9	Shri Umananda Doley, ACS (Ceased as Director w.e.f.02.02.2019)	0	0.00	01.04.18 02.02.19	0	No changes	0	0.00
10	Dr KK Dwivedi, IAS (Ceased as Director w.e.f. 02.02.2019)	0	0.00	01.04.18 02.02.19	0	No changes	0	0.00
11	Shri Puru Gupta, IAS (Appointed as Director w.e.f. 02.02.2019)	0 0	0.00 0.00	02.02.19 31.03.19	0 0	No changes	0 0	0.00 0.00

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12	Shri Utpal Borah	0 0	0.00 0.00	01.04.18 31.03.19	0 0	No changes	0 0	0.00 0.00
13	Shri Sanjeev Kr. Choubey	0 0	0.00 0.00	01.04.18 31.03.19	0 0	No changes	0 0	0.00 0.00
14	Shri D.N.Barua	0 0	0.00 0.00	01.04.18 31.03.19	0	No changes	0	0.00
15	Shri A.N Das	0 0	0.00 0.00	01.04.18 31.03.19	0	No changes	0	0.00
16	Shri Birinchi Kr. Sarma	0 0	0.00 0.00	01.04.18 31.03.19	0	No changes	0	0.00
17	Shri Ratul Bordoloi	0 0	0.00 0.00	01.04.18 31.03.19	0	No changes	0	0.00
18	Shri Uttam Bailung	10 10	0.00 0.00	01.04.18 31.03.19	45	Increase	45 55	0.00

(VI) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (01-Apr-2018)				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Additions	521,473,154	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	N. A.	N. A.	N. A.	N. A.
Indebtedness at the end of the financial year (31-Mar-2019)				
i) Principal Amount	521,473,154	NIL	NIL	NIL
ii) Interest due but not paid	4,159,875	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

(VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Total amount
1	Gross salary	Shri Ratul Bordoloi Managing Director	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	₹16,94,316.00 (Rupees Sixteen lacs ninety four thousand three hundred sixteen only)	₹16,94,316.00 (Rupees Sixteen lacs ninety four thousand three hundred sixteen only)
2	Stock option	NIL	NIL
3	Stock option	NIL	NIL
4	Commission as % of profit	NIL	NIL
5	Others (Provident Fund, Medical Expenses and incentive)	₹2,56,136.00 (Rupees two lacs fifty six thousand one hundred thirty six only)	₹2,56,136.00 (Rupees two lacs fifty six thousand one hundred thirty six only)
Total (A)		₹19,83,228.00 (Rupees nineteen lacs eighty three thousand two hundred twenty eight only)	₹19,83,228.00 (Rupees nineteen lacs eighty three thousand two hundred twenty eight only)

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total amount
1	Independent Directors	Shri D N Barua	Shri B.K Sarma	Shri Utpal Borah	Shri S.K Choubey	Shri A N Das	
	(a) Fee for attending board/ committee meetings	71,500.00	83,000.00	92,500.00	35,500.00	1,02,500.00	3,85,000.00
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	71,500.00	83,000.00	92,500.00	35,500.00	1,02,500.00	3,85,000.00
2	Other Non Executive Directors	Shri J. Bhuyan	Shri Bikul Deka				
	(a) Fee for attending board committee meetings	Nil	15,000.00	Nil	Nil	Nil	15,000.00
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Remuneration as per Govt. order	5,64,194.00	3,16,129.00	Nil	Nil	Nil	
	Total (2)	5,64,194.00	3,31,129.00	Nil	Nil	Nil	8,95,323.00
	Total (B)=(1+2)	12,80,323.00					
	Total Managerial Remuneration	₹ 32,63,551.00 (Rupees thirty two lacs sixty three thousand five hundred fifty one) Only					

Overall Ceiling for sitting fees as per the Act ₹ 1,00,000/-each director per meeting of the Board of Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Shri Uttam Bailing Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	₹ 13,35,088 (Rupees thirteen lacs thirty five thousand eighty eight) only	₹ 13,35,088 (Rupees thirteen lacs thirty five thousand eighty eight) only
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify (Provident Fund, Medical Expenses and incentive)	₹ 1,58,081 (Rupees one lacs fifty eight thousand eighty one only)	₹ 1,58,081 (Rupees one lacs fifty eight thousand eighty one only)
Total		₹ 14,93,169 (Rupees fourteen lacs ninety three thousand one hundred sixty nine only)	₹ 14,93,169 (Rupees fourteen lacs ninety three thousand one hundred sixty nine only)

(VIII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

CORPORATE GOVERNANCE DISCLOSURE

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance. The company continues with its efforts to attain the highest level of transparency, professionalism and accountability in every aspect and in all interactions with its stakeholders, the State Government and also with its employees. The company aims at satisfaction of all stakeholders in a balanced manner through sustainable growth and profitability.

2. BOARD OF DIRECTORS

There were 11 (Eleven) directors on the Board of Directors of the Company as on 31st March, 2019. The Board of the company is constituted as per Section 149 of the Companies Act, 2013. The composition of the Board and category of Directors as on 31st March, 2019 was as follows:-

Category	Name of Directors
Nominee Directors of Promoter/promoter Group	Shri Jagadish Bhuyan, Chairman [DIN-01308520] Shri Bikul Chandra Deka, Vice-Chairman [DIN-07774812] Shri Kailash Karthik Natarajan, IAS [DIN-08271296] * Dr. Roshan Ara Begum, IAS [DIN-07299267] # Shri Puru Gupta, IAS [DIN-07665168] @
Independent Directors	Shri Digendra Nath Barua [DIN-00431146] Shri Amarendra Nath Das [DIN-02818045] Shri Birinchi Kumar Sarma [DIN-02817985] Shri Utpal Borah [DIN-02071252] Shri Sanjeev Kumar Choubey [DIN-01616405]
Whole Time Director	Shri Ratul Bordoloi, Managing Director [DIN-03315766]

None of the director is related to any other director on the Board.

* Shri Kailash Karthik Natarajan, IAS [DIN-08271296] appointed as director w.e.f. 15th November, 2018.

Dr. Roshan Ara Begum, IAS [DIN-07299267] appointed as director w.e.f. 9th January, 2019.

@ Shri Puru Gupta, IAS [DIN-07665168] appointed as director in his place Shri Umananda Doley, ACS [DIN-07842931] w.e.f. 2nd February, 2019 and Dr. K K Dwivedi, IAS [DIN-07632374] ceased as Director w.e.f. 2nd February, 2019.

MEETINGS OF THE BOARD OF DIRECTORS:

The company convene meetings of the Board of Directors as per applicable provisions of the Companies Act, 2013 and the Secretarial Standard -1 (SS-1) issued by the Institute of Company Secretaries of India. During the Financial Year 2018-19, the company convened 11 (eleven) meetings of the Board of Directors. The gap between two consecutive meetings of the Board of Directors never exceeded 120 (One Hundred Twenty) days.

The details of the meetings of the Board of Directors held during the Financial Year 2018-19 are as follows:-

Sl.No.	Date of Board Meeting	Board Strength	Numbers of Directors Present
1	9th April, 2018	12	8
2	24th April, 2018	12	7
3	16th July, 2018	12	7
4	28th July, 2018	12	9

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5	28th August,2018	11	8
6	21st September,2018	11	7
7	15th November,2018	11	8
8	10th December,2018	11	6
9	08th February,2019	11	8
10	19th February,2019	11	6
11	30th March, 2019	11	6

Particulars of Directors including those who ceased to be director in the company during the financial year and their attendance at meetings of Board of Directors and the meetings of Shareholders held during the Financial Year 2018-19.

Sl. No	Name of Directors and their Category	Date of joining as Director of the Company	Attendance of the meeting of Board held during the year and percentage thereof			Attended in the last Annual General Meeting (Yes/No/NA)	Name of the Companies/ firms/ association of individuals in which interested
			Nos. of Meetings Attended	Total Meetings held during the tenure of the director.	% of Attendance		
1	Shri Jagadish Bhuyan [DIN-013085201] Category: Nominee Director	7th March, 2017	11	11	100	Yes	1.SCPL;
2	Shri Bikul Ch. Deka [DIN-07774812] Category: Nominee Director	7th March, 2017	8	11	71.72	Yes	Nil
3	Shri Puru Gupta, IAS [DIN-07665168] Category: Nominee Director	1st February, 2019	0	3	0	NA	1.AIDCL 2.CSML 3.IPAL 4. AAHCL 5. BTP 6. ATPO 7. PBSL 8. CCIL
4	Dr. K.K. Dwivedi, IAS [DIN-07632374] Managing Director AIDC Ltd., R.G. Baruah Road, Guwahati-24 Category: Nominee Director	24th April, 2018 (Ceased to be Director w.e.f. 02nd February, 2019)	1	7	14.28	NA	1.
5	Mrs. Shehla Rahman, ACS [DIN-06786580] Secretary to the Govt, of Assam, Industries and Commerce Department Assam Secretariat, Dispur, Guwahati 781006 Category : Nominee Director	19th April, 2016 (Ceased to be Director w.e.f. 02nd August, 2018)	4	4	100	No	2.AHECL; 3.AMDCL; 4.AGCL 5.ASIDC 6.ATCL



6	Dr. Roshan Ara Begum, IAS [DIN-07299267] Commissioner and Secretary to Government of Assam, Public Enterprise Department, Dispur, Guwahati 781 006 Category: Nominee Director	9th January, 2019	1	3	33.3	NA	1. AMDCL 2. AEGCL 3. APDCL 4. AFCSCCL 5. AIDCL 6. ASWCL 7. DNP LTD. 8. APHCL
7	Shri Sanat Kalita, ACS DIN-07845004 Commissioner & Secretary to Govt. of Assam, Public Enterprises Department Category: Nominee Director	8th June, 2017 (Ceased to be Director w.e.f. 28th August, 2018)	0	5	NIL	NA	1. AGCL 2. ATCL
8	Shri Samir Kr. Sinha, IAS [DIN-07510879] Principal Secretary to the Govt. of Assam Finance Department Category: Nominee Director	27th February, 2018 (Ceased to be Director w.e.f. 15th November, 2018)	0	7	NIL	NO	NIL
9	Shri Kailash Karthik Natarajan, IAS [DIN-08271296] Joint Secretary to the Government of Assam Finance Department Category: Nominee Director	15th November, 2018	1	3	33.3	NA	1. NHM 2. ASCARD 3. ASWCL 4. SIRD
10	Shri D.N. Barua [DIN-00431146] Ambikagiri Nagar R G Boruah Road Guwahati-781024 Category: Independent Director	4th February, 1987 Appointed as Independent director for 5 years w.e.f 07.04.2016 in accordance with Section 149 of the Act.	9	11	81.81	YES	1. PFCL 2. GMA
11	Shri A.N. Das, [DIN-02818045] Formerly Executive Director, Indian Oil Corporation Ltd. Category: Independent Director	09th November, 2009 (Appointed as Independent director for 5 years w.e.f. 30.09.2014 in accordance with Section 149 of the Act)	10	11	91	YES	1. OIPL 2. ITPL

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12	Shri Birinchi Kr. Sarma, [DIN-02817985] Formerly Executive Director, Indian Oil Corporation Ltd. Category: Independent Director	09th November 2009 (Appointed as Independent director for 5 years w.e.f 07.04.2016 in accordance with Section 149 of the Act)	9	11	81.81	YES	NIL
13	Shri Utpal Borah, [DIN-02071252] Formerly Executive Director, Oil India Limited Category: Independent Director	29th December, 2010 (Appointed as Independent director for 5 years w.e.f 30.09.2016 in accordance with Section 149 of the Act)	8	11	72.72	NO	NIL
14	Shri Sanjeev Kr. Choubey [DIN-01616405] Category: Independent Director	19th December, 2012 (Appointed as Independent director for 5 years w.e.f 30.09.2016 in accordance with Section 149 of the Act)	3	11	27.3	NO	1. NPIPL; 2. TVPPL; 3. NTI 4. BTPPL 5. KTE
14	Shri Ratul Bordoloi, [DIN-03315766] Category: Managing Director	09th September, 2010	11	11	100	YES	1. PFCL; 2. PCB

SCPL: Synergy Creation (I) Pvt. Ltd; **AAHCL:** Assam Ashok Hotel Corporation Ltd., **AEGCL:** Assam Electricity Grid Corporation Limited; **AFCSCL :** Assam Food and Civil Supplies Corporation Limited; **AGCL:** Assam Gas Company Limited; **AHECL:** Assam Hydrocarbon & Energy Company Ltd; **AIDCL:** Assam Industrial Development Corporation Ltd; **AMDCL:** Assam Mineral Development Corporation Limited; **APDCL:** Assam Power Distribution Corporation Ltd; **APGCL:** Assam Power Generation Corporation Ltd; **APHCL :** Assam Police Housing Corporation Limited; **ATPO :** Assam Trade Promotion Organization; **ASIDCL:** Assam Small Industrial Development Corporation Ltd; **ASL:** Assam Syntex Limited; **ASWC:** Assam State Warehousing Corporation; **ASWMCL:** Assam State Weaving & Manufacturing Co. Ltd.; **ASCARD :** Assam State Cooperative Agriculture & Rural Development Bank; **ATCL:** Assam Tea Corporation Ltd; **BTP:** Bamboo Technology Park; **CSML:** Cachar Sugar Mills Ltd; **GMA:** Guwahati Management Association; **ITPL:** Isemantics Technology Private Limited; **IPAL:** Industrial Paper(Assam) Ltd.; **NPIPL:** Natural Penal Industries Pvt. Ltd; **NTI:** Nefaa Tea Industries; **NHM:** National Health Mission; **OIPL:** Om Infracon Pvt. Ltd; **PCB:** Pollution Control Board; **PBSL:** Prag Bosimi Synthetics Limited; **PFCL:** Pragjyotish Fertilizers and Chemicals Ltd; **PTPPL:** Prag Jyoti Textile Park Private Limited; **TVPPL:** Tohi Veneer Products Pvt. Ltd. ; **KTE:** Kharsang Tea Estate; **BTPPL:** Barduria Timber Products Pvt. Ltd.; **AMDCL:** Assam Mineral Development Corporation Ltd., **CCIL:** Calcom Cement India Ltd., **FL:-** Fertichem Ltd.; **SIRD :** State Institute of Rural Development.

3. COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE:

The Audit Committee is constituted under the Chairmanship of an Independent Director of the company in terms of the Section 177 of the Companies Act, 2013. During the Financial Year 2018-19 the company convened two meetings (28th July, 2018 and 14th November, 2018) of the Audit Committee. The Section 177 of the Act relating to Audit Committee became applicable for the company w.e.f. 2nd June, 2018 with the increase of paid up share capital of the company exceeding Rs. 10 Crore. The attendance records of the members at the meetings were as follows:

Name of the Directors	Status	No. of meeting attended	Attended in the last AGM (Yes /No)
Shri D.N. Barua (Independent Director)	Chairman	2	Yes
Shri B K Sarma (Independent Director)	Member	2	Yes
Shri S.K. Choubey (Independent Director)	Member	1	No
Shri Utpal Borah (Independent Director)	Member	1	No

Terms of Reference: The terms of reference/powers of the Audit Committee are as under:

A. Powers of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The Role of Audit Committee includes

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for remuneration and terms of appointment of auditors of the company.
3. Approval of payment to the statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required being included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimate based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with the listing and other legal requirements relating to financial statement.
 - Disclosure of related party transactions
 - Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission with the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent notification of transactions of the company with the related parties.
9. Scrutiny of inter corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls;
12. Reviewing, with the management, performance of statutory and internal auditors adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow-up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To review the functioning of the whistle Blower Mechanism.
19. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience & background, etc of the candidate.
20. Carrying out such other functions as is mentioned in the terms of reference of the audit committee.
21. To review the following information:
 - The management Discussion and Analysis of financial condition and results of operation;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weakness issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness; and
 - The appointment, removal and terms of remuneration of the chief internal auditor(s) shall be subject to review by the audit committee;
 - Statements of Deviations:
 - a. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1).
 - b. Annual statements of funds utilised for purpose other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD:

Pursuant to Section 178 (1) of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 the Nomination and Remuneration Committee of the Board of Directors of the company is constituted with the following members.

Shri B.K. Sarma (Independent Director)	Chairman
Shri D.N. Barua (Independent Director)	Member
Shri A.N. Das (Independent Director)	Member

The company is a Government of Assam enterprise functioning under the administrative control of Industries and Commerce Department. The Whole Time Director (Managing Director) and all the senior level officials (General Manager and above) are selected by the Public Enterprise Selection Board (PESB) headed by the Chief Secretary to the State Government. The remuneration of the Whole Time Director, i.e. Managing Director and all the employees are paid as per the pay scales and other perks approved by the State Government from time to time. The Nomination and Remuneration Committee doesn't have any role in selection and determination of managerial remuneration of the Whole Time Directors and pays Senior Level officers of the company.

Regarding selection of independent directors, the Government of Assam proposes certain names of eligible persons having experience and knowledge in the field of chemical and petrochemicals sector for appointment of independent directors from time to time.

The Managerial Remuneration paid to the Managing Director during the FY 2018-19 is as under:

Name of Director	All elements of remuneration package of Directors i.e. salary, benefits, bonus	Other benefits	Service contracts, notice period, severance fee.
Shri Ratul Bordoloi, Managing Director	₹ 19,50,452.00 (Rupees Nineteen lacs fifty thousand four hundred fifty two only)	NIL	<p>Service Contract: In continuation to the Government of Assam notification no. MI.113/98/Pt./566 dated 3rd March, 2016, Industries and Commerce Department, Government of Assam vide notification no. MI.113/98/PT./586 dated 7th March, 2019 extended the service of Shri Ratul Bordoloi as Managing Director of the company till his superannuation date 31st March, 2020.</p> <p>Notice Period: Three months.</p> <p>Severance Fee: Payment of three months salary from either side.</p>

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The company pays sitting fee of ₹ 8,000/- (Rupees Eight Thousand only) to each to the Independent Directors for attending each meeting of Board of Directors and ₹ 5,000/- (Rupees Five thousand) only for attending Board sub-committee where the Independent Director is a member. The company didn't pay any sitting fee to the nominee directors of Governor of Assam and Assam Industrial Development Corporation Ltd. (AIDC). Pursuant to the Government of Assam notification no. PE. 37/2015/59 dated 04.08.2018 the company has been paying per month remuneration to non-executive Chairman and Vice -Chairman at the rate of ₹ 50,000/- (Rupees Fifty Thousand) only and ₹ 40,000/- (Rupees Forty thousand) only respectively.

The sitting fee paid to the Independent Directors during the Financial Year 2018-19 are given as under.

Sl.No.	Names of the Directors	Amount of Sitting Fees (in ₹)
1	Shri D.N. Barua	71,500.00
2	Shri B.K. Sarma	83,000.00
3	Shri A.N. Das	1,02,500.00
4	Shri S.K. Choubey	35,500.00
5	Shri Utpal Borah	92,500.00
	Total:	3,85,000.00

Pursuant to the Government of Assam Vide notification no. PE. 37/2015/59 dated 04.08.2018 the company paid ₹ 5,64,19,400.00 (Rupees five lacs sixty four thousand nineteen thousand four hundred) only as remuneration to Shri Janagish Bhuyan, Chairman for the FY 2016-17, 2017-18 and 2018-19. Chairman was paid at the rate of ₹ 10,000/- per month w.e.f. 7th March, 2017 to 3rd August, 2018 as per the he Govt. Office Memo No. PE.167/2011/113 dt. 23rd August, 2016. The company released the arrear amount for the FY 2016-17 and FY 2017-18 during the financial year 2018-19.

Similarly, pursuant to the abovementioned Government of Assam Notification the company paid ₹ 3,31,129.00 (Rupees three lacs thirty one thousand one hundred twenty nine) only to Shri Bikul Ch. Deka, Vice-Chairman as remuneration during the FY 2018-19. Prior to the date of the above notification, the Vice-Chairman was paid sitting fee at the rate of ₹ 5,000.00 for attending each meeting of the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to Section 138 of the Companies Act, 2013, the company constituted a Corporate Social Responsibility Committee of the Board of Directors. The Composition of the committee was as follows:

Shri Jagadish Bhuyan	Chairman
Shri Utpal Borah	Member
Shri Ratul Bordoloi	Member

The average net profit of the company was lesser than ₹ 5 Crore during the three previous years i.e. FY 2015-16, FY 2016-17 and FY 2017-18, nor the company earned turnover of ₹ 1,000 Crore or net worth of Rs. 500 Crore during the preceding financial year therefore the company is out of the ambit of mandatory CSR expenditure during the FY 2018-19 as per Section 135 of the Companies Act, 2013. However, the Board of Directors of the company constituted the CSR Committee of the Board in accordance with the Section 135 of the Act and Rules made there under.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The company constituted a Stakeholders' Relationship Committee with the chairmanship of an Independent Director of the Board. There are four members of the Board in the Committee.

The Composition of the committee is as follows:-

Shri A. N Das, Independent Director	Chairman
Shri D.N Barua, Independent Director	Member
Shri B. K Sarma, Independent Director	Member
Shri Ratul Bordoloi, Managing Director	Member

The Stakeholders' Relationship Committee, inter alia, consider and resolve the grievances of the shareholders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee also meets to consider and approve transfer and transmission of physical shares and issue of Duplicate and Rematerialized Share Certificates.

Shri Uttam Bailung, Company Secretary and Compliance Officer, is the Secretary of all Board Sub-Committees constituted under the Companies Act, 2013 and applicable Rules thereunder. The Contact detail of the Company Secretary is as under:-

*Company Secretary
Assam Petro-Chemicals Limited
4th Floor, Orion Place, Mahapurush Srimanta Sankardev Path (formerly G S Road)
Bhangagarh, Guwahati-781 005, Assam, Phone no. 0361-2461594
emails- bailung.uttam@assampetrochemicals.co.in and aplguw@assampetrochemicals.co.in*

5. GENERAL BODY MEETINGS

Details of General Body Meetings held in the last three years are given below:

General Body Meeting	Day and Date	Time	Venue
45th AGM	Friday, 30th September, 2016	11.00 am	4th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati -781005
46th AGM	Tuesday, 26th September, 2017	11.00 am	4th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati -781005
47th AGM	Friday, 28th September, 2018	11.00 am	4th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati -781005

Special Resolution:

During the FY 2018-19 the company passed a special resolution for "Further issue of shares on preferential basis to entities other than the existing shareholders" in the Extra Ordinary General Meetings of the shareholders held on August 27, 2018 held at 4th Floor, Orion Place, Bhangagarh, G S Road, Guwahati, Assam 781005.

Special Resolution passed through Postal Ballot:

During the FY 2018-19 the Company did not pass any special resolution through postal ballot as per Section 110 of the Companies Act, 2013 and Rules made there under.

6. MEANS OF COMMUNICATION

The Company is having a functional website www.assampetrochemicals.co.in all the information relating to the company affecting the stakeholders in general are published therein. The website also contains the basic information of the company, composition of Board etc. The Company's Annual Reports for preceding years are also available in a user-friendly and downloadable form.

7. GENERAL SHAREHOLDER INFORMATION

a) 48th Annual General Meeting:

Date: 25th September, 2019, Time: 11:30 AM, Venue: Hotel Gateway Grandeur, Mahapurush Srimanta Sankardev Path, Christianbasti, Guwahati-781005.

Financial Year:

1st day of April to 31st day of March of the following year.

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b) Dividend Payment Date:

Board of Directors did not recommend dividend for the FY 2018-19 due to unabsorbed carry forward depreciation and unadjusted loss of previous years.

c) Listing:

The shares of the company is not listed any stock exchanges as on this date.

d) Date of Book Closure: 20th September, 2019 to 25th September, 2019 (including both days)

e) Registrar and Share Transfer Agent:

M/s C.B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata-700 019
E-mail: rta@cbmsl.com.

f) Share Transfer System:

Physical Shares: The Company appointed M/s C.B. Management Services (P) Ltd., Kolkata as Registrar and Share Transfer Agent (R & TA) with effect from 1st March, 2010. R & TA scrutinises the Share Transfer and Transmission related documents received from transferee and forward the same to the company for approval of the transfer/transmission by Board sub-committee i.e. Stakeholders' Relationship Committee. The Committee approves the transfer/transmission as and when required.

Subject to the documents are in order and complete, share transfer are processed and share certificates returned within the prescribed time.

Shares in Electronic Mode: As on 31st March, 2019, 60.27% of the equity shares of the company are held in electronic mode. The company appeal to the shareholders who have not yet used this facility to dematerialise their shares so that the shares can be held and transferred electronically.

g) Distribution of shares

Shareholders	Number of Shares Held	Shares held in Demat	Shares Held in Physical	% of Shares held
Promoter and Promoter Group	4,97,20,445	4,96,75,340	45,105	11.53
Governor of Assam	15,70,00,000	Nil	15,70,00,000	36.42
Central Government Company (Oil India Ltd.)	21,00,00,000	21,00,00,000	Nil	48.71
State Govt. Company (Assam Gas Co. Ltd.)	1,40,00,000	Nil	1,40,00,000	3.24
Others Public Holders	4,39,263	2,09,559	2,29,704	0.10
Total	43,11,59,708	25,98,84,899	17,12,74,809	100

h) Dematerialisation of Shares and liquidity:

The company provides the facility to dematerialise the shares of the company with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN of the company's Shares is INE277D01010.

I) The Company never issued GDRs/ADRs/Warrants or any convertible instruments hence, there are no outstanding of as on 31-03-2019.

j) Plant Locations:

Assam Petro-Chemicals Limited
P.O. - Parbatpur, Namrup
Distt.: Dibrugarh, Assam-786 623

k) Address for correspondence:

Assam Petro-Chemicals Limited
4th Floor, Orion Place, Mahapurush Srimanta Sankardev Path,
Bhangagarh, Guwahati-781005, Assam
E-Mail: aplguw@assampetrochemicals.co.in

OTHER DISCLOSURES:

i. There was no transaction of material nature with Directors or Management or their relatives having potential conflict with the interest of the company at large.

ii. **Vigil Mechanism/Whistle Blower Policy:** The Company hasn't adopted any Vigil Mechanism or Whistle Blower Policy till this date.

iii. Compliance with Corporate Governance Requirements:

The company delisted from all the stock exchanges w.e.f. 20/02/2017 and therefore it is not required to comply with the corporate governance provisions of the SEBI (LODR) Regulations, 2015.

iv. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund:

During the year under review, the Company didn't transfer any amount to the Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. However, the company transferred 1,91,430 nos equity shares of 436 shareholders on 25th July, 2018 in accordance with the Section 124 of the Act.

The shareholders whose shares have been transferred to Investors Education and Protection Fund may claim their shares online by filing e-form IEPF-5 in the www.iepf.gov.in

A dividend amount of Rs. 1,21,741.50 has been lying unclaimed in the dividend unpaid and unclaimed accounts of the company by the shareholders as on 31.03.2019 for the FY 2012-13 and FY 2013-14. We request each of the shareholders who haven't claimed their dividend to place their claim to the company before the said amount become due for transfer to IEPF.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

Date: 17th August, 2019
Place: Guwahati

Sd/-
(Ratul Bordoloi)
Managing Director

Form AOC-2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

- a) Name(s) of the related party and nature of relationship:- Nil
- b) Nature of contracts / arrangements / transactions:- NA
- c) Duration of the contracts / arrangements / transactions:- NA
- d) Salient terms of the contracts or arrangements or transactions: NA
Including the value, if any
- e) Justifications for entering contracts or arrangement or transactions:- NA
not at arm's length basis
- f) Date(s) of approval by the Board, if any:- NA
- g) Amount paid as advances, if any:- NA
- h) Date on which the special resolution was passed in General Meeting :- NA
as required under first proviso to Section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Name(s) of the related party and nature of relationship: -**Oil India Limited (Associate Company)**
- b) Nature of contracts/arrangements/transactions:-**Gas Supply and Purchase agreement**
- c) Duration of the contracts / arrangements / transactions:-**15 (Fifteen) years w.e.f. 26th December, 2013**
- d) Salient terms of the contracts or arrangements or transaction including the value, if any :
 - i. **Oil India Limited (OIL) will supply natural gas to the company for production of Methanol in agreed quantities**
 - ii. **Price of the Natural Gas shall be paid to Oil India Limited at the rate fixed by the Ministry of Oil and Natural Gas, Government of India from time to time.**
 - iii. **Value of Natural Gas purchased during the FY 2018-19 is ₹ 33,77,49,352.00**
- e) Date(s) of approval by the Board, if any:-**10th May, 2011**
- f) Amount paid as advances, if any:-**Nil**

For and on behalf of the Board
Assam Petro-Chemicals Limited

Place: Guwahati
Date: 17th August, 2019

(Jagadish Bhuyan)
Chairman
DIN: 01308520

**FORM MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ASSAM PETRO-CHEMICAL LIMITED
CIN: U24116AS1971SGC001339
4th Floor, Orion Palace, Bhagagarh,
G S Road, Guwahati-781005

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASSAM PETRO-CHEMICALS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We report that:

- Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statement of the Company.
- The compliance of the provisions of the Corporate and other applicable Laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verifications of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of **ASSAM PETRO-CHEMICALS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st day of March, 2019 ("audit period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ASSAM PETRO-CHEMICALS LIMITED ("The Company")** for the financial year ended on **31st March, 2019** according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- Other Laws as may be applicable to the Company as provided by the Company. **(As per Annexure-1)**

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations made in **Annexure-2**.

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We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further report that during the audit period the company had no specific events / actions which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.)

We further report that during the audit period there were no instances of:

- (i) Public/Right/debentures/sweat equity except Preferential issue of shares & bonus issue.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

FOR AMIT PAREEK & ASSOCIATES
COMPANY SECRETARIES

Sd/-
(AMIT PAREEK)
Proprietor
FCS: 5714
COP: 4289

Date: 22nd June, 2019
Place: GUWAHATI

ANNEXURE -1

- 1) The Petroleum Act, 1934 & Rules made there under.
- 2) Petroleum Rules, 2002.
- 3) Field (Regulation and Development) Act, 1948, read with petroleum and natural gas (safety in offshore operations) Rules, 2008.
- 4) Explosives Act, 1884.
- 5) Gas cylinder Rules 2004.
- 6) Environmental Protection Act, 1986.
- 7) Indian Explosives Act, 1952
- 8) Poison Act, 1884.
- 9) Income Tax Act, 1961.
- 10) Professional Tax 1976.
- 11) Good & Service Tax, 2017.
- 12) Negotiable Instrument Act, 1938.
- 13) Factories Act, 1948.
- 14) The Industrial Dispute Act, 1947.
- 15) Employees Provident Fund & Misc. Provisions Act
- 16) The Payment of Wages Act, 1965.
- 17) The payment of Bonus Act, 1965.
- 18) The Payment of Gratuity Act, 1972.
- 19) The Minimum Wages Act, 1946.
- 20) The Employment Exchange Act, 1952.
- 21) Indian Stamp Act, 1899.
- 22) The Trade Marks Act, 1999.
- 23) Customs Act, 1962.
- 24) Industrial (Development and Regulations) Act, 1951.
- 25) Competition Act, 2002.
- 26) Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 27) Any other Act which may be applicable.

ANNEXURE -2

During the course of the conduct of our audit, the following observations were made:-

- 1) THAT the Company was required to appoint Chief Financial Officer(CFO)of the Company as per the Provisions of Section 203 of the Companies Act, 2013. The Board of Directors of the Company appointed Chief Financial Officer (CFO) on 30/03/2019.
- 2) That Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2015, the Company in addition to financial statement required to prepare a consolidated financial statement of the Company and its subsidiary company i.e. Pragjyotish Fertilizers and Chemicals Ltd. in the same form and manner which shall also be laid before the AGM of the company along with the laying of its financial statement. The company has neither prepared the consolidated financial statements of its subsidiary company nor attached the separate statement containing salient features with it.
- 3) That the Company has not established Vigil Mechanism required as per Section 177 (9) & (10) of the Companies Act, 2013.
- 4) That the Company has not prepared and maintained Fixed Asset Register.
- 5) That the Company has not followed the proper procedure as per Companies Act, 2013 for allotment of shares amounting to ₹ 88, 46, 31,000 made on 21/09/2018 received from Governor of Assam.
- 6) That the Company has not conducted any meeting of Nomination and Remuneration committee and Corporate Social Responsibility Committee. In our opinion minimum one meeting of these committees should have been held or else the purpose of forming these committees will not be fulfilled.

CORPORATE SOCIAL RESPONSIBILITY POLICY OF ASSAM PETRO-CHEMICALS LIMITED

Introduction:

The Company is being a Public Sector Undertaking incorporated in 1971 to set up petro-chemical complex Namrup to uplift the socio-economic life of the people of the locality. The company has been successful in discharging its social responsibilities by taking number of socio –economic projects since its incorporation to up lift the life of the people of the locality.

Although the company has been performing its social responsibilities and obligations since its incorporation, on enactment of the Companies Act, 2013, it has become mandatory for certain companies to perform social responsibilities in formal and structured way and also to report to its stakeholders.

CSR Objectives:

The main objectives of the CSR activities of the Company are as follows:

- Providing drinking water and sanitation to the residents of locality of the plant;
- Providing and promoting primary education to children of the vicinity of the Company's plant area;
- Taking-up projects to ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and conservation of natural resources and maintaining quality of soil, air and water;

The above objectives are not exhaustive but the Company may take any other social activities, projects as may be decided by the Board of Directors on recommendations of the CSR Committee as mentioned in the Schedule VII of the Companies Act, 2013.

CSR Committee:

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The members of CSR Committee shall be appointed by the Board of Directors of the Company which must consist of atleast three Directors and one of them shall be an independent director.

The CSR Committee shall inter-alia

- Formulate or amend this CSR Policy from time to time and place the same before the Board of Directors for approval;
- Recommend the amount of expenditure to be incurred for achievement of CSR objectives of the company from time to time;
- Monitor the implementation of CSR activities from time to time;
- The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities or programs undertaken by the company

The Committee shall meet as and when it deems fit or called by the Management.

CSR Budget:

Annual budget allocation for CSR activities for a given year shall not be lesser than 2% of the average profit-before-tax of three preceding financial years, as specified by Section 135 of the Companies Act 2013 and the Rules made thereunder.

CSR Expenditure:

The Company shall spend the CSR budgeted amount for the activities indicated herein the policy or any other items mentioned in Schedule VII of the Companies Act, 2013. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board of Directors on recommendations of the CSR Committee, but doesn't include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

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If the company fails to spend the CSR budgeted amount within the financial year then it shall be reported to the Board in the format given hereunder and also incorporate in the Directors' Report.

Review:

In order to comply with the changed statutory and regulatory requirements, if any, the CSR Policy shall be reviewed by the CSR Committee from time to time and recommend to the Board for amend or alter it.

Report:

The company shall report to the Board in the following format

Sl. No	CSR Project or activity Identified	Sector in which the project is covered	Projects or Programs 1.Local Area or Other 2.Specify the State and District Where the project or program are under taken	Amount Outlay (budget) project or program wise	Amount Spent on the projects or programs. Sub Heads: 1.Direct Expenditure on projects or program 2.Overheads	Cumulative expenditure up to the reporting Period	Amount Spent Direct or Through implementing Agency:

REPLY OF THE BOARD OF DIRECTORS ON THE QUALIFICATIONS AND COMMENTS OF THE AUDITORS AS PER SECTION 143(3)(F) OF THE COMPANIES ACT, 2013

Sl. No.	Comments of Auditors	Draft reply of the Board of Directors																																		
A. Qualifications of Independent Auditors																																				
1	<p>Valuation of Shares:</p> <p>The Company has allotted bonus shares on 02.06.2018 in the ratio of 9 equity shares of Rs. 10 each for every 2 equity shares of ₹ 10 each held as decided in extraordinary general meeting held on 21st May, 2018.</p> <p>Further, the Company has issued equity shares of 38,10,00,000 nos. of equity shares and the final shareholding as on 31.03.2019 is as follows:</p> <table><tr><th>Name of Shareholder</th><th>Nos.</th><th>Amount (in Rs.)</th><th>% of Shareholding</th></tr><tr><td>AGCL</td><td>1,40,00,000</td><td>14,00,00,000</td><td>3.25%</td></tr><tr><td>AIDC</td><td>4,97,12,190</td><td>49,71,21,900</td><td>11.53%</td></tr><tr><td>GOA</td><td>15,70,00,000</td><td>1,57,00,00,000</td><td>36.41%</td></tr><tr><td>OIL</td><td>21,00,00,000</td><td>2,10,00,00,000</td><td>48.71%</td></tr><tr><td>Others</td><td>4,47,518</td><td>44,75,180</td><td>0.10%</td></tr></table> <p>The valuation of shares for the above purpose carried out by M/s Dipak Agawalla & Co. vide Valuation report dated 13.07.2018 states that the Fair Value comes out to be ₹ 6/- per share which in our opinion is improper. Such valuation has been carried out considering the Book Values of the Tangible & Intangible Assets as on 31.03.2017 instead of considering the Fair Value because the Valuation Report of both the Tangible & Intangible Assets including Land & Building have not been provided by the management. The Fair Value as determined by the above mentioned valuation report seem to be less realistic.</p> <p>In our opinion, such valuation of shares should have been carried out considering the Fair Value of the Tangible & Intangible Assets including Land & Building in absence of which the interests of the existing shareholders of the Company have been diluted. This type of transactions have an adverse effect in the Financial Statements of the Company.</p> <p>Also, The Govt. of Assam had contributed to the tune of ₹ 88,46,31,000 for equity participation in the following manner.</p> <table><tr><th>Date</th><th>Amount (in ₹)</th></tr><tr><td>02.07.2012</td><td>17,02,00,000/-</td></tr><tr><td>08.01.2016</td><td>20,00,00,000/-</td></tr><tr><td>01.07.2017</td><td>36,75,53,000/-</td></tr><tr><td>20.11.2017</td><td>14,68,78,000/-</td></tr></table>	Name of Shareholder	Nos.	Amount (in Rs.)	% of Shareholding	AGCL	1,40,00,000	14,00,00,000	3.25%	AIDC	4,97,12,190	49,71,21,900	11.53%	GOA	15,70,00,000	1,57,00,00,000	36.41%	OIL	21,00,00,000	2,10,00,00,000	48.71%	Others	4,47,518	44,75,180	0.10%	Date	Amount (in ₹)	02.07.2012	17,02,00,000/-	08.01.2016	20,00,00,000/-	01.07.2017	36,75,53,000/-	20.11.2017	14,68,78,000/-	<p>The Company got the valuation of shares done through a qualified professional firm on the basis of available information and book value of assets of the company.</p> <p>The Board of the company don't agree with the auditor that interest of the existing shareholders are affected because the fresh shares were allotted at par with the nominal value of shares i.e. ₹4 above the share valued by the abovementioned professional firm. Further, the fresh investment was done for a new project which is 5 times larger than the existing plants of the company. Very high return on investment is expected from this investment and same will be available to the existing shareholders too. The existing shareholders will be greatly benefitted from this fresh investment.</p> <p>The Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended has not provide any provision for allotment of shares on the interest, if any earned on the Share Application Money received from the investors. The amount of share application money mentioned by the auditors was received from the Governor of Assam much before passage of special resolution passed in EOGM. Since, the company received Share application money from the Government of Assam for implementation of the project and therefore the company had no other option but to keep the money in the bank account and earned some interest.</p>
Name of Shareholder	Nos.	Amount (in Rs.)	% of Shareholding																																	
AGCL	1,40,00,000	14,00,00,000	3.25%																																	
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Sl. No.	Comments of Auditors	Draft reply of the Board of Directors																
	<p>The Company has issued shares for the same at par only for the amount received for equity participation without considering the Interest Amount earned by the Company the funds received and remaining idle for a long period of time.</p> <p>This has resulted in loss to the State Exchequer and the Shareholders of the Company.</p>	<p>The share application money amounting to ₹ 88,46,31,000 were appropriated by the Board only after passage of the special resolution u/s 62 of the Companies Act, 2013.</p>																
2	<p><u>Depreciation:</u></p> <p>The Company has charged depreciation in excess of the depreciable amount in the following cases violating the provisions of Schedule II of the Companies Act, 2013:</p> <table><tr><td>a. Office Equipment (Existing)</td><td>– ₹ 528.00</td></tr><tr><td>b. Furniture & Fixtures</td><td>– ₹ 65,652.00</td></tr><tr><td>c. Motor Vehicles</td><td>– ₹ 45,658.00</td></tr><tr><td>d. EDP Equipment</td><td>– ₹ 1,42,395.00</td></tr><tr><td>e. Misc. Fixed Assets</td><td>– ₹ 18,564.00</td></tr><tr><td>f. Telephone Equipment</td><td>– ₹ 1,625.00</td></tr><tr><td>g. Fire Fighting Equipment</td><td>– ₹ 268.00</td></tr><tr><td>h. Laboratory Equipment</td><td>– ₹ 21,150.00</td></tr></table> <p>The same has resulted in under-valuation of Fixed Asset and under-statement of Profit & Loss A/c to the tune of ₹ 2,95,840/-.</p>	a. Office Equipment (Existing)	– ₹ 528.00	b. Furniture & Fixtures	– ₹ 65,652.00	c. Motor Vehicles	– ₹ 45,658.00	d. EDP Equipment	– ₹ 1,42,395.00	e. Misc. Fixed Assets	– ₹ 18,564.00	f. Telephone Equipment	– ₹ 1,625.00	g. Fire Fighting Equipment	– ₹ 268.00	h. Laboratory Equipment	– ₹ 21,150.00	<p>The company is in the process to upgrade the Fixed Assets Register. After finalisation of the register, physical verification of assets will be carried out. Thereafter, necessary entry will be passed in the books of accounts as per the Companies Act, 2013 and Ind AS in the next financial year.</p>
a. Office Equipment (Existing)	– ₹ 528.00																	
b. Furniture & Fixtures	– ₹ 65,652.00																	
c. Motor Vehicles	– ₹ 45,658.00																	
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f. Telephone Equipment	– ₹ 1,625.00																	
g. Fire Fighting Equipment	– ₹ 268.00																	
h. Laboratory Equipment	– ₹ 21,150.00																	
3	<p><u>Goods and Service Tax:</u></p> <p>We have observed huge differences between inputs reflecting in GSTR-2A and the books of accounts. The differences are stated as below:</p> <table><tr><td></td><td>Input as per Books</td><td>Input as per GSTR-2A</td></tr><tr><td>Namrup Office</td><td>28,09,19,003.00</td><td>32,42,98,148.00</td></tr><tr><td>Raninagar Branch</td><td>1,98,92,310.00</td><td>1,94,60,101.00</td></tr><tr><td>Total</td><td>30,08,11,313.00</td><td>34,37,58,249.00</td></tr></table> <p>This has resulted in overstatement of Expenses and Fixed Assets and therefore it has an adverse effect on the Profitability of the Company.</p>		Input as per Books	Input as per GSTR-2A	Namrup Office	28,09,19,003.00	32,42,98,148.00	Raninagar Branch	1,98,92,310.00	1,94,60,101.00	Total	30,08,11,313.00	34,37,58,249.00	<p>The GSTR 2A reflects all the invoices of the suppliers and contractors, but the company is not allowed to take input tax credit in various items, i.e. civil construction & repair of capital nature on non movable assets, repair & maintenance, rent a cab, etc. Further, GSTR 2A reflects an invoice of the supplier when the invoice is raised, but we can take input tax credit only after receipt of the Goods/Services.</p> <p>The above factors make the difference between the Books of Accounts and GSTR 2A. Further, reconciliation will be carried out at the time of GST Audit for the FY 2018-19.</p>				
	Input as per Books	Input as per GSTR-2A																
Namrup Office	28,09,19,003.00	32,42,98,148.00																
Raninagar Branch	1,98,92,310.00	1,94,60,101.00																
Total	30,08,11,313.00	34,37,58,249.00																
4	<p><u>Preliminary Expenses written off:</u></p> <p>I. The Company has written off amount of ₹63,50,000.00 incurred on account of upfront fees paid to various banks for the purpose of a Project which could not be materialized. The Company has also</p>	<p>I. The upfront fee paid to various banks on sanction of the initial loan of ₹ 635 crore for 500 TPD Methanol & 200TPD Acetic</p>																

Sl. No.	Comments of Auditors	Draft reply of the Board of Directors
	<p>written off amount of ₹ 10,00,000.00 incurred on account of upfront fees paid to SBI for the purpose of ongoing Methanol Project. We are of the view that ₹ 63,50,000.00 relates to earlier financial years, the same should be written off in Profit & Loss Account as a Prior Period Item while ₹ 10,00,000.00 should be capitalized. This has resulted in understatement of Capital Work in Progress by ₹ 10,00,000.00 and Profit by ₹ 73,50,000.00</p> <p>ii. The Company has written off amount of ₹ 8,96,400.00 incurred for drawing and construction of Methanol Storage Tank for Formalin Expansion Plant to Jacobs Engineering India (P) Ltd. However, the company had abandoned the project to construct the tank, and the amount was written off to Profit & Loss Account. The Board Approval for the same was not produced during the course of Audit. The Company should also ascertain if any legal action is required to be initiated against the above mentioned Party. This has resulted in understatement of Profit by ₹ 8,96,400.00</p>	<p>Acid Project, however the company could not draw the loan due to subsequent becoming non-viable the said project. Further, ₹ 10 lakh paid to SBI as advance against upfront fee for sanctioning of loan of ₹ 890.67 crore, but SBI sanctioned only ₹ 150 crore as loan which was insufficient for the project.</p> <p>Therefore, the company has charged the amount so paid to the Profit & Loss Account considering the observation of C & AG on the financial statement for FY 2017-18.</p> <p>ii. As the construction of tanks was abandoned, the company has rightly charged the amount as expense in the Profit & Loss Account.</p>
5	<p><u>Exceptional Item paid off:</u></p> <p>Contingent Liability of ₹ 1,72,86,990.00 as per the Financial Statements for the year ending 31.03.2018 on account of Vat on Natural Gas payable to Oil India Limited for the FY 2006-07 has been incurred and paid during FY 2018-19.</p> <p>This has led to understatement of the Profit of the company during the FY 2018-19 by ₹ 1,72,86,990.00</p>	<p>The company had taken exemption of VAT on the natural gas purchased from OIL during the FY 2006-07 as per the exemption granted by the Govt of Assam in the Assam Sales Tax Act. During the assessment of VAT of OIL for FY 2006-07, the tax authority has levied tax along with interest on the Natural Gas supplier to APL, which was paid by OIL and subsequently raised the Debit Note. APL has paid the tax amount only during the FY 2018-19 as per the mutually agreed with OIL.</p>
B. Qualifications/Observations of Secretarial Auditors		
1	<p><u>Appointment of Chief Financial Officer (CFO):</u></p> <p>That the company was required to appoint Chief Financial Officer (CFO) of the company as per the provisions of Section 203 of the Companies Act, 2013. The Board of Directors of the Company appointed Chief Financial Officer (CFO) on 30.03.2019.</p>	<p>Section 203 of the Companies Act, 2013 for appointment of a full time Chief Financial Officer as Key Managerial Personnel became applicable to the company w.e.f. 02.06.2018 due to increase of paid up share capital from ₹ 9.11 crore to</p>

Sl. No.	Comments of Auditors	Draft reply of the Board of Directors
		<p>₹ 50.15 crore on issue of Bonus Shares. In order to comply with the provisions of the Companies Act, 2013, the company started the process of recruitment of a financial professional as CFO. The Company finally appointed Shri Sukanta Das as CFO w.e.f.30.03.2019.</p> <p>Although, the provision of Section 203 has not specified maximum time within which the KMP as CFO need to be appointed but the company complied the said requirement within the same financial year. Hence, Board believes that company didn't violate the provisions of the Act in this regard.</p>
2	<p><u>Prepare the Consolidated Financial Statements:</u></p> <p>That pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2015, the company in addition to financial statement required to prepare a consolidated financial statement of the company and its subsidiary company i.e. Pragjyotish Fertilizers and Chemicals Limited in the same form and manner which shall also be laid before the AGM of the company along with the laying of its financial statements. The company has neither prepared the consolidated financial statements of its subsidiary company nor attached the separate statement containing salient features attached with it.</p>	<p>Pragjyotish Fertilizer and Chemicals Limited (PFCL) was incorporated in 2004 as joint venture company. Due to some reasons beyond control of PFCL management, that company couldn't pursue its business and stopped its functioning from the very first year. The financial statements of the company are not prepared nor the C&AG appointed auditors of that company for the last several years. As the financial statements of the subsidiary company are not ready, therefore same couldn't be consolidated or annexed with the financial statements of the company for the FY 2018-19.</p>
	<p><u>Vigil Mechanism:</u></p> <p>That the company has not established Vigil Mechanism required as per Section 177 (9) & (10) of the Companies Act, 2013.</p>	<p>The Preparation the Vigil Mechanism as per Section 177 (9) & (10) of the Companies Act, 2013 is in under process.</p>
3	<p><u>Fixed Asset Register:</u></p> <p>That the company has not prepared and maintained Fixed Asset Register.</p>	<p>The Preparation the Fixed Asset Register as per the Companies Act, 2013 is in under process.</p>
4	<p><u>Proper procedure not followed at the time of Infusion of Share application by Govt. of Assam</u></p> <p>That the company has not followed the proper procedure as per Companies Act, 2013 for allotment of Shares amounting to</p>	<p>The Government of Assam infused ₹ 88,46,31,000.00 as share application money from 02.07.2012 to 20.11.2017 as part of their committed equity contribution of ₹ 177 Crore for implementation of 500 TPD</p>

Sl. No.	Comments of Auditors	Draft reply of the Board of Directors
	₹ 88, 46, 31,000.00 made on 21.09.2018 received from Governor of Assam.	<p>Methanol and 200 TPD Formalin project. Since, there was no shareholders' resolution u/s 62 of the Companies Act, 2013 to accept the said amount as share application money nor the company was in a position to refund within 60 days of receipt of the amount, the company utilized the fund for which same was contributed and utilization certificate was issued to the Government of Assam from time to time.</p> <p>On receipt of the shareholders' approval as per section 62, the Board of the company allotted shares to Governor of Assam together with fresh share application money received from the Government of Assam as per the provisions of Companies Act, 2013.</p>
5	<p><u>The Company not conducted company has not conducted any meeting of Nomination & Remuneration Committee and Corporate Social Responsibility Committee</u></p> <p>That the company has not conducted any meeting of Nomination & Remuneration Committee and Corporate Social Responsibility Committee. In our opinion minimum one meeting of these committees should have been held or else the purpose of forming these committees will not be fulfilled.</p>	<p>a) Assam Petro-Chemicals Ltd. is being a Government company controlled by Industries and Commerce Department of Government of Assam. The Government of Assam recruits the Managing Director and other Senior Personnel and also fix their remuneration. Since all the functions of Nomination & Remuneration Committee have been discharged by State Government and there was hardly any matter to discuss and decide in the Committee therefore no meeting of the Nomination and Remuneration Committee held during that financial year. Moreover, Section 178(2) (3) and (4) do not prescribed for convening minimum one meeting of the committee in a Financial year. Hence the Board is of the opinion that company didn't violate any provisions of the Companies Act, 2013.</p> <p>b) None of the criteria of compulsory CSR as specified in section 135 of the Companies Act, 2013 was applicable for the company during the FY 2018-19 therefore no CSR Committee meeting convened in that year.</p>

C.	COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA	
1	<p>A. COMMENTS ON FINANCIAL POSITION</p> <p>1. Balance Sheets</p> <p>Assets</p> <p>Non- Current Assets</p> <p>Capital works in progress (Note-3) ₹300.09 Lakh</p> <p>The above head includes ₹68.23 lakh (₹ 64.59 lakh for 2017-18 & ₹ 3.64 lakh for 2018-19) being expenses on advertisement and POL, which should have been charged to statement of Profit and Loss of the respective year. Non- writing-of of these expenses has resulted is over statement of profit for the year by ₹ 68.23 lakh with corresponding over statement of Non-Current Assets to the same extent.</p>	<p>The observation is noted and assured that proper entry will be made in the next financial year i.e. 2019-20.</p>
2	<p>General</p> <p>(i) Schedule III section 129 of the Companies Act 2013, General Instruction for the preparation of Balance Sheet specifies that the term loans should be classified as secured and unsecured. Details of assets hypothecated as well as terms of repayment should also be disclosed. The Company had availed a secured loan of ₹ 890 crore from Punjab National Bank through an agreement (February 2018) for its 500 TPD Methanol Plant manufacturing facility, 7MW steam based captive power plant at Namrup, Assam and 200 TPD Formalin plant in Boitamari by hypothecating the fixed assets including the buildings of the project as security against the loan. The loan was repayable in 42 equal installments starting from the third quarter of 2020-21. However, the above facts, except the classification of borrowings (secured), were not disclosed in the Notes to Accounts.</p> <p>(ii) The Company has taken a group gratuity Scheme from the Life Insurance Corporation of India based on the maximum gratuity limit of ₹10 lakh per employee. However, with the issue of notification by the Gol on 29 March 2018 the limit to gratuity payable to each employee has been increased to ₹20 lakh. The Company has neither calculated the enhanced amount of liability based on new notification nor provided any disclosure in this regard in the Notes to Accounts.</p>	<p>The observation is noted and assured that proper disclosure will be made in the financial statement in next financial year i.e. 2019-20.</p> <p>The company has the policy to increase the maximum gratuity limit after approval from the Board of Directors. Till date the board of directors has not increased the limit and therefore the company has maintaining the fund with LIC, based on maximum limit of ₹10 lakh.</p>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ASSAM PETROCHEMICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of **Assam Petrochemicals Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 5 June 2019.

I, on behalf of the Comptroller and Audit General of India, have conducted a supplementary audit of the financial statements of **Assam Petrochemicals Limited** for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors is limited primarily to inquiries of the statutory auditors and the company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. COMMENTS ON FINANCIAL POSITION

1. Balance Sheets

Assets

Non- Current Assets

Capital works in progress (Note-3) ₹300.09 Lakh

The above head includes ₹68.23 lakh (₹ 64.59 lakh for 2017-18 & ₹ 3.64 lakh for 2018-19) being expenses on advertisement and POL, which should have been charged to statement of Profit and Loss of the respective year. Non- writing-of of these expenses has resulted is over statement of profit for the year by ₹ 68.23 lakh with corresponding over statement of Non-Current Assets to the same extent.

B. GENERAL

1. Schedule III section 129 of the Companies Act 2013, General Instruction for the preparation of Balance Sheet specifies that the term loans should be classified as secured and unsecured. Details of assets hypothecated as well as terms of repayment should also be disclosed. The Company had availed a secured loan of ₹ 890 crore from Punjab National Bank through an agreement (February 2018) for its 500 TPD Methanol Plant manufacturing facility, 7MW steam based captive power plant at Namrup, Assam and 200 TPD Formalin plant in Boitamari by hypothecating the fixed assets including the buildings of the project as security against the loan. The loan was repayable in 42 equal installments starting from the third quarter of 2020-21. However, the above facts, except the classification of borrowings (secured), were not disclosed in the Notes to Accounts.
2. The Company has taken a group gratuity Scheme from the Life Insurance Corporation of India based on the maximum gratuity limit of ₹10 lakh per employee. However, with the issue of notification by the GoI on 29 March 2018 the limit to gratuity payable to each employee has been increased to ₹20 lakh. The Company has neither calculated the enhanced amount of liability based on new notification nor provided any disclosure in this regard in the Notes to Accounts.

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

Place: Guwahati
Date: 23/08/2019

Accountant General (Audit), Assam

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ASSAM PETROCHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **ASSAM PETROCHEMICALS LIMITED**, ("The Company") which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 ("the Rules"). This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have conducted the audit for the year ending on 31.03.2019 as per our appointment vide Letter No./CA.V/COY/ASSAM, APETRO (1)/1125 dated 14.09.2018 by the C&AG of India.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Valuation of Shares:-

The Company has allotted bonus shares on 02.06.2018 in the ratio of 9 equity shares of ₹ 10/- each for every 2 equity shares of ₹ 10/- each held as decided in extraordinary general meeting held on 21st May, 2018.

Further, the Company has issued equity shares of 38,10,00,000 nos. of equity shares and the final share-holding as on 31.03.2019 is as follows:-

Name of Shareholder	Nos.	Amount (in ₹)	% of Shareholding
Assam Gas Co. Ltd.	1,40,00,000	14,00,00,000	3.25%
Assam Industrial Development Corporation Ltd.	4,97,12,190	49,71,21,900	11.53%
Governor of Assam	15,70,00,000	1,57,00,00,000	36.41%
Oil India Limited	21,00,00,000	2,10,00,00,000	48.71%
Others	4,47,518	44,75,180	0.10%

The valuation of shares for the above purpose carried out by M/s Dipak Agawalla & Co. vide Valuation report dated 13.07.2018 states that the Fair Value comes out to be ₹ 6/- per share which in our opinion is improper. Such valuation has been carried out considering the Book Values of the Tangible & Intangible Assets as on 31.03.2017 instead of considering the Fair Value because the Valuation Report of both the Tangible & Intangible Assets including Land & Building have not been provided by the management. The Fair Value as determined by the above mentioned valuation report seem to be less realistic.

In our opinion, such valuation of shares should have been carried out considering the Fair Value of the Tangible & Intangible Assets including Land & Building in absence of which the interests of the existing shareholders of the Company have been diluted. This type of transactions have an adverse effect in the Financial Statements of the Company.

Also, The Govt. of Assam had contributed to the tune of ₹ 88,46,31,000/- for equity participation in the following manner.

Date	Amount (in ₹)
02.07.2012	17,02,00,000/-
08.01.2016	20,00,00,000/-
01.07.2017	36,75,53,000/-
20.11.2017	14,68,78,000/-

The Company has issued shares for the same at par only for the amount received for equity participation without considering the Interest Amount earned by the Company the funds received and remaining idle for a long period of time.

This has resulted in loss to the State Exchequer and the Shareholders of the Company.

2. Depreciation:

The Company has charged depreciation in excess of the depreciable amount in the following cases violating the provisions of Schedule II of the Companies Act, 2013:

- | | |
|--|--------------------------------------|
| a. Office Equipment (Existing) – ₹ 528/- | e. Misc. Fixed Assets – ₹ 18564/- |
| b. Furniture & Fixtures – ₹ 65652/- | f. Telephone Equipment – ₹ 1625/- |
| c. Motor Vehicles – ₹ 45658/- | g. Fire Fighting Equipment – ₹ 268/- |
| d. EDP Equipment – ₹ 142395/- | h. Laboratory Equipment – ₹ 21150/- |

The same has resulted in under-valuation of Fixed Asset and under-statement of Profit & Loss A/c to the tune of ₹ 2,95,840/-.

3. Goods and Service Tax:

We have observed huge differences between inputs reflecting in GSTR-2A and the books of accounts. The differences are stated as below:

	Input as per Books	Input as per GSTR-2A
Namrup Office	28,09,19,003/-	32,42,98,148/-
Raninagar Branch	1,98,92,310/-	1,94,60,101/-
Total	30,08,11,313/-	34,37,58,249/-

This has resulted in overstatement of Expenses and Fixed Assets and therefore it has an adverse effect on the Profitability of the Company.

4. Preliminary Expenses written off:

- The Company has written off amount of ₹ 63,50,000/- incurred on account of upfront fees paid to various banks for the purpose of a Project which could not be materialized. The Company has also written off amount of ₹ 10,00,000/- incurred on account of upfront fees paid to SBI for the purpose of ongoing Methanol Project. We are of the view that ₹ 63,50,000/- relates to earlier financial years, the same should be written off in Profit & Loss Account as a Prior Period Item while ₹ 10,00,000/- should be capitalized. This has resulted in understatement of Capital Work in Progress by ₹ 10,00,000/- and Profit by ₹ 73,50,000/-.
- The Company has written off amount of ₹ 8,96,400/- incurred for drawing and construction of Methanol Storage Tank for Formalin Expansion Plant to Jacobs Engineering India (P) Ltd. However, the company had abandoned the project to construct the tank, and the amount was written off to Profit & Loss Account. The Board Approval for the same was not produced during the course of Audit. The Company should also ascertain if any legal action is required to be initiated against the above mentioned Party. This has resulted in understatement of Profit by ₹ 8,96,400/-.

5. Exceptional Item paid off:

Contingent Liability of ₹ 1,72,86,990/- as per the Financial Statements for the year ending 31.03.2018 on account of Vat on Natural Gas payable to Oil India Limited for the FY 2006-07 has been incurred and paid during FY 2018-19.

This has led to understatement of the Profit of the company during the FY 2018-19 by ₹ 1,72,86,990/-.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- in the case of the Statement of Cash Flow, of the cash flow for the year ended on that date.

Emphasis of Matter

1. It has been observed that the Company has incurred expenditure of ₹ 78,88,417/- for Civil & Township maintenance. As informed by the management there are 351 residential quarters in the township which consists of R.C.C, Semi R.C.C & Assam Type Structures. Presuming that not all of the above residential quarters are under maintenance, the maintenance cost per quarter seems to be quite high and unreasonable and a proper follow up for the same needs to be devised. Moreover, the residential quarters allotted for Existing Unit, Project & outside contractors needs to be properly identified for allocation of cost. Maintenance cost incurred in relation to the existing unit should be debited to P/L and those for the Project should form part of Project related expenditure. In case of any recovery from the outside contractors, the same should be recorded as Project income. Neither the Company has not segregated the amount nor the Internal Control or the Internal Auditor has suggested to quantify the same.

This type of transaction has an adverse impact on the Profitability of the Company.

2. Observations in the Audit Report on Provident Fund for F.Y. 15-16:

As per the Audit Report, "the balance of ₹ 46,64,22,721/- as on 31.03.2016 includes some names (with balances) who have already died/left APL; and there will be no claim by the beneficiaries of such erstwhile members. We have also noticed that the Fund has wrongly paid in excess in a few settlements; and showing the same as receivable (from dead or persons without address).

The Management should thoroughly look into the matters and should adjust the anomalies properly after taking due care.

3. Payment made but till date Invoice not received:

It is observed that Advance Payment of ₹ 2,50,800/- has been made to IIT Guwahati on 01.08.2015 for "Technical Examination of the various alternatives schemes on river water intake structure for intake of water from the Dilli River" which is debited in Capital WIP in their name but till date Invoice from the Party has not been obtained. The approval has been given on 21.07.2015 by DGM (Project).

We have observed that no initiative has been taken by the Management to obtain the Invoice copy.

4. Loans & Advances not recovered till yet:

The advance made to Assam Tea Corporation Ltd. amounting to ₹ 25,00,000/- before 2012-13 has still not been recovered in the current year. A considerably huge amount of interest amounting ₹ 69,40,609/- has been accrued in respect of it, The Management should take proper steps to recover the same at the earliest possible.

5. Goods and Service Tax:

Several discrepancies have been observed in the books of accounts of the Company with respect to the provisions of the Act regarding availment of inputs, utilization of inputs, reversal of inputs, deduction of GST TDS, filing of GST Returns etc. This is a matter of serious concern. This has led to overstatement of Fixed Assets & Expenses. Moreover ITC Credit foregone is a loss for the Company. Also, the Company may face litigations and interferences from the GST authorities in this regard in the coming years. This may affect the Profitability of the Company in an adverse manner.

6. Provision for Pay revision of arrear salaries for employees for the year 2016-17 & 2017-18:

During the financial year 2018-19 the Company had made Provision for Arrear Salary to the tune of ₹ 5,80,41,947/- (except employees engaged for Project). This led to understatement of Profit for FY 2018-19 by ₹ 5,80,41,947/-.

7. Non Compliance/Violation of Laws:

The Company has not complied the following Statute and non compliance of the same will leads to high amount of penalty in the future:

a. Non Payment of Professional Tax: During the FY 2018-19, the Company has not paid Professional Tax amounting to ₹ 2,500/- for Guwahati Office which is violation of applicable laws of the state. This has led to loss to the State Government exchequer. This has resulted in overstatement of Profit by ₹ 2,500/-.

b. Violation of Income Tax Provisions: The Company has not complied with the provisions of Section 40A(3) of the Income Tax Act' 1961 and has incurred expenses exceeding ₹ 10,000/- otherwise than by an account payee cheque drawn on a bank or account payee bank draft. The total amount of expenditure in regard of such violation amounts to ₹ 27,581/- paid on 05.04.2018.

8. Discrepancies w.r.t. Tax Deducted at Source:

There is huge discrepancy in TDS Amounts reflected in Form 26AS as available in the Income Tax Portal and as per TDS amount shown in the books of accounts. TDS Amount (for other than Interest on Fixed Deposits) of ₹ 41,800/- has been shortly recorded in the books of accounts of the Company.

9. Penalties for Non Compliance of TDS Regulations:

We have observed the deficiencies from Traces Site towards interest on delayed payment of TDS, Short Deduction & Late Filing of TDS Return for ₹ 5,68,009.51/-. The Breakup of the above is as follows:

Financial Year	Demand (Amount in Rs.)
Earlier Years	5,04,697.01
2018-19	63,312.50

It is to be noticed that everyday the Company is incurring Interest on the above demand which could lead to be very high if the payment of the above demand has not been made. Also, the above demand should only be paid after proper consultation with the Professional.

10. The Company has not complied with the provisions of GST TDS as contained in Section 51 of the CGST Act, 2017 and has not deducted the same during the FY 2018-19 amounting to ₹ 74,955/-. Consequences of non deduction of GST TDS can lead to recovery of the same along with interest.

11. The Company has written off liability of ₹ 8,260/- of P.C. Grandson & Associates on 31.03.2019 and no approval for the same from the relevant authorities has been obtained prior to such write off. Obtaining subsequent approval from the Board of Directors is not a valid approval procedure to write off such liabilities.

12. The Company has provided depreciation on Residential Buildings on the complete amount taking useful life as 60 Years. As per Schedule-II of the Companies Act, 2013, the useful life for Buildings (other than factory buildings) RCC Frame Structure is 60 Years and for Buildings (other than factory buildings) other than RCC Frame Structure is 30 Years. However no bifurcation has been made in the books of accounts of the Company on the basis of above two categories. However, quantification of such amount cannot be ascertained in absence of proper records of the Management.

We are of the view that the Profit & loss Account is affected due to such incorrect calculation.

13. The Consolidated Financial Statements under section 129(3) of the Companies Act 2013, of the company and its subsidiary M/s. Pragjyotish Fertilizer and Chemicals Limited has not been prepared due to absence of Audited Financial Statements of the subsidiary company. Our opinion is not qualified in respect of this matter.

14. We draw attention to Note 1.6 to the financial statements related to basis for calculation of depreciation: In absence of proper fixed assets register, rate of depreciation under straight line method and written down value method on remaining useful life of respective assets is calculated on the basis of audited financial statements of previous years and other financial records. Our opinion is not qualified in respect of this matter.

15. Fixed Assets:

The Company needs to implement component based accounting for Fixed Assets and identify those significant components which have an independent life for the purpose of compliance with Note 4 of Schedule II. Also, the Company is not maintaining Fixed Asset Register. Due to non maintenance of the Fixed Register, old assets which have been discarded cannot be ascertained and valued and in response to this the amount by which the same should be written off cannot be determined. In the Financial Year 2018-19, we have observed that the Company has purchased new Furnitures, AC's & other EDP Equipments during the year but whether there is requirement to purchase the same cannot be determined in absence of the Fixed Asset Register. The Management should take proper steps in the due course to update the Fixed Asset Register so that the Old Assets which have been discarded can be determined and the same can be written off in the Balance Sheet.

16. Fringe Benefit Tax Refundable:

Long Term Loans & Advances contains FBT Refundable for A.Y. 07-08, 08-09 & 09-10 of ₹ 9,986/-, ₹ 3,14,080/- & ₹ 1,83,205/- respectively. These advances are long pending. The management had not taken any step to recover the above and in effect to this huge amount of Fund is blocked for the Company. The Management should communicate about it to the concerned Revenue Authority.

17. Earnest Money received from Contractors, Dealers & Transporters:

The Management should go-through the list of Contractors, Dealers & Transporters who has deposited the Earnest Money in the Company and should refund the money to those who have not been awarded the contract. It is the duty of the Management to refund the liability suo moto to the Party, to save from any Court Proceedings.

18. Security Deposit amount received from Contractors, Suppliers & Transporters:

The Management should go-through the list of Contractors, Suppliers & Transporters in regard of whom Security Deposits has been maintained by the Company and should refund the money to those whose period of the Contract is over and no transaction is taking place with such Contractor, Supplier or Transporter. It is the duty of the Management to refund the money suo moto to the Party, to save from any Court Proceedings.

19. The Company had filed two legal cases: 7891/2014 & 17/2017 against Narottam Plywood Industries Ltd., for recovery of money on account of dishonored cheques and the said cases are pending before Chief Judicial Magistrate, Alipore, Kolkata & Court of Civil Judge at Dibrugarh respectively. As per the observation of CAG in FY 2017-18, the said receivable has been written off in P/L. We are of the view that the write off entry is incorrect. The receivable amount should continue to remain as it is and an entry should be passed creating a liability for the same amount and giving a corresponding effect to the Expenses.

20. "Sundry Debtors" ledger reflects credit balance of ₹ 2,23,099/- received in Bank Accounts during the FY 2018-19 along with Opening Credit Balance of ₹ 60,000/-. These amounts were posted to the said ledger as they could not be traced & identified. Management should take proper steps to identify the same and post it to the respective accounts.

21. We have observed that out of the total outstanding TA Advance balance of ₹ 6,26,678/-, ₹ 1,47,000/- provided on account of Panchayat Elections respectively remain unadjusted as on 31.03.2019. These advances have remained outstanding for a period of more than 3 months, and hence it might have a possible impact on the true and fair view of the financial statements.

22. The Company has a liability of ₹ 1,19,716/- due to Zean Lithos Co. which has been carried over for a long period of time. Despite of repeated requests from the party for payment of the amount, no action has been taken by the Management. There may arise the situation where Party can proceed with the Insolvency & Bankruptcy Board to recover the amount with additional amount of Claim for not refunding the money. Huge amount of penalty can be imposed to the Company in the future.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in Annexure "A" a statement on the matters specified in paragraphs 3 & 4 of the Order.

2. As required by sub-section 3 of section 143 of the Act, we report that :

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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.

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(c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(e) On the basis of the written representations received from the Directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2019 from being appointed as a Director in terms of sub section 2 of section 164 of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- ii) Provision has been made in the financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Guwahati
Date: 05th June'2019

For S P R K & CO.
Chartered Accountants
FRN: 321080E

Sd/-
(NIRAJ AGARWALLA)

Partner
Membership. No. 310895

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT-31ST MARCH, 2019

Referred to in our report of even date

1. a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information given to us, physical verification of fixed assets has not been done by the management during the year and as such material discrepancies with financial records, if any, could not be noticed and have not been dealt with in the books of account.
- c) According to the information and explanations given to us, the title deeds of the immoveable Properties, as disclosed in note 2 to the financial statements are held in the name of the company.
2. The inventories of stores, except goods-in-transit, have been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the books records were not material.
3. The company had granted loan to one body corporate listed in the register maintained under section 189 of the Act.
 - (a) The balance amount of principal for the loan given to Assam Tea Corporation Ltd. of ₹25,00,000/- is still overdue and total interest accrued and due ₹69,40,609/- has not been received so far. Though the Company is pursuing through Govt. of Assam for recovery of the balance amount of principal and the amount of interest overdue, however the steps are not reasonable in view of long overdue.
4. The company had not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 185 & 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 185 & 186.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
7. (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, custom duty, goods & services tax, cess and other material statutory dues applicable to it, with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, custom duty, goods & services tax and cess were in arrears, as at 31-March-2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, service tax, custom duty, wealth tax, excise duty, goods & services tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

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8. The Company has not made any default in repayment of loans or borrowings to a financial institution, banks or Government, as at balance sheet date. The Company has not issued any debentures, as at balance sheet date.
9. The company has not raised money by way of initial public offer or further public offer (including debt instrument) and term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our Opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in note no. 31.3b of the financial statements as required under Ind AS-24, Related Party Disclosures specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
14. According to the information and explanations given to us and based on our examinations of the records except as mentioned in our Independent Auditor's Report Basis of Qualified Opinion Point No.1, the Company has made preferential allotment of shares during the year under review and the requirements of section 42 & section 62 of Companies Act, 2013 have been complied with and the amount raised has been used for purpose for which the funds were raised.
15. According to the information and explanations given to us and based on our examinations of the records, the Company has not entered into non cash transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order is not applicable to the company.

Place: Guwahati
Date: 05th June'2019

For S P R K & CO.
Chartered Accountants
FRN: 321080E

Sd/-
(NIRAJ AGARWALLA)

Partner
Membership. No. 310895

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT-31st MARCH’2109 OF EVEN DATE
ON THE STANDALONE FINANCIAL STATEMENTS OF ASSAM PETROCHEMICALS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Assam Petrochemicals Limited as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls sated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by 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 standalone financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that we comply with ethical requirements and the plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls 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 transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2019:

The Company did not have an appropriate internal financial control system as explicated in the following material instances:

- i) Lack of proper management of Creditors/Trade payable like lagging of liability, recognition for more than reasonable period even after receipt of materials due to inefficient internal accounting cycle, non-payment/adjustment of security deduction of the creditors beyond reasonable period.
- ii) Fringe Benefits Tax refundable: Long Term Loans & Advances contains FBT Refundable for A.Y.07-08, 08-09 & 09-10 of ₹ 9,986/-, ₹ 3,14,080/- & ₹ 1,83,205/- respectively. These advances are long pending. The steps taken by the management for recovering are not sufficient and satisfactory.
- iii) Forest Royalty: It has been observed that Forest Royalty had not been deducted while making payment to the Contractors for various kinds of civil construction undertaken during the year. This had led to loss to the State Government exchequer.
- iv) Weakness in Debtors/ Trade Receivables management like lack of practice of timely reconciliation of account statements, long credit balance outstanding, unsystematic realization and credit period allowed to the parties and non adherence to the credit policy of the company.
- v) Several discrepancies have been observed in the books of accounts of the Company with respect to the provisions of the Act regarding availment of inputs, utilization of inputs, reversal of inputs, deduction of GST TDS, and filing of GST Returns etc. This is a matter of serious concern. Irregularities in this regard have not been detected & reported by the existing Internal Controls/Internal Auditor of the Company thereby reflecting a serious deficiency.
- vi) As per Finance Act'2017, expenses exceeding ₹ 10000/- should be paid by account payee cheque drawn on a bank or account payee bank draft but the Company has made cash payment of ₹ 27581/- against expenses violating the Provisions of Income Tax Act'1961.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will be prevented or detected on a timely basis.

Qualified opinion

In our Opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

For S P R K & CO.
Chartered Accountants
FRN: 321080E
Sd/-
(NIRAJ AGARWALLA)

Place: Guwahati
Date: 05th June'2019

Partner
Membership. No. 310895



BALANCE SHEET AS AT 31ST MARCH, 2019

	Particulars	Note No.	As at 31 st March, 2019 ₹	As at 31 st March, 2018 ₹
I	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2	16,29,24,395	13,26,42,744
	(b) Capital work-in-progress	3	3,00,09,04,385	76,24,41,233
	(c) Intangible assets	4	5,06,944	3,52,086
	(d) Financial Assets- Investments	5	-	-
	(e) Other non current assets	6	7,10,33,526	6,28,40,818
	Total Non-current Assets		3,23,53,69,250	95,82,76,881
2	Current assets			
	(a) Inventories	7	9,56,54,395	8,51,81,054
	(b) Financial Assets			
	(i) Trade receivables	8	7,39,64,405	5,12,54,791
	(ii) Cash and cash equivalents	9	36,48,81,732	28,82,18,691
	(iii) Bank balances other than (ii) above	10	1,38,71,76,371	28,78,40,123
	(iv) Loans	11	16,02,04,162	5,07,74,112
	(c) Other current assets	12	84,55,739	36,83,201
	Total Current Assets		2,09,03,36,804	76,69,51,970
	Total Assets		5,32,57,06,054	1,72,52,28,851
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	13	4,31,16,57,330	9,12,59,720
	(b) Other Equity	14	20,25,59,755	54,26,32,804
	Total Equity		4,51,42,17,085	63,38,92,524
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	52,56,33,029	-
	(ii) Other financial liabilities	16	2,55,92,488	8,97,513,296
	(b) Deferred tax liabilities (net)		1,45,91,399	1,77,18,099
	Total Non-current Liabilities		56,58,16,916	91,52,31,395
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables	17	8,22,43,105	5,05,83,128
	(ii) Other financial liabilities	18	57,13,301	1,33,07,615

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(b) Other current liabilities	19	4,77,38,403	9,60,59,786
(c) Provisions	20	10,99,77,245	1,61,54,403
Total Current Liabilities		24,56,72,054	17,61,04,932
Total Equity & Liabilities		5,32,57,06,054	1,72,52,28,851
Accompanying notes to the Financial Statements	1 to 32		

As per our report of even date attached.

For and on behalf of the Board of Directors
of Assam Petro-Chemicals Limited

For SPRK & CO.
Chartered Accountants
FRN : 321080E

(CA. Niraj Agarwalla)
Partner
M.No. 310895

(Uttam Bailung)
Company Secretary
(M.No.:FCS-7254)

(Sukanta Das)
Chief Financial Officer

(Ratul Bordoloi)
Managing Director
(DIN:03315766)

(Jagadish Bhuyan)
Chairman
(DIN:01308520)

Place : Guwahati
Date : 29th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

	Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
			₹	₹
I	Revenue From Operations	21	1,11,57,31,075	95,29,02,238
II	Other income	22	7,04,97,397	4,48,01,723
III	Total Income (I+II)		1,18,62,28,472	99,77,03,961
IV	Expenses:			
	Cost of materials consumed	23	36,62,25,495	27,81,56,397
	Changes in inventories of finished goods, Stocks-in-Trade and work-in-progress	24	6,24,589	(12,47,918)
	Employee benefits expense	25	40,62,79,694	35,54,98,735
	Finance costs	26	2,24,589	-
	Depreciation and amortisation expense	27	2,09,77,733	1,46,61,408
	Other expenses	28	24,96,04,925	22,86,88,306
	Total Income (IV)		1,04,39,37,025	87,57,56,928
V	Profit before Exceptional Items and Tax (III-IV)		14,22,91,447	12,19,47,033
VI	Exceptional items	29	7,50,93,587	6,83,36,888
VII	Profit before tax (V-VI)		6,71,97,860	5,36,10,145
VIII	Tax expense:			
	(1) Current tax		86,70,113	58,16,368
	(2) MAT credit entitlement		(86,70,113)	(58,16,368)
	(3) Tax expense relating to prior years			(8,48,274)
	(4) Defferred tax		(31,26,700)	38,256
	Total Tax expense		(31,26,700)	(8,10,018)
IX	Profit / (Loss) for the period from continuing operations (VII-VIII)		7,03,24,560	5,44,20,163
X	Profit / (Loss) from discontinuing operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit for the period (IX+XII)		7,03,24,560	5,44,20,163
XIV	Other Comprehensive Income		-	-
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		7,03,24,560	5,44,20,163

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**ASSAM
PETRO-CHEMICALS LIMITED**



XVI	Earnings per equity share (for continuing operation): Basic & Diluted		0.16	5.96
XVII	Earnings per equity share (for discontinued operation): Basic & Diluted		0.16	5.96
XVII	Earnings per equity share (for discontinued & continuing operations Basic & Diluted		0.16	5.96
	Accompanying notes to the Financial Statements	1 to 32		

As per our report of even date attached.

**For and on behalf of the Board of Directors
of Assam Petro-Chemicals Limited**

For SPRK & CO.
Chartered Accountants
FRN : 321080E

(CA. Niraj Agarwalla)
Partner
M.No. 310895

(Uttam Bailung)
Company Secretary
(M.No.:FCS-7254)

(Sukanta Das)
Chief Financial Officer

(Ratul Bordoloi)
Managing Director
(DIN:03315766)

(Jagadish Bhuyan)
Chairman
(DIN:01308520)

Place : Guwahati

Date : 29th May, 2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
A Cash flow from operating activities				
Profit before Tax		6,71,97,860		5,36,10,145
Adjustments for				
Depreciation and amortisation	2,09,77,733		1,46,61,408	
Interest Income	(7,04,97,397)		(3,79,95,044)	
Other Non Operative Items	7,50,93,587		60,38,834	
Other Non Cash Items	82,45,400		(57,57,344)	
Total		3,38,19,323		(2,30,52,146)
Operating profit before working capital changes		10,10,17,183		3,05,58,000
Changes in working capital:				
Inventories	(1,04,73,341)		1,55,09,850	
Trade receivables	(2,27,09,614)		1,55,15,307	
Current loans & advances	(10,94,30,050)		(3,27,58,106)	
Non - Current loans & advances	-		(42,73,090)	
Other current assets	(47,72,538)		(15,86,195)	
Other non - current assets	(81,92,708)		(1,34,65,661)	
Trade Payables	3,16,59,976		(22,63,172)	
Other financial Liabilities	(75,94,314)		-	
Other Current Financial Liabilities	(4,83,21,382)		5,36,39,279	
Other Non - Current Liabilities	(87,19,20,808)		27,05,356	
Short Term & Long Term Provisions	(1,04,93,878)		82,07,798	
Total		(1,06,22,48,658)		4,12,31,366
Cash Generated From Operations		(96,12,31,474)		7,17,89,366
Income Tax Payment (net of refund)		-		87,64,115
Net Cash Flow from Operating Activities		(96,12,31,474)		8,05,53,481
B Cash flow from Investing Activities				
Proceeds from sale of Assets	4,40,000			
Purchase of property, plant and equipments	(3,07,21,652)			
Purchase of intangible assets	(1,54,858)			
Expenditure on Construction Work in Progress	(2,23,84,63,152)			(4,83,164,681)
Interest received	7,04,97,397			3,79,95,044
Cash flow from extraordinary items		(2,19,84,02,265)		(60,38,834)
Net Cash Generated/(Used) in Investing Activities :		(2,19,84,02,265)		(45,12,08,471)
C Cash flow from Financing Activities				
Equity share capital	3,81,00,00,000			51,44,31,000
Long Term Borrowings	52,56,33,029			-
		4,33,56,33,029		

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Net Cash Generated/(Used) from Financing Activities	4,33,56,33,029	51,44,31,000
D Net Change in cash & cash equivalents (A+B+C)	1,17,59,99,290	14,37,76,010
Cash & cash equivalents as at beginning end of year	57,60,58,814	43,22,82,804
Cash & cash equivalents as at end of the year	1,75,20,58,104	57,60,58,814
Notes:		
Cash and cash equivalents represents:		
Cash in hand	1,00,006	1,43,447
Current accounts, Term Deposits, etc	36,47,81,726	57,59,15,367
Unpaid Dividend Bank Account	1,21,742	-
Earmarked Balance	1,38,70,54,630	-
	1,75,20,58,104	57,60,58,814

As per our report of even date attached.

For and on behalf of the Board of Directors
of Assam Petro-Chemicals Limited

For SPRK & CO.
Chartered Accountants
FRN : 321080E

(CA. Niraj Agarwalla)
Partner
M.No. 310895

(Uttam Bailung)
Company Secretary
(M.No.:FCS-7254)

(Sukanta Das)
Chief Financial Officer

(Ratul Bordoloi)
Managing Director
(DIN:03315766)

(Jagadish Bhuyan)
Chairman
(DIN:01308520)

Place : Guwahati
Date : 29th May, 2019

BALANCE SHEET RECONCILIATION FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Amount as per previous GAAP	Effects of transition to Ind As	As at 31 March, 2019	Amount as per previous GAAP	Effects of transition to Ind As	As at 31 March, 2018
I ASSETS						
(1) Non-Current Assets						
Property, Plant and Equipment	13,95,88,799	2,33,35,596	16,29,24,395	13,26,42,744	-	13,26,42,744
Capital work-in-progress	3,00,09,04,385		3,00,09,04,385	76,24,41,233	-	76,24,41,233
Intangible Assets	5,06,944		5,06,944	3,52,086	-	3,52,086
Financial Assets			-			-
Other Non-Current Assets	7,10,33,526		7,10,33,526	6,28,40,818	-	6,28,40,818
(2) Current Assets						
Inventories	11,95,43,365	(2,38,88,970)	9,56,54,395	8,51,81,054	-	8,51,81,054
Financial Assets						
(i) Trade receivables	7,39,64,405		7,39,64,405	5,12,54,791	-	5,12,54,791
(ii) Cash and cash Equivalents	36,48,81,732		36,48,81,732	28,82,18,691	-	28,82,18,691
(iii) Other Bank balances	1,38,71,76,371		1,38,71,76,371	28,78,40,123	-	28,78,40,123
(iv) Loans	16,02,04,162		16,02,04,162	5,07,74,112	-	5,07,74,112
Other Current Assets	84,55,739		84,55,739	36,83,201	-	36,83,201
Total Assets	5,32,62,59,428	(5,53374)	5,32,57,06,054	1,72,52,28,851	-	1,72,52,28,851
II EQUITY AND LIABILITIES						
(1) Equity						
Equity Share capital	4,31,16,57,330	-	4,31,16,57,330	9,12,59,720	-	9,12,59,720
Other Equity	-	20,25,59,755	20,25,59,755		54,26,32,804	54,26,32,804
Reserve & Surplus	20,31,13,129	(20,31,13,129)	-	54,26,32,804	(54,26,32,804)	
(2) Non-current liabilities						
Financial Liabilities						
(i) Borrowings	52,56,33,029		52,56,33,029	-	-	-
(ii) Other financial liabilities	2,55,92,488		2,55,92,488	89,75,13,296	-	89,75,13,296
Deferred tax liabilities (net)	1,45,91,399		1,45,91,399	1,77,18,099	-	1,77,18,099
(3) Current liabilities						
Financial Liabilities						
(i) Trade Payable	8,22,43,105		8,22,43,105	5,05,83,128	-	5,05,83,128
(ii) Other financial liabilities	57,13,301		57,13,301	1,33,07,615	-	1,33,07,615
Other current liabilities	4,77,38,403		4,77,38,403	9,60,59,786	-	9,60,59,786
Short term Provision	10,99,77,245		10,99,77,245	1,61,54,403	-	1,61,54,403
Total Equity and liabilities	5,32,62,59,428	(5,53,374)	5,32,57,06,054	1,72,52,28,851	-	1,72,52,28,851

As per our report of even date attached.

For and on behalf of the Board of Directors
of Assam Petro-Chemicals Limited

For SPRK & CO.
Chartered Accountants
FRN : 321080E

(CA. Niraj Agarwalla)
Partner
M.No. 310895

(Uttam Bailing)
Company Secretary
(M.No.:FCS-7254)

(Sukanta Das)
Chief Financial Officer

(Ratul Bordoloi)
Managing Director
(DIN:03315766)

(Jagadish Bhuyan)
Chairman
(DIN:01308520)

Place : Guwahati
Date : 29th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2019

a. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
9,11,99,470	4,22,04,57,860	4,31,16,57,330

b. Other Equity

	Reserves and Surplus			
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings
Balance at the beginning of the reporting period	13,625	1,10,29,100	74,13,08,603	(20,97,18,524)
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Total Comprehensive Income for the year	-	-	-	7,03,24,560
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Utilised for Bonus issue of shares	-	-	41,03,97,610	-
Balance at the end of the reporting period	13,625	1,10,29,100	33,09,10,993	(13,93,93,963)

As per our report of even date attached.

For and on behalf of the Board of Directors
of Assam Petro-Chemicals Limited

For SPRK & CO.
Chartered Accountants
FRN : 321080E

(CA. Niraj Agarwalla)
Partner
M.No. 310895

(Uttam Bailung)
Company Secretary
(M.No.:FCS-7254)

(Sukanta Das)
Chief Financial Officer

(Ratul Bordoloi)
Managing Director
(DIN:03315766)

(Jagadish Bhuyan)
Chairman
(DIN:01308520)

Place : Guwahati
Date : 29th May, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars
	Significant accounting policies:
1.1	Basis of accounting and preparation of financial statements <p>These financial statements are prepared in accordance with Indian Accounting standards (Ind AS) and under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind ASs are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting standards) Amendment Rules, 2016.</p>
1.2	Use of estimates <p>The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
1.3	Inventories <p>Items of inventories are measured at lower of cost or net realizable value, after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost of raw-materials, process chemicals, stores and spares, packing materials, and other products are determined on weighted average basis or net realizable value whichever is less. Cost of production of finished stocks is determined on by absorption costing method. In calculating the valuation of unsold finished stock, overhead expenses have been absorbed up to the stage of Production only.</p>
1.4	Cash and cash equivalents <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
1.5	Cash flow statement <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
1.5	Depreciation and amortisation <p>Depreciation on Property, plant and equipment; except plant & machinery and electrical equipment is provided on written down value method over the useful life as prescribed in Schedule II of the Companies Act. 2013. Depreciation on plant & machinery and electrical equipment is provided on straight line method over the useful life as prescribed in Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during the period is proportionately charged.</p> <p>Intangible assets are amortised over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.</p>

Note	Particulars
1.7	<p>Revenue recognition</p> <p>Sale of goods Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.</p> <p>Other income Interest income is accounted on accrual basis. Other income is accounted for when the right to receive it is established.</p>
1.8	<p>Plant, Properties and Equipements</p> <p>Plant, Properties and Equipements (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Plant, Properties and Equipements includes interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to the assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Plant, Properties and Equipements acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.</p> <p>Plant, Properties and Equipements retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.</p> <p><u>Capital work-in-progress:</u> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
1.9	<p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p>
1.10	<p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u> "Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.</p>

Note	Particulars
	<p>In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><u>Treatment of exchange differences</u></p> <p>Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.</p>
1.11	<p>Government grants, subsidies and export incentives</p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> <p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p> <p>Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.</p> <p>Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.</p>
1.12	<p>Investments</p> <p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p> <p>Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Plant, Properties and Equipment. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.</p>

Note	Particulars
1.13	<p>Employee benefits</p> <p>Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.</p> <p><u>Defined contribution plans</u> The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans. Provident fund is recognised based on the undiscounted obligations of the company to contribute to the plan.</p> <p><u>Defined benefit plans</u> For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.</p> <p><u>Short-term employee benefits</u> The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.</p> <p><u>Long-term employee benefits</u> Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.</p>
1.14	<p>Employee share based payments</p> <p>The Company has no Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.</p>
1.15	<p>Borrowing costs</p> <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>

Note	Particulars
1.16	<p>Segment reporting</p> <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. Management has identified two reportable business segments namely Methanol & Formalin and Siliguri has been identified as a geographical segment.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.</p> <p>Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.</p> <p>Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.</p>
1.17	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
1.18	<p>Taxes on income</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient</p>

Note	Particulars
	<p>future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
1.19	<p>Impairment of assets</p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>
1.20	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
1.21	<p>Insurance claims</p> <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>
1.22	<p>GST input credit</p> <p>GST input credit is accounted for in the books in the period in which the underlying goods / services received is accounted and when there is no uncertainty in availing / utilising the credits.</p>
1.23	<p>Employee Separation Cost :</p> <p>Compensation to employees who have opted for retirement under voluntary retirement scheme of the company is debited to the Profit and Loss Account in the year of payment.</p>
1.24	<p>Dearness Allowance :</p> <p>Dearness Allowance accrues after being approved by the Board of Directors and accordingly is charged to the Statement of Profit and Loss in the year of approval.</p>
1.25	<p>Other Non Current Assets :</p> <p>The value of Non Current Assets includes value of unamortised catalyst which are amortised on the basis of the utilisation certificates of the Engineering Department.</p>
1.26	<p>Goods and Services Tax:</p> <p>GST is accounted on the basis of supply of goods or services.</p>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2 PLANT, PROPERTY & EQUIPMENT

			Cost			Depreciation			Carrying amount		
Sl	Particulars	Balance as at 1 April, 2018	Additions	Deletions/adjustment	Balance as at 31 March, 2019	Up to 31st March 2018	Additions	Deletions/adjustment	Up to 31st March 2019	As at 31st March 2019	As at 31st March 2018
1	LAND	31,65,276	-	-	31,65,276	-	-	-	-	31,65,276	31,65,276
2	BUILDING FACTORY	6,58,63,699	-	-	6,58,63,699	6,12,27,905	3,33,820	-	6,15,61,725	43,01,974	46,35,794
3	BUILDING RESIDENCE	5,80,81,959	-	-	5,80,81,959	4,48,28,522	6,50,192	-	4,54,78,714	1,26,03,245	1,32,53,437
4	BUILDING GUEST HOUSE & OFFICE	74,99,429	-	-	74,99,429	17,21,839	2,80,885	-	20,02,724	54,96,705	57,77,590
5	BUILDING - REGISTERED OFFICE	52,11,231	22,40,930	-	74,52,161	26,52,472	1,99,927	-	28,52,399	45,99,762	25,58,759
6	BUILDING - KOLKATA OFFICE	16,13,596	-	-	16,13,596	8,25,376	38,253	-	8,63,629	7,49,967	7,88,220
7	BOUNDARY WALL & FENCE	1,41,333	-	-	1,41,333	1,16,124	11,362	-	1,27,486	13,847	25,209
8	INTERNAL ROAD	73,38,728	-	-	73,38,728	32,76,924	25,06,031	-	57,82,955	15,55,773	40,61,804
9	PLANT & MACHINERY U-I	100	-	-	100	-	-	-	-	100	100
10	PLANT & MACHINERY (IND) U-II	30,24,74,923	76,46,391	-	31,01,21,314	28,69,86,245	9,82,503	-	28,79,68,748	2,21,52,566	1,54,88,678
11	PLANT & MACHINERY CO2	1,82,53,294	-	-	1,82,53,294	1,72,56,253	24,678	-	1,72,80,931	9,72,363	9,97,041
12	PLANT & MACHINERY (IND)125TPD	13,06,07,949	-	-	13,06,07,949	9,83,01,111	20,39,383	-	10,03,40,494	3,02,67,455	3,23,06,838
13	PLANT & MACHINERY (IMP) U-II	9,15,05,165	-	-	9,15,05,165	5,47,09,488	17,52,250	-	5,64,61,738	3,50,43,427	3,67,95,677
14	PLANT & MACHINERY (IMP)100TPD	2,97,28,866	-	-	2,97,28,866	2,70,04,638	2,75,676	-	2,72,80,314	24,48,552	27,24,228
15	ELECTRICAL EQUIPMENT	2,25,60,455	99,42,76,00	-	2,35,54,731	2,19,24,946	2,31,865	-	2,21,56,811	13,97,920	6,35,509
16	LABORATORY EQUIPMENT	20,91,511	-	-	20,91,511	17,43,870	75,488	-	18,19,358	2,72,153	3,47,641
17	FIRE FIGHTING EQUIPMENT	37,43,565	-	-	37,43,565	31,85,100	1,02,729	-	32,87,829	4,55,736	5,58,465
18	HOSPITAL EQUIPMENT	2,66,937	-	-	2,66,937	2,59,329	-	-	2,59,329	7,608	7,608
19	OFFICE EQUIPMENT	24,97,436	5,51,302	-	30,48,738	22,27,783	2,62,244	-	24,90,027	5,58,711	2,69,653
20	GUEST HOUSE EQUIPMENT	1,50,331	-	-	1,50,331	1,46,095	-	-	1,46,095	4,236	4,236
21	TELEPHONE EQUIPMENT	20,66,514	-	-	20,66,514	19,60,836	380	-	19,61,216	1,05,298	1,05,678
22	FURNITURE & FIXTURES	90,51,748	43,26,224	-	1,33,77,972	73,02,081	11,51,612	-	84,53,693	49,24,279	17,49,667
23	MOTOR VEHICLE & CYCLE	39,00,389	23,68,141	10,77,898	51,90,632	36,88,130	3,60,306	9,82,985	30,65,452	21,25,180	2,12,259
24	ED.P.EQUIPMENT	1,00,11,487	9,94,538	-	1,10,06,025	93,18,773	6,00,887	-	99,19,660	10,86,365	6,92,714
25	WATER SUPPLY	1,99,73,753	17,03,518	-	2,16,77,271	1,73,29,975	13,39,191	-	1,86,69,166	30,08,105	26,43,778
26	MISC. FIXED ASSETS	60,77,720	2,53,251	-	63,30,971	44,72,447	7,30,675	-	52,03,121	11,27,850	16,05,273
27	DISCARDED ASSETS (Held for sale)	-	-	-	-	-	-	-	-	-	-
TOTAL 'A'		80,38,77,394	2,10,78,571	10,77,898	82,38,78,067	67,24,66,262	1,39,50,338	9,82,985	68,54,33,615	13,84,44,452	13,14,11,132
STANDBY SERVICING EQUIPEMENT / CAPITAL SPARE											-
1	PLANT & MACHINERY (IND) U-II	28,75,626	2,38,88,970		2,67,64,596	16,44,014	6,40,639		22,84,653	2,44,79,943	12,31,612
TOTAL 'B'		28,75,626	2,38,88,970	-	2,67,64,596	16,44,014	6,40,639	-	22,84,653	2,44,79,943	12,31,612
Total		80,67,53,020	4,49,67,541	10,77,898	85,06,42,663	67,41,10,276	1,45,90,977	9,82,985	68,77,18,268	16,29,24,395	13,26,42,744
Previous year		80,12,00,033	55,61,987	9,000	80,67,53,020	66,33,52,774	1,07,57,504	9,000	67,41,10,278	13,26,42,742	13,78,47,259

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 CAPITAL WORK-IN-PROGRESS

SI	Particulars	Cost					
		As at 1 April 2018	Additions during the year	Deletions/adjustment during the year	Capitalised during the year	Transfer to Profit & Loss during the year	As at 31st March 2019
1	500 TPD Methanol Plant	75,95,12,208	2,21,95,84,547	-	-	73,50,000	2,97,17,46,755
2	200 TPD Formalin Plant	15,32,625	2,02,03,007	-	-	-	2,17,35,632
3	Buildings	5,00,000	18,70,751	-	-	-	23,70,751
4	Land Development	-	30,00,400	-	-	-	30,00,400
5	DME Plant	-	20,50,847	-	-	-	20,50,847
6	Other Projects	8,96,400	-	-	-	8,96,400	-
	Total	76,24,41,233	2,24,67,09,552	-	-	82,46,400	3,00,09,04,385
	Previous Year	16,61,56,182	59,62,85,051				76,24,41,233

NOTE 4 INTANGIBLE ASSETS

SI	Particulars	Cost				Depreciation			Carrying amount	
		Balance as at 1 April, 2018	Additions	Deletions/adjustment	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Additions	Deletions/adjustment	As at 31st March' 19	As a 31st March, 18
1	COMPUTER	28,87,767	2,70,000	-	31,57,767	25,35,681	1,15,142	-	5,06,944	3,52,086
	SOFTWARE	27,32,106	1,55,661		28,87,767	24,05,657	1,30,024		3,52,086	3,26,449

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 5 FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31 March, 2019	As at 31 March, 2018
Other than Trade Investment		
Invest in Pragjyotish Fertilizers & Chemicals Ltd. (PFCL) (A subsidiary company)		
100000 Equity Shares of ₹100/-each (55.55% of total Shares)	1,00,00,000	1,00,00,000
Less: Provision for Diminution in the value of Investment	1,00,00,000	1,00,00,000
Net Value of Investment in Shares	-	-

NOTE 6 OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Security deposits	2,50,08,785	2,65,36,604
(b) Unamortised expenses	89,01,128	1,61,62,352
(c) Loans and advances to related parties	46,64,185	46,64,185
(d) Loans and advances to employees	79,38,700	22,44,160
(e) Advance income tax	1,11,26,847	85,09,749
(f) Mat Credit Entitlementment	1,55,58,066	68,87,953
(g) Other loans and advances	32,50,000	32,50,000
	7,64,47,711	6,82,55,003
Less: Provision for other doubtful loans and advances	54,14,185	54,14,185
Total	7,10,33,526	6,28,40,818

NOTE 7 INVENTORIES (At lower cost and net realisable value)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Finished goods	68,55,566	74,80,155
(b) Stores and spares	8,80,50,768	7,69,79,822
(c) Loose tools	7,48,061	7,21,077
Total	9,56,54,395	8,51,81,054

NOTE 8 TRADE RECEIVABLES

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Secured, considered good	2,21,40,574	2,95,85,756
(b) Unsecured, considered good	5,18,23,831	2,16,69,034
(c) Doubtful	13,29,064	-
Less: Provision for doubtful trade receivables	(13,29,064)	-
Total	7,39,64,405	5,12,54,791

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with banks		
Current accounts	1,39,86,470	5,25,07,066
Term Deposits (maturity upto 12 months or less)	35,07,95,256	23,55,68,178
Cash on hand	1,00,006	1,43,447
Total	36,48,81,732	28,82,18,69

NOTE 10 OTHER BANK BALANCES

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unpaid Dividend Bank Account	1,21,742	1,22,192
Earmarked Balance (500 TPD Methanol Project)	1,38,70,54,630	28,77,17,932
Total	1,38,71,76,371	28,78,40,123

NOTE 11 LOANS

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Loans and advances to employees	61,42,195	21,63,175
(b) Prepaid expenses - Unsecured, considered good	23,66,018	25,87,447
(e) Balances with government authorities		
(i) GST ITC	14,91,16,505	4,55,03,438
(ii) Revenue Stamp	2,412	7,665
(g) Others (Advance to Suppliers & Contractors, etc)	25,77,032	5,12,387
	16,02,04,162	5,07,74,112
Less: Provision for doubtful advances		
Total	16,02,04,162	5,07,74,112

NOTE 12 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Accruals		
(i) Interest accrued on deposits	8,455,739	3,683,201
Total	8,455,739	3,683,201

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 13 SHARE CAPITAL

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of ₹ 10/- each with voting rights	50,00,00,000	5,00,00,00,000	50,00,00,000	5,00,00,00,000
(b) Issued Equity shares of ₹ 10/- each with voting rights	43,11,74,808	4,31,17,48,080	91,35,047	9,13,50,470
(c) Subscribed and fully paid up Equity shares of ₹ 10/- each with voting rights	43,11,59,708	4,31,15,97,080	91,19,947	9,11,99,470
(d) Subscribed but not fully paid up Amount received and Forfeited	15,100	60,250	15,100	60,250
Total	43,11,74,808	4,31,16,57,330	91,35,047	9,12,59,720

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Outstanding at the beginning of the year	91,35,047	91,19,947
Add.: Bonus issue	4,10,39,761	-
Add.: Fresh issue	38,10,00,000	-
Outstanding at the end of the year	43,11,74,808	91,19,947

(ii) Shareholders holding more than 5% of Shares

Name of the Shareholders	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount originally paid up	Number of shares	Amount originally paid up
Governor of Assam	15,70,00,000	36.41%	-	-
Oil India Limited	21,00,00,000	48.71%	-	-
Assam Industrial Development Corporation Ltd.	4,97,12,190	11.53%	89,47,880	98.14%

(iii) Details of forfeited shares

Class of shares	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount originally paid up	Number of shares	Amount originally paid up
Equity shares with voting rights	15,100	60,250	15,100	60,250

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 14 OTHER EQUITY

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Capital reserve		
Opening balance	13,625	13,625
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	13,625	13,625
(b) Capital redemption reserve		
Opening balance	1,10,29,100	1,10,29,100
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Closing balance	1,10,29,100	1,10,29,100
(c) General reserve		
Opening balance	74,13,08,603	74,13,08,603
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for Sch. II of Companies Act 2013	41,03,97,610	-
Closing balance	33,09,10,993	74,13,08,603
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(20,97,18,524)	(26,41,38,687)
Add: Profit / (Loss) for the year	7,03,24,560	5,44,20,163
Less: Dividends proposed to be distributed to equity shareholders		
Tax on dividend		
Transferred to General Reserve		
Closing balance	(13,93,93,963)	(20,97,18,524)
Total	20,25,59,755	54,26,32,804

NOTE 15 BORROWINGS

Particulars	As at 31 March 2019	As at 31 March 2018
Secured Loan (PNB, Guwahati)	52,56,33,029	-
	52,56,33,029	-

NOTE 16 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018
Trade / Security deposits received	2,55,92,488	1,28,82,296
Advance for Equity Participation	-	88,46,31,000
	2,55,92,488	89,75,13,296

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 17 TRADE PAYABLE

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹	₹
(a) Trade Payables:		
Acceptances	5,99,03,445	5,05,83,128
Other than Acceptances	2,23,39,660	
Total	8,22,43,105	5,05,83,128

NOTE 18 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹	₹
Earnest Money	57,13,301	1,33,07,615
Total	57,13,301	1,33,07,615

NOTE 19 OTHER CURRENT LIABILITIES :

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹	₹
(a) Unpaid dividends	1,21,742	1,22,192
(b) Other payables		
(i) Statutory remittances (Contributions to PF, GST etc.)	2,22,85,094	1,37,34,424
(ii) Salaries & Wages payables	36,81,710	1,65,59,605
(iii) Advances from customers	65,29,513	-
(iv) Others (Work Bill Payable)	14,89,293	5,65,46,982
(v) Others (Misc.)	1,36,31,052	90,96,583
Total	4,77,38,403	9,60,59,786

NOTE 20 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹	₹
(a) Provision for employee benefits:		
(i) Provision for bonus & ex-gratia	64,57,912	64,07,707
(ii) Provision for other defined contribution plans (net)	70,60,267	35,78,378
(iii) Provision for Revision Arrear	8,70,77,003	-
	10,05,95,182	99,86,085
(b) Provision - Others:		
(i) Provision for tax	86,70,113	58,16,368
(ii) Provision - others (Audit Fee)	7,11,950	3,51,950
	93,82,063	61,68,318
Total	10,99,77,245	1,61,54,403

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 21 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of products:		
Methanol	28,65,77,479	26,85,40,080
Formalin	82,91,53,596	68,43,62,159
Total	1,11,57,31,075	95,29,02,238

NOTE 22 OTHER INCOME

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest income on Term Deposits	6,37,91,746	3,79,95,044
Interest income on Loans & Advance	3,31,208	32,39,385
Other non-operating income	63,74,443	35,67,295
Total	7,04,97,397	4,48,01,723

NOTE 23 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Natural Gas	33,97,39,352	25,36,46,858
Raw Material Chemicals	41,80,942	39,84,674
Gas Transmission Charges	2,23,05,201	2,05,24,865
Total	36,62,25,495	27,81,56,397

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<u>Inventories at the end of the year:</u>		
Finished goods	68,55,566	74,80,155
Finished goods-in transit	-	-
	68,55,566	74,80,155
<u>Inventories at the beginning of the year:</u>		
Finished goods	74,80,155	78,08,147
Finished goods-in transit	-	-
Less: Excise duty on Finished Goods		(15,75,910)
	74,80,155	62,32,237
Net (increase) / decrease	6,24,589	(12,47,918)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 25 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries and wages	35,24,98,993	30,30,27,988
Contributions to provident and other funds	4,36,15,084	4,08,02,892
Staff welfare expenses	1,01,65,617	1,16,67,855
Total	40,62,79,694	35,54,98,735

NOTE 26 FINANCE COSTS

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest expense on income tax:	2,24,589	-
Total	2,24,589	-

NOTE 27 DEPRECIATION AND AMORTISATION

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Depreciation for the year on Plant, Property & Equipements	1,45,90,977	1,07,44,247
Depreciation for the year on intangible assets	1,15,142	1,30,024
Amortisation of Catalyst	72,61,224	53,00,421
Less: Utilised in CWIP	(9,89,610)	(15,13,284)
Depreciation and amortisation relating to continuing operations	2,09,77,733	1,46,61,408

NOTE 28 OTHER EXPENSES

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Consumption of stores and spare parts	81,29,951	1,62,30,557
Consumption of loose tools	33,008	1,15,275
Consumption of Other spares & materials	34,15,429	18,08,506
Power and fuel	11,67,92,574	12,30,98,690
Water	19,64,104	20,51,759
Formalin Conversion Expenses	1,98,69,076	1,37,31,327
Repairs and maintenance - Buildings	1,35,98,126	1,15,24,406
Repairs and maintenance - Machinery	49,56,815	71,31,379
Repairs and maintenance - Others	22,23,823	17,01,483
Insurance	34,62,829	15,74,841
Rates and taxes	11,26,762	11,04,157
Travelling and conveyance	69,73,552	55,87,166
Printing and stationery	13,84,009	9,82,771
Freight and forwarding	4,39,745	9,223
Sales commission & discount	2,93,36,414	2,50,79,121
Business promotion	99,294	18,64,923

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 28 OTHER EXPENSES (contd.)

Legal and professional	46,33,691	21,91,716
Payments to auditors	2,95,000	2,82,170
Provision for Trade Receivable	13,29,064	-
Prior period items	13,66,401	10,09,928
Miscellaneous expenses	2,81,75,259	1,16,08,908
Total	24,96,04,925	22,86,88,306

NOTE 29 EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Arrear Salary	58,041,947	62,298,054
Compensation	-	6,038,834
VAT Payable to OIL for FY 2006-2007	17,286,990	-
Misc. Receipts	(235,350)	-
Total	75,093,587	68,336,888

NOTE 30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Note	Particulars		
30.1	Contingent liabilities and commitments (to the extent not provided for)	As at 31 March, 2019	As at 31 March, 2018
	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt:		
	(i) Central Excise Duty (CESTAT, Kolkata, period Feb.2009 to Jan.2011)	-	5,04,54,714
	(ii) Central Excise Duty (CESTAT, Kolkata, period Feb.2011 to Feb.2012)	-	2,09,56,450
	(iii) Central Excise Duty (CESTAT, Kolkata, period Mar.2012 to Jan.2013)	-	40,49,747
	(iv) Central Excise Duty (CESTAT, Kolkata, period Feb.2013 to Oct.2013)	-	1,55,78,715
	(v) Central Excise Duty (Com(A),Guwahati, period Nov.2013 to Aug.2015)	-	1,98,15,696
	(v) Oil India Limited (Debit Note for Vat on NG, period 2006-2007)	-	1,72,86,990
	(b) Guarantees	-	-
	(c) Other money for which the Company is contingently liable	-	-
30.2	Expenditure in foreign currency:	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Royalty	-	-
	Know-how	-	-
	Professional and consultation fees	-	-
	Interest	-	-
	Other matters (Current Year \$ 62973 & GBP 15135, Previous Year \$ 82,200)	59,10,530	53,50,718

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars		
30.3	Details of consumption of imported and indigenous items *	For the year ended 31 March, 2019	
		₹	₹
	<u>Imported</u>	-	-
	<u>Indigenous</u>		
	Raw materials	36,20,44,553 (27,41,71,723)	100% (100%)
	Chemicals	41,80,942 (39,84,674)	100% (100%)
	Stores & Spare Parts	1,15,78,388 (1,81,54,338)	100% (100%)
	Catalyst	72,61,224 (53,00,421)	100% (100%)
	Total	38,50,65,107 (30,16,11,156)	100% (100%)
	Note: Figures / percentages in brackets relates to the previous year		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31 DISCLOSURES UNDER ACCOUNTING STANDARDS

Note	Particulars
31.1	Employee benefit plans
31.2 a	<p><u>Defined contribution plans</u></p> <p>The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 2,95,89,349/- (Year ended 31st March, 2018 ₹ 2,80,34,453/-) for Provident Fund contributions and ₹ 55,37,419/- (Year ended 31st March, 2018 ₹ 61,07,050/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</p>
31.2 b	<p><u>Defined benefit plans</u></p> <p>The Company offers the following employee benefit schemes to its employees:</p> <p>i. Earned Leave Benefits (EL)</p> <p>EL per employee accrual is 33 days per year. Two days of EL is earned after 22 days of continuous service by an employee. Accumulation up to 360 days is allowed, out of which one part is encashable and other part can either be encashed at the time retirement or avail leave during the service period.</p> <p>ii. Sick Leave (SL)</p> <p>SL per employee accrual is 10 days per year and same can't be encashed during the service tenure. Encashment of 50% of accumulated SL is permitted at the time of retirement.</p> <p>iii. Group Gratuity Scheme</p> <p>15 days salary for each completed year of service or part thereof in excess of 6 months of continuous service. The eligibility of gratuity falls due on completion of 5 years of continuous service. The company has taken a policy under "Group Gratuity Scheme" of employees with Life Insurance Corporation of India (LIC). The amount payable calculated by LIC based on membership data provided by the company, actuarial assumption & valuation made by LIC & the balance in the Gratuity Fund is charged to the Statement of Profit and loss. The APL Employees Gratuity Fund is maintained by LIC in which interest accrued & payments made by the company are credited and payment of claims made to employees is debited.</p> <p>iv. Leave Encashment Scheme</p> <p>For the payment of leave encashment at the time of retirement, a policy under "group leave Encashment scheme" of employees has been taken from LIC. The amount payable, calculated by LIC on the basis of membership data provided by the company, actuarial assumption and valuation made by LIC and the balance in the fund maintained by LIC is charged to the Statement of Profit and Loss.</p>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars				
	The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:				
	Particulars	Year ended 31 March, 2019		Year ended 31 March, 2018	
		Gratuity	Group Leave Encashment	Gratuity	Group Leave Encashment
	Valuation Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
	Acturial Assumptions				
	a) Mortality Rate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
	b) Withdrawal Rate	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age
	c) Discount Rate	7.5% p.a.	7.5% p.a.	7.5% p.a.	7.5% p.a.
	d) Salary Escalation	5% p.a.	5% p.a.	5% p.a.	5% p.a.
	Result of Valuation				
	PV of Past Service Benefit	16,58,11,681	9,84,88,934	16,75,64,989	9,38,09,072
	Current Service Cost	24,46,789	1,77,85,995	25,23,511	1,70,73,767
	Total Service Gratuity	29,16,29,065	-	27,73,44,320	-
	Accrued Gratuity	22,20,25,054	-	21,87,82,267	-
	LCSA	6,96,04,011	2,15,58,521	5,85,62,053	2,01,11,080
	LC Premium	2,11,251	1,80,932	2,26,488	1,74,755
	GST	38,025	32,568	40,768	31,456
	Recommended Contribution Rate				
	Fund as on Renewal Date	17,55,96,678	10,99,37,439	16,48,67,278	10,88,65,012
	Additional Contribution for Existing Fund	-	-	26,97,711	-
	Current Service Cost	-	63,37,490	25,23,511	20,17,827
	Total Amount Payable	2,49,276	65,50,990	54,88,478	22,24,038
	Expense recognised in the Statement of Profit and Loss				
	Current service cost	-	63,37,490	25,23,511	20,17,827
	Additional Contribution	-	-	26,97,711	-
	LC Premium	2,49,276	2,13,500	2,67,256	2,06,211
	Total expense	2,49,276	65,50,990	54,88,478	22,24,038

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31 DISCLOSURES UNDER ACCOUNTING STANDARDS

Note	Particulars	For the year ended 31 March, 2019						For the year ended 31 March, 2018			
31.2	Segment information The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Methanol and Formalin. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Namrup (Assam) and Siliguri (West Bengal).	Business segments			Eliminations	Total	Business segments			Eliminations	Total
		Methanol	Formalin	₹			Methanol	Formalin	₹		
		₹	₹				₹	₹			
		Revenue	28,65,77,479	82,91,53,596		1,11,57,31,075	26,85,40,080	68,43,62,159		95,29,02,238	
		Inter-segment revenue	66,17,24,347	-	(66,17,24,347)	-	49,85,13,425	-	(49,85,13,425)	-	
		Total	94,83,01,826	82,91,53,596	(66,17,24,347)	1,11,57,31,075	76,70,53,505	68,43,62,159	(49,85,13,425)	95,29,02,238	
		Segment result	15,80,71,734	17,55,21,039	(21,91,11,156)	11,44,81,617	19,66,58,916	9,45,18,780	(18,94,00,647)	10,17,77,049	
		Unallocable expenses (net)								2,46,31,739	
		Operating income								7,71,45,310	
		Other income (net)								4,48,01,723	
		Profit before taxes & except.								12,19,47,033	
		Unallocable exceptional items								(6,83,36,888)	
		Profit before taxes								5,36,10,145	
		Tax expense								(8,10,018)	
Net profit/(Loss) for the year								5,44,20,163			



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31 DISCLOSURES UNDER ACCOUNTING STANDARDS

Note	Particulars	For the year ended 31 March, 2019				For the year ended 31 March, 2018			
		Business segments		Eliminations	Total	Business segments		Eliminations	Total
		Methanol	Formalin			Methanol	Formalin		
		₹	₹			₹	₹		
	Segment assets	15,27,27,025	10,85,40,038		26,12,67,063	15,57,32,805	8,61,16,251		24,18,49,056
	Unallocable assets				5,06,44,38,991				1,48,33,79,795
	Total assets				5,32,57,06,054				1,72,52,28,851
	Segment liabilities	8,15,60,246	3,17,94,903		11,33,55,149	46,15,52,295	24,29,66,278		70,45,18,573
	Unallocable liabilities				5,21,23,50,905				1,02,07,10,278
	Total liabilities				5,32,57,06,054				1,72,52,28,851
	<u>Other information</u>								
	Capital expenditure (allocable)	3,15,35,361	-	-	3,15,35,361	-	-	-	-
	Capital expenditure (unallocable)	-	-	-	1,37,02,180	-	-	-	57,17,648
	Depreciation and amortisation (allocable)	1,00,20,655	23,15,059	-	1,23,35,714	76,53,363	23,15,059	-	99,68,422
	Depreciation and amortisation (unallocable)	-	-	-	86,42,019			-	46,92,986

Note	Particulars	For the year ended 31 March, 2019			For the year ended 31 March, 2018		
	Geographic Segment	Namrup	Siliguri	Total	Namrup	Siliguri	Total
	Segment Revenue	1,00,07,49,935	11,49,81,140	1,11,57,31,075	87,88,55,019	7,40,47,219	95,29,02,238
	Segment Assets	5,32,57,06,054	-	5,32,57,06,054	1,72,52,28,851	-	1,72,52,28,851
	Capital Expenditure incurred	4,52,37,541	-	4,52,37,541	57,17,648	-	57,17,648
	Note 1: The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately						
	Note 2: Fixed assets at Guwahati and Kolkata office are shown under Namrup Geographical segment						

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31 DISCLOSURES UNDER ACCOUNTING STANDARDS

Note	Particulars		
31.3	Related party transactions		
31.3 a	Details of related parties:		
	Description of relationship	Names of related parties	
	Subsidiaries	Pragjyotish Fertilisers and Chemicals Limited	
	Key Managerial Personnel	Shri Ratul Bordoloi (Managing Director) Shri Sukanta Das (Chief Financial Officer) Shri Uttam Bailung (Company Secretary)	
31.3 b	Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:		
	Particulars	Subsidiaries	KMP
	Investment in Equity Shares	1,00,00,000 (1,00,00,000)	- -
	Advance for Share Application	4,80,000 (4,80,000)	- -
	Loans	41,84,185 (41,84,185)	- -
	Salary & Other Benefits Ratul Bordoloi		19,50,452 (19,83,228)
	Sukanta Das		1,96,666
	Uttam Bailung		14,93,169 (13,45,589)
	Amount Receivable as on 31.03.2019 (Equity shares, Loans & Share Application)	1,46,64,185 (1,46,64,185)	- -
	Note 1: Shri Sukanta Das joined the Company in the month of February, 2019 Note 2: Figures in bracket relates to the previous year.		

Note	Particulars	As at 31 March, 2019	As at 31 March, 2018
		₹	₹
31.4	Deferred tax (liability) / asset	(1,77,18,099)	(1,61,37,804)
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(5,24,49,311)	(5,72,16,320)
	On expenditure deferred in the books but allowable for tax purposes	-	-
	On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
	Others		
	Tax effect of items constituting deferred tax liability	(31,26,700)	(15,42,039)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Tax effect of items constituting deferred tax assets Provision for compensated absences, gratuity and other employee benefits Provision for doubtful debts / advances Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 On difference between book balance and tax balance of fixed assets Unabsorbed depreciation carried forward Brought forward business losses On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss Others Tax effect of items constituting deferred tax assets Net deferred tax (liability) / asset		
		(1,45,91,399)	(1,77,18,099)

Note	Particulars
------	-------------

31.5

Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1 April 2018	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March 2019
	₹	₹	₹	₹	₹
Investment, Secutity, Loans & Advances	1,55,67,935 (1,55,67,935)	- -	- -	- -	1,55,67,935 (1,55,67,935)
Debtors	- -	13,29,064 -	- -	- -	13,29,064 -
Bonus & Ex-gratia	64,07,707 (33,08,749)	64,57,912 (91,27,667)	64,07,707 (60,28,709)	- -	64,57,912 (64,07,707)
Arrear Salary & Other Defined Contribution Plan	35,78,378 (16,10,198)	9,39,92,578 (35,07,618)	34,33,686 (15,38,804)	- -	9,41,37,270 (35,79,012)
Provision for Tax & Audit Fee	36,56,950 (30,27,658)	93,82,063 (36,56,950)	36,56,950 (30,27,658)	- -	93,82,063 (36,56,950)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars																																
31.6	<p>Capital Work-In-Progress (CWIP)</p> <p>All expenditure incurred for new projects have been shown under CWIP, since these expenditure are related to the project only. No expenses which should have been charged to Profit & Loss, has been included in CWIP.</p>																																
31.7	<p>The company had given loans to Assam Tea Corporation Limited, details of which are as under:</p> <table><tr><th>Particulars</th><th>Principal</th><th>Date of Loan</th><th>Rate of Interest</th><th>Due Date of Repayment</th><th>Date of Repayment of Principal</th><th>Amount of Repayment of Principal</th><th>Interest Accrued & Due</th></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr><tr><td>Loan- I</td><td>3,500,000</td><td>08.05.2007</td><td>11.00%</td><td>07.08.2007</td><td>17.03.2011</td><td>1,000,000</td><td>6,223,303</td></tr><tr><td>Loan- II</td><td>1,500,000</td><td>11.10.2007</td><td>11.00%</td><td>10.04.2009</td><td>22.10.2009</td><td>1,500,000</td><td>717,306</td></tr></table> <p>The balance of principal of loan -I ₹ 25,00,000 is overdue. The company is pursuing through Govt. of Assam for repayment of balance amount of principal & the amount of interest over due as shown above. In past also the repayments were received through intervention of Govt. of Assam. The principal outstanding ₹ 25,00,000 has been considered good but the interest on Loan I & II has not been recognized as income in view of AS 9 issued by the Companies Accounting Standard Rules, 2006 and prudent accounting principles.</p>	Particulars	Principal	Date of Loan	Rate of Interest	Due Date of Repayment	Date of Repayment of Principal	Amount of Repayment of Principal	Interest Accrued & Due	1	2	3	4	5	6	7	8	Loan- I	3,500,000	08.05.2007	11.00%	07.08.2007	17.03.2011	1,000,000	6,223,303	Loan- II	1,500,000	11.10.2007	11.00%	10.04.2009	22.10.2009	1,500,000	717,306
Particulars	Principal	Date of Loan	Rate of Interest	Due Date of Repayment	Date of Repayment of Principal	Amount of Repayment of Principal	Interest Accrued & Due																										
1	2	3	4	5	6	7	8																										
Loan- I	3,500,000	08.05.2007	11.00%	07.08.2007	17.03.2011	1,000,000	6,223,303																										
Loan- II	1,500,000	11.10.2007	11.00%	10.04.2009	22.10.2009	1,500,000	717,306																										
31.8	<p>Documents in respect of subsidiary company (M/s Pragjyotish Fertilizer And Chemicals Limited) Under Section 129(3) of Companies Act, 2013.</p> <p>The Consolidated Financial Statement of the company and its subsidiary M/s Pragjyotish Fertilizer and Chemicals Limited has not been prepared due to absence of Audited Financial Statement of the subsidiary company. However, the management is of the opinion that there will be no financial impact on the results of the company as all the investments, loans & advances to its subsidiary has been provided for in the books of accounts of the company.</p>																																
31.9	<p>Basis for calculation of Depreciation :</p> <p>In absence of proper fixed assets register, rate of depreciation under straight line method & written down value method on remaining useful life of respective assets is calculated on the basis of audited financial statement of previous years and other financial records.</p>																																
31.10	<p>Dues to Micro, Small & Medium Enterprise:</p> <p>There is no supplier under Micro, Small and Medium Enterprise Development Act, 2006 on the basis of information made available to the company. The company has neither paid any interest in the terms of section 16 of the above Act nor any interest remain unpaid and no payments were beyond the “appointed date” to such enterprise during the year ended 31st March 2019. Amount outstanding to these enterprise for the year ended 31st March 2019 is ₹ Nil (previous year ₹ Nil)</p>																																
32	<p>Previous year's figures</p> <p>Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.</p>																																



Assam Petro-Chemicals Limited

CIN-U24116AS1971SGC001339

Registered Office: 4th Floor, Orion Place, Bhangagarh, Mahapurush Srimanta Sankardev Path, Guwahati-781005
Telefax no. 0361-2461470 and 2461471; e-mail: aplguw@bsnl.in; website: www.assampetrochemicals.co.in

ATTENDANCE SLIP

Name(s) of Share holder/Joint holder :
(in block letters)

Address of the Shareholder :

DP ID/ Client ID/ Folio Number :

Number of shares held :

Name of the proxy :
(in Block Letters)

I hereby record my/our presence at the 48th Annual General Meeting of the company held on Wednesday, 25th September, 2019 at 11:30 AM at Hotel Gateway Grandeur, Mahapurush Srimanta Sankardev Path, Christianbasti, Guwahati-781005.

.....
Signature of the shareholder/proxy

Note:

1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand over it at the Attendance Verification Counter set up at the venue of the meeting.
2. Electronic copy of the Annual Report for the Financial Year 2018-19 including Notice of 48th Annual General Meeting along with the attendance slip and proxy form are being sent to the shareholders whose e-mail id is registered with the company.
3. Physical copy of the Annual Report for the Financial Year 2018-19 including Notice of 48th Annual General Meeting along with the attendance slip and proxy form are being sent to the shareholders by post to the members whose e-mail id are not registered with the company.
4. Members are requested to carry their copy of the Annual Report to the meeting.

Assam Petro-Chemicals Limited

CIN-U24116AS1971SGC001339

Registered Office: 4th Floor, Orion Place, Bhangagarh, Mahapurush Srimanta Sankardev Path, Guwahati-781005
Telefax no. 0361-2461470 and 2461471; e-mail: aplguw@bsnl.in; website: www.assampetrochemicals.co.in

PROXY FORM

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

Name of the member(s) :

Registered Address :

E-mail id :

Folio Number/DP ID/Client ID :

I/We, being the member(s) of.....shares of Assam Petro-Chemicals Limited, hereby appoint

1. Name :.....E-mail id:.....
Address :.....
Signature :.....On failing him/her
2. Name :.....E-mail id:.....
Address :.....
Signature :.....On failing him/her
3. Name :.....E-mail id:.....
Address :.....
Signature :.....

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 48th Annual General Meeting of Assam Petro-Chemicals Limited, to be held on Wednesday, 25th September, 2019 at 11:30 AM at Hotel Gateway Grandeur, Mahapurush Srimanta Sankardev Path, Christianbasti, Guwahati-781005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	For	Against
	Ordinary Business:		
1	To receive, consider and adopt the Company's standalone Financial Statements as at 31st March, 2019 along with the Directors' Report, Independent Auditors' Report and Comments of the Comptroller and Auditor General of India, etc. thereon		
2	To appoint Shri Jagadish Bhuyan [DIN-01308520], who retires by rotation and being eligible, offers himself for re-appointment as a Director.		
3	To appoint Shri Bikul Chandra Deka [DIN- 07774812], who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard.		
	Special Business		
4	To re-appoint Shri Amarendra Nath Das [DIN- 02818045], as an Independent Director.		
5	To fix the remuneration of the Cost Auditors of the company for the Financial Year 2019-20		

Signed this.....day of 2019

Signature of the Shareholder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

LOCATION MAP

Assam Petro-Chemicals Limited

Registered Office: 4th Floor, Orion Place, Bhangagarh
Mahapurush Srimanta Sankardev Path, Guwahati-781005

Assam Petro-Chemicals Limited

Registered Office: 4th Floor, Orion Place, Bhangagarh

Mahapurush Srimanta Sankardev Path, Guwahati-781005



BOOK POST

If undelivered, please return to:



Assam Petro-Chemicals Limited

(A Government of Assam undertaking)

CIN: U24116AS1971SGC001339

Registered Office: 4th Floor, Orion Place, Bhangagarh, Mahapurush Srimanta Shankardev Path, Guwahati 781005

Phone No.: 0361-2461594, 2461470 Fax No. 0361-2461471

e-mail: aplguw@assampetrochemicals.co.in

website: www.assampetrochemicals.co.in