

# 52<sup>th</sup>

वार्षिक प्रतिवेदन  
**Annual Report**  
**2021-2022**



भारत पम्प्स एण्ड कम्प्रेसर्स लिमिटेड

(भारत सरकार का उपक्रम)

**Bharat Pumps & Compressors Ltd.**

(A Government of India Enterprise)



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## BOARD OF DIRECTORS

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- |                       |                                                  |
|-----------------------|--------------------------------------------------|
| 1. SHRI K.S. MURTHY   | - CHAIRMAN & MANAGING DIRECTOR (FROM 19.05.2021) |
| 2. SHRI SUNIL PARWANI | - CHAIRMAN & MANAGING DIRECTOR (UPTO 19.05.2021) |
| 3. SHRI R.K. SINGH    | - DIRECTOR (FROM 10.11.2020)                     |
| 4. SHRI S.K. SAXENA   | - DIRECTOR (FROM 14.07.2021)                     |
| 5. SHRI AMIT KERKETTA | - DIRECTOR (FROM 09.08.2021)                     |
- 

## PRINCIPAL EXECUTIVES

- |                     |                             |
|---------------------|-----------------------------|
| SHRI RATAN PRAKASH  | - HEAD (HR/MKT/PDD)         |
| SHRI INDRASEN SINGH | - CFO AND COMPANY SECRETARY |
- 

## AUDITORS

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

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## BANKERS

STATE BANK OF INDIA

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## REGISTERED OFFICE

NAINI, ALLAHABAD  
UTTAR PRADESH - 211010

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## BOARD OF DIRECTORS



**SHRI K.S. MURTHY**  
Chairman & Managing Director  
(From 19.05.2021)



**SHRI SUNIL PARWANI**  
Chairman & Managing Director  
(Upto 19.05.2021)



**SHRI R.K. SINGH**  
Director  
(From 10.11.2020)



**SHRI S.K. SAXENA**  
Director  
(From 14.07.2021)



**SHRI AMIT KERKETTA**  
Director  
(From 09.08.2021)



**SHRI INDRASEN SINGH**  
Company Secretary

## DIRECTORS' REPORT

To,  
The Shareholders,  
Gentlemen,

Your Directors present the 52nd Annual Report of the business and operation of the company together with the audited accounts, Auditors Report and comments of Comptroller & Auditor General of India thereon for the year ended 31st March 2022.

### 1. PERFORMANCE HIGHLIGHTS:

During the year 2020-21 Ministry of Heavy Industries, Govt. of India has communicated decision of Union Cabinet vide letter Dated 17.12.2020 to shutting down the operation and closure of the company and freezing of some liabilities. Accordingly company is no more going concern and some of the liabilities has been freed( liabilities of Interest on Govt loan amounting to Rs 18.41 crores not provided for)/some additional liability has been created(VRS/VSS liabilities amounting Rs 29.26 crores and additional liability of 1997 wage revision arrear amounting Rs 23.17 crores has been provided during 2020-21 ). During current year all employees of the Company have been relived/separated through VRS/ VSS upto 12.06.2021. As such all operations has been stopped. Further during the process of liquidation of various assets and liabilities company has written-off Trade receivables which are not collectable and amount pertaining to old deduction by customers in line with contractual terms. Similarly ,company has write-backed some of liabilities of trade payables after reconciliation as the same are either adjusted with corresponding advances or not payable due to commercial dispute/no claim done/time barred cases . As such performance and other financial parameters during the year are not showing factual position at par with running organization . Accordingly loss (after tax) for the year was Rs 53.69 crores on turnover of Rs 10.91 crores as against loss (after tax) of Rs. 83.89 crores and

Turnover of Rs. 45.40 crores respectively during the previous year.

Company has received fund amounting Rs 260.77 crores( 92.55 crores During the year 2020-21 and Rs 168.22 crores during 2021-22 ) as non-refundable grant from GOI for liquidation of various liabilities which has positive impact on net worth of the Company. Net worth at the end of the year 2021-22 was Rs. (-)90.42 crores as against Rs. (-)204.95 crores during the previous year 2020-21. The salient features of performance during the year 2021-22 are summarized below:

(₹ in crore)

| Sl. No. | Particulars                                            | 2021-22 | 2020-21  |
|---------|--------------------------------------------------------|---------|----------|
| 1.      | Turnover                                               | 10.91   | 45.40    |
| 2.      | Profit/(Loss) before tax(PBT) and extra-ordinary items | (50.89) | (31.46)  |
| 3.      | Net Profit/(Loss) after tax(PAT)                       | (53.69) | (83.89)  |
| 4.      | Net Worth                                              | (90.42) | (204.95) |

### 2. DIVIDEND:

Since the company is already under process of liquidation/closure in line with decision of Cabinet of GOI dated 9.12.2020, recommendation of dividend by your Directors has not been done.

### 3. SHARE CAPITAL:

The issued, subscribed and paid up share capital of the Company as on 31st March 2022 was Rs.53.53 Crores against authorized capital of Rs.65.00 Crores.

### 4. ORDER BOOK STATUS:

(₹ in crore)

| A. ORDER BOOKED                               |         |         |
|-----------------------------------------------|---------|---------|
|                                               | 2021-22 | 2020-21 |
| Pumps & Compressors                           | 0.00    | 2.38    |
| Spare Parts                                   | 0.00    | 24.32   |
| Gas Cylinders                                 | 0.00    | 0.00    |
| Total Orders Booked                           | 0.00    | 26.69   |
| B. ORDER BOOK OUTSTANDING                     |         |         |
|                                               | 2021-22 | 2020-21 |
| Order Book Outstanding at the end of the year | 0.00    | 26.89   |

The order book position at the end of the year was Rs. 0.00 crores as the company has stopped accepting orders and also cancelled the existing orders in the light of compliance of decision of Union Cabinet, Govt. of India, communicated by Ministry of Heavy Industries vide letter Dated 17.12.2020 relating to shutting down the operation and closure of company.

## 5. FUTURE OUTLOOK:

In the light of compliance of decision of Union Cabinet, Govt. of India, communicated by Ministry of Heavy Industry vide letter dated 17.12.2020 relating to shutting down the operation and closure, company has stopped accepting further orders and various closure activities are under process and finally company will be wind-up after settling dues of all stakeholder and sale of movable assets. Presently most of the movable assets have already been sold in the month of May 2022.

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

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

### 6.1 CONSERVATION OF ENERGY:

We are continuously in process to save electricity and reduced the consumption of fuel (HSD) for generators by proper utilization and maintenance of generator sets. We are in process to replace the conventional lights (fluorescent, incandescence, mercury etc.) by energy efficient LED light fittings (used to illuminate offices and shop) which will reduce the electricity consumption by 1/4th in light loads. We also continuously maintain the power factor above 0.90 (lagging) to minimize the power losses. Our machines are also being maintained in such a way to run with minimum power losses. However, due to shutting down the operation of company we have reduced the load of electricity supply which resulted considerable reduction in cost of consumption.

## 6.2 TECHNOLOGY ABSORPTION:

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

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

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

In all cases, the collaboration period has expired, but Company had already absorbed complete technology and is meeting most of the customer's requirements with available technology. During the year, any new technological collaboration has not been done.

However, due to shutting down the operation of company, valuation of technology was done through external agency and process of e-auction of the same is under-way through MSTC.

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

Company was committed for continual up gradation and design improvement of its products to face stiff competition in the market and also for meeting objective of client satisfaction. However due to ongoing

Proceedings of closure of the Company, any activity for technology improvement/acquisition has not been done during the year.

#### 6.4 FOREIGN EXCHANGE EARNING AND OUTGO:

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

(₹ in lakh)

| Sl.No. | Particulars                                                         | 2021-22 | 2020-21 |
|--------|---------------------------------------------------------------------|---------|---------|
| A.     | Value of imports calculated on CIF basis                            |         |         |
| i.     | Raw Materials                                                       | 0.00    | 38.91   |
| ii.    | Store & Spares                                                      | 0.00    | 0.00    |
| iii.   | Capital Goods                                                       | 0.00    | 0.00    |
| B.     | Expenditure in Foreign Currency on                                  |         |         |
| i.     | Analog Study                                                        | 0.00    | 0.00    |
| ii.    | Tours and Travels                                                   | 0.00    | 0.00    |
| iii.   | Contracts                                                           | 0.00    | 0.00    |
|        | Earnings in Foreign Exchange                                        |         |         |
| i.     | Consultancy                                                         | 0.00    | 0.00    |
| ii.    | Interest                                                            | 0.00    | 0.00    |
|        | Value of Raw Materials & Components, spare parts and store consumed |         |         |
| i.     | Imported                                                            | 6.60    | 40.92   |
| ii.    | Indigenous                                                          | 132.82  | 823.51  |

#### 7. CAPITAL EXPENDITURE:

In the light of compliance of decision of Union Cabinet, Govt. of India, communicated by Ministry of Heavy Industries vide letter Dated 17.12.2020 relating to shutting down the operation and closure of company any capital projects has not been taken up during the year 2021-22.

#### 8. QUALITY IMPROVEMENT:

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

However in the light of compliance of decision of Govt. of India relating to shutting down the

operation and closure of company all employees have been relieved up-to 12.06.2021. As such further development in the field of quality development automatically stopped.

#### 9. CONTRIBUTION TO EXCHEQUER:

Your Company has paid/ incurred expenditure to the public exchequer- Rs. 122.96 lakh towards GST during the Year 2021-22 (previous year Rs 442.17 lakh)

#### 10. HUMAN RESOURCE DEVELOPMENT:

**10.1** The Company was concerned with the development and implementation of people strategies which are integrated with corporate strategies and ensure that the culture, value, skills, motivation and the human resource Development activities aimed at improving employees' productivity, attitude, skill and knowledge.

However in the light of compliance of decision of Govt. of India relating to closure of company all employees have been relieved up-to 12.06.2021. As such, further development in the field of Human resources has been stopped automatically.

**10.2** During the year (up to 12.06.2021 i.e. dated of relieving of all employees) cordial industrial relations were maintained in the organization.

**10.3** MAN POWER: Total Employees strength of the Company was nil as on 31.03.2022 against 140 as on 31.03.2021. Further for completion of various closure activities 12 nos relieved employees through VRS/VSS have been engaged as consultant/contractual staff and they are still continuing.

#### 11. TRAINING:

During the year 2021-22, no training was conducted as all the employees have already been separated upto 12.06.2021 through VRS/VSS.

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

Government directives relating to Scheduled Caste/Scheduled Tribe/OBC and Disabled persons are being complied with till closure of the company/separation of all employees.

### 13. OFFICIAL LANGUAGE:

During the year-up to 12.06.2021 (Date of relieving/separation of all employees due to closure of the company), efforts were continued for enhancing use of Hindi by effectively and vigorously implementing the provisions of Official Language Implementation Act and various directives received from the Govt. of India from time to time. All important circulars and advertisements were released in Hindi also.

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

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

### 15. PARTICULARS OF EMPLOYEES:

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

### 16. FIXED DEPOSIT:

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

### 17. POLLUTION AND ENVIRONMENT:

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

direction issued by CPCB. However due to shutting down the operation of the company/relieving of all employees up to 12.06.2021 any further efforts in this regard has been stopped.

Earlier our company was taking various initiatives towards preservation of all elements of environment by adopting required pollution control systems, strict environment monitoring and judicious use of natural resources (coal, gas, water and land). To preserve nature and our commitment towards conservation of environment, several tree-plantation drives were organized in the company time to time.

### 18. VIGILANCE:

Vigilance Department of the company was committed to improve the vigilance administration in the company by creating better awareness about CVC Guidelines, by introducing transparent and simplified procedures. Routine and surprise inspections have been made effective to control and deter the corrupt practices. Strict vigil was exercised over various activities as part of preventive Vigilance measures. Necessary recommendations were made to management for improving the systems on the basis of investigations. Improvement in purchase policy of the company and transparency in tendering/procurement activities have been the focus point by the vigilance department in the previous year.

During the year 2021-22, no Vigilance activities were conducted as the company is already closed except general reporting to CVC/Government.

### 19. SECURITY:

The security of the Company is being managed by CISF and security of all Regional and Branch offices was being managed /looked after by private agencies deployed by owners of premises. However, presently all regional and branch offices are closed. During the year no case of theft/loss/damage was reported.

### 20. STATUS OF CLOSURE ACTIVITY OF THE COMPANY- PRESENT SCENARIO:

Union Cabinet Committee in its meeting held on 09.12.2020 approved the Shutting down the

operation of the plant and closure of the company of the company. MHI vide letter Dated 17.12.2020 has informed said decision of GOI. In this regard, following closure activities have been completed/under process-

- a. Operations of the Company have been shut down.
- b. All employees of the Company have been separated through VRS/ VSS upto 12, June-2021. Further for completion of closure activities some officials are re-deployed as consultant/ contractual staff and some of them has been given financial power.
- c. Company has received fund as grant of Rs 92.55 crores in the last week of Mar-2021 and Rs 168.22 crores in the last week of Jun-2021 totaling to Rs 260.77 crores out of sanctioned amount of Rs 316.09 crores
- d. Payment of most of the dues of employees has been completed except payment of few employees relating to arrears of 1997 wage revision which is pending due to nominee dispute /succession certificate etc. In addition to this, in compliance of MHI directive relating to withdrawal of 2007 pay revision certain amount has been recovered from all executives' employees since the date of implementation of wage revision (Jan-2012 onwards). This amount may be due for payment in future in case MHI will give suitable direction for which company has already made a request for reconsidering the recovery decision.
- e. Dues of vendors and other stake holders has already been paid and some adjustment activity of disputed/unclaimed activity has also been done and balances nullified through book adjustment.

- f. E- auction of all movable assets has been completed in first quarter of 2022-23 through MSTC Ltd except e-vest, technology and movable assets of administrative building which is presently used as office by the officials engaged for completion of closure activity..
- g. Letter has already been given to UP Govt for taking possession of vacant land immediately and make plan for taking possession of other structured land and building in due course of time after actual removal of all movable assets including plant and machinery.

Company is making all out efforts to complete the all closure activities in time bound manner so that last activities (winding up/ removal of the name from registrar of Company) may be done at the earliest.

## **21. CORPORATE SOCIAL RESPONSIBILITY:**

In the light of compliance of decision of Union Cabinet ,Govt. of India ,communicated by Ministry of Heavy Industries vide letter Dated 17.12.2020 relating to shutting down the operation and closure of company any CSR activity has not been taken up during the year 2021-22.

### **22.1 AUDITORS:**

M/s. S. R. Gupta & Company, Chartered Accountants, Allahabad, has been appointed by the Comptroller & Auditor General of India, as Statutory Auditors for auditing the accounts of the Company for the year 2021-22, holds the office until the conclusion of the ensuing Annual General Meeting.

### **22.2 AUDITOR'S REPORT:**

The statutory Auditors in their report on the account of the company for the year 2021-22 have made certain observations. The reply of your Directors on the observations are furnished below:

| Observations of the Auditors | Replies of the Management                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Para No. of the Report)     |                                                                                                                                                                                                                                                                                                                                                                                            |
| (a)                          | Company has already disclosed facts relating to non provision of Interest on Govt. loan by way of Note No. 28 (iv) since 2020-21. This is being done in the Light of compliance of decision of Union Cabinet GOI dated - 17.12.2020 where in it is clearly mentioned that Interest on Govt loan up to 31-03-2020 to be frozen.                                                             |
| (b)                          | Company has already disclosed all the facts by way of Note No. 28 (xiv). Company has written-off Rs 7099.99 lakh towards non-collectible sundry debtors including reversal of provision of 3442.42 lakh made upto 2020-21 towards LD etc. Presently, only Rs 265.39 lakh is pending for collection and for which Company is hopeful with reasonable certainty for realization of the same. |
| (c)                          | Facts relating to interest liability claimed by CISF has already been disclosed by way of Note No. 28 (XIX) (a) (4)                                                                                                                                                                                                                                                                        |
| (d)                          | Noted                                                                                                                                                                                                                                                                                                                                                                                      |
| (e)                          | Quantifications of pending cases has already been done, so far as possible.                                                                                                                                                                                                                                                                                                                |

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

The Comptroller & Auditor General of India has decided not to conduct the supplementary audit of the financial statements of Bharat Pumps & Compressors Limited for the year ended 31st March 2022 u/s 143(6)(a) of the Companies Act 2013. Comment of the Comptroller & Auditor General of India on the Accounts of the Company for the year 2021-22 is attached where in it is mentioned that they have decided not to conduct supplementary Audit of the Financial Statement of the Company. As such they have not offered any comment upon or supplement to Statutory Auditors Report under section 143 (6)(b) of the Companies Act, 2013.

### 24. RISK MANAGEMENT:

Company was always following principles of risk management during planning. There is an adequate internal financial control in place and such controls were reviewed time to time.

### 25. EXTRACT OF ANNUAL RETURN:

As required under the provisions of Section 92(3) of the Companies Act 2013, the extract of annual return of the year 2021-22 is enclosed.

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

The details of directors is as under:

Shri K S Murthy, GM BHEL has taken over additional charge of CMD, w.e.f. 19.05.2021 vice Shri Sunil Parwani ED, BHEL.

Shri Rama kant Singh, Director MHI ( Ministry of Heavy Industries), Govt. of India, has taken over the charge of part-time Official Director on the Board of BPCL w.e.f. 10.11.2020 until further orders vice Shri S K Singh Director MHI.

Shri Sunil Kumar Saxena, Executive Director EIL has been appointed as nominee Director on 14.07.2021 vice Shri R K Trivedi.

Shri Amit Kerketta GM, BHEL has been appointed as nominee Director on 09.08.2021 vice Shri G Uday Kumar.

After superannuation of ONGC nominee Director in the year 2018, any ONGC nominee Director has not been appointed.

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

### 27. REPORT ON CORPORATE GOVERNANCE:

**27.1** BPCL was committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders. BPCL is maintaining full transparency and ethical behavior to all stakeholders as required by all applicable laws, rules & regulation.

**27.2** Board of Directors- For composition of Board of Directors in the line with DPE Guidelines, the Company had requested MHI for appointment of three part-time non-official directors on its Board. Accordingly two Non-official part-time Director had been appointed w.e.f. 26.03.2013 whose tenure has already been completed on 26.3.2016 and thereafter, appointment of non-official part-time directors has not been done.

**27.3** The Company has laid down formal code of business conduct and ethics applicable to all Board Members and Senior Management Team.

**27.4** Dates of Board meeting held during the year 2021-22 are as under:-

| B.M. No. | Date of Meeting |
|----------|-----------------|
| 248      | 21.06.2021      |
| 249      | 28.09.2021      |
| 250      | 01.12.2021      |
| 251      | 18.02.2022      |
| 252      | 24.03.2022      |

Attendance of Directors is attached

#### **27.5 Audit Committee & Remuneration Committee-**

On appointment of two Non-official part-time Director on 26.03.2013, Audit Committee and Remuneration Committee were reconstituted on 17.05.2013 with composition of three members. Non-official part-time Director had been nominated chairman of the Audit and remuneration committee. The terms of reference of audit committee and remuneration committee was also approved by the Board of Directors. However after completion of tenure of appointment of non officials part time Directors on 25.03.2016 only Audit committee was reconstituted with available directors. However at present no audit and remuneration committee are in existence as the same was not constituted.

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

| AGM No.          | Date of Meeting |
|------------------|-----------------|
| 49 <sup>th</sup> | 31.12.2019      |
| 50 <sup>th</sup> | 28.12.2020      |
| 51 <sup>st</sup> | 23.11.2021      |

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

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

#### **28. DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance to Section 134 (3) (c) of Companies Act, 2013, the Directors confirmed as under in respect of Annual Accounts for the year 2021-22:

- That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2021-22 and of the profit or loss of the Company for that period.
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the Annual Accounts for the financial year ended 31st March, 2022 on a going concern basis except certain disclosed deviation for complying directive of GOI relating to closure of the Company.
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 29. ACKNOWLEDGEMENT:

The Board places on record its sincere thanks to the valued customers for the support and confidence reposed by them in the organization till continuance of operation of the Company.

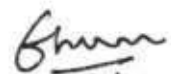
The Board of Directors wish to place on record their gratitude and appreciation of the continued support, guidance and cooperation received from the Govt. of India, particularly Ministry of Heavy Industries, Department of Public Enterprises (DPE) and from the State Government.

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

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

The Directors also take this opportunity to express their appreciation for the efforts and contributions made by all the employees at all levels for ensuring smooth functioning of the company till shutting down the operation.

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



(K.S. Murthy)

Chairman & Managing Director

Date : 17.01.2023

Place: New Delhi

**EXTRACT OF ANNUAL RETURN**

 As on Financial Year ended 31<sup>st</sup> March 2022

[Pursuant to Section 92(3) of the Companies Act 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014] Form No. MGT-9

**I. Registration and other details :**

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

**II. Principal Business Activities of the Company:**

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

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

**III. Particulars of Holding, Subsidiary and Associate Companies:**

Not Applicable

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

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

| Category of shareholders | Number of shares held at the beginning of the year 01.04.2021 |          |          |                  | No. of shares held at the end of the year 31.03.2022 |          |          |                  | % change during the year |
|--------------------------|---------------------------------------------------------------|----------|----------|------------------|------------------------------------------------------|----------|----------|------------------|--------------------------|
| A. Indian                | Demat                                                         | Physical | Total    | % of total share | Demat                                                | Physical | Total    | % of total share |                          |
| 1. GOI                   | -                                                             | 5,35,299 | 5,35,299 | 99.99            | -                                                    | 5,35,299 | 5,35,299 | 99.99            | -                        |
| 2. CMD BPCL              | -                                                             | 1        | 1        | 00.01            | -                                                    | 1        | 1        | 00.01            | -                        |
| 3. Total                 | -                                                             | 5,35,300 | 5,35,300 | 100              | -                                                    | 5,35,300 | 5,35,300 | 100              | -                        |

**V. Indebtedness:**

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

|                                                     | Secured loans excluding deposits (Rs. in lakh) | Unsecured loans (Rs. in lakh) | Deposits (Rs. in lakh) | Total indebtedness (Rs. in lakh) |
|-----------------------------------------------------|------------------------------------------------|-------------------------------|------------------------|----------------------------------|
| Indebtedness at the beginning of the financial year |                                                |                               |                        |                                  |
| i) Principal amount                                 | 3751.91                                        | 11159.00                      | 0.00                   | 14910.91                         |
| ii) Interest due but not paid                       | 719.62                                         | 4636.22                       | 0.00                   | 5355.84                          |
| iii) Interest accrued but not due                   | 0.00                                           | 634.20                        | 0.00                   | 634.20                           |
| Total                                               | 4471.53                                        | 16429.42                      | 0.00                   | 20900.95                         |
| Change in indebtedness during the financial year    |                                                |                               |                        |                                  |
| - Addition                                          | 55.10                                          | 0.00                          | 0.00                   | 55.10                            |
| - Reduction                                         | -4526.63                                       | 0.00                          | 0.00                   | 4526.63                          |
| Net change                                          | 4471.53                                        | 0.00                          | 0.00                   | -4471.53                         |
| Indebtedness at the end of the financial year       |                                                |                               |                        |                                  |
| i) Principal Amount                                 | 0.00                                           | 11159.00                      | 0.00                   | 11159.00                         |
| ii) Interest due but not paid                       | 0.00                                           | 4636.22                       | 0.00                   | 4636.22                          |
| iii) Interest accrued but not due                   | 0.00                                           | 634.20                        | 0.00                   | 634.20                           |
| Total (i+ii+iii):                                   | 0.00                                           | 16429.42                      | 0.00                   | 16429.42                         |

# ENCLOSURE

## ATTENDANCE OF THE DIRECTORS DURING THE YEAR 2021-22

| Sl. | Name & Designation of Director                          | Total nos. of Board Meetings held during tenure | Total no. of Board Meetings attended |
|-----|---------------------------------------------------------|-------------------------------------------------|--------------------------------------|
| 1.  | <b>Shri K.S. Murthy</b><br>Chairman & Managing Director | 05                                              | 05                                   |
| 3.  | <b>Shri R.K. Singh</b><br>Director                      | 05                                              | 05                                   |
| 2.  | <b>Shri S.K. Saxena,</b><br>Director                    | 04                                              | 04                                   |
| 4.  | <b>Shri Amit Kerketta</b><br>Director                   | 04                                              | 04                                   |

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



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

संख्या: एएमजी-III/2(91)/ वार्षिक लेखा/  
बी.पी.सी.एल./2021-22/2022-23/417-618

दिनांक: 17 JAN 2023

सेवा में

अध्यक्ष एवं प्रबंध निदेशक  
भारत पंप्स एंड कंप्रेसर्स लिमिटेड,  
नैनी, प्रयागराज,  
उत्तरप्रदेश- 211 010

विषय: कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2022 को समाप्त वर्ष के  
लिए भारत पंप्स एंड कंप्रेसर्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं  
महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के

भवदीया ,

र.स. अ. पंडा

(एस. आह्लादिनी पंडा)  
प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि

दूरभाष / Phone : +91-11-23702357, फैक्स / Fax : +91-11-23702359, E-mail : pdaica@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT PUMPS & COMPRESSORS LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022.**

The preparation of financial statement of Bharat Pumps & Compressors Limited for the year ended 31<sup>st</sup> March 2022 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 is responsible for expressing opinion on the financial statement under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 December 2022.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of Bharat Pumps & Compressors Limited for the year ended 31 March, 2022 under section 143 (6) (a) of the Act.

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

(S. Ahladini Panda)

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

Place : New Delhi  
Date : 17.01.2023

## INDEPENDENT AUDITOR'S REPORT

To

The Members of Bharat Pumps & Compressors Limited

### Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharat Pump & Compressors Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, statement of Profit and Loss and statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (collectively hereinafter referred to as the standalone financial statements).

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the basis for qualified opinion section of our report (cumulative effect of our qualified opinion is understatement of loss by Rs.36.17 crores), the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Loss and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

#### (a) Non provision of interest on Govt. Loan amounting to Rs. 1939.62 lakh :

We draw attention to note no. 28(iv) wherein it is stated by the company's management that financial statement is prepared with some deviation in applying going concern concept because Ministry of Heavy Industry, Govt. of India has communicated decision of Union Cabinet vide letter Dated 17.12.2020 to shutting down the operation and closure of the company. Accordingly, the company has not provided interest liability on Govt. Loan amounting to Rs. 1939.62 lakh. As such, this is violation of accounting principle/ Accrual Concept.

#### (b) Short provision of old debts amounting to Rs. 265.39 lakh:

Attention is drawn to Note No. 28 (xiv) with regard to Sundry Debtors amounting to Rs.265.39 lakh which is mainly relating to amount deducted/ withheld by customers on account of balance payment due later on/wrong deduction/ shortage etc. Since, Company is already under process of closure and all operations has already been shutdown so, company's ability to make ultimate collection thereof with reasonable certainty is lacking. During the year, Company has written-off non-collectible sundry debtors amounting to Rs 7099.99 lakh including Rs 3442.42 lakh relating to provisions made till previous year against old sundry debtors.

#### (c) Non provision of interest claimed by CISF amounting to Rs.1412.31 lakh:

Attention is drawn to Note No. 28 (xix)(a)(4) relating to contingent liabilities with regard to interest liability claimed by CISF for Rs.1412.31 lakh for which no provision has been made in respect of such undisputed liability.

#### (d) Attention is drawn to point no. (viii) and (xii) of Note No.28, the impact thereof, if any, on the standalone financial statement is not ascertainable for want of relevant information.

#### (e) Non-Quantification of pending court cases under Contingent Liabilities:

Attention is drawn to Note No. 28 (xix)(a)(3) relating to contingent liabilities with regard to civil suits for 6 cases amounting to Rs.39.66 lakh, out of 34 cases. No quantification is done for remaining 28 cases.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's

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

### Other Matter – Opinion related to Going Concern

We draw attention to Note No. 28(i) &(ii) wherein it is stated by the company's management that Stand alone financial statement is prepared with some deviation in applying going concern concept because Ministry of Heavy Industry, Govt. of India has communicated decision of Union Cabinet vide letter Dated 17.12.2020 to shutting down the operation and closure of the company and freezing of some liabilities. As per discussion with the management, operation of company is already shut down and other closure activities are under process and ultimately the company will be wind up in time bound manner. In our opinion, the company is no more going concern and our report is suitably modified.

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

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of "the Act" read with relevant rules issued there under.

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

assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

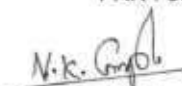
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 "we give Annexure-A" a statement on the matter specified in paragraph 3 & 4 of the Order, to the extent applicable.
- 2) Directions issued by CAG under Section 143(5) of the Companies Act, 2013 has been compiled and set out in the Annexures "B".
- 3) As required by Section 143(3) of the Act, we report, subject to our comments / observations stated above, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the statement of Cash Flow dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, except for the effects of the matters described in the "Basis for qualified opinion" paragraph & "other matter" paragraph, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of "the Act", read with relevant rules made thereunder.
  - (e) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, as per section 143(3)(i) of the Companies Act 2013, we give our separate report in Annexure "C" to this report.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. As informed to us, the company has pending litigations as at 31st March 2022 as referred to in Note No. 28(xix) (a) "Contingent Liabilities" which may have material impact on its financial position in its standalone financial statements.
    - ii. Company did not have any foreseeable losses on long term contract including derivatives.
    - iii. There were no amounts which were required to be transferred by the company to the Investors, Education and Protection Fund.

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

  
(V.K. Gupta)  
Partner

M.No.: 014745

Date: 22<sup>nd</sup> December, 2022  
Place: Prayagraj

UDIN : 22014745BFXSVD1368

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

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of BHARAT PUMPS & COMPRESSORS LTD. on the standalone Financial Statements of the Company for the year ended March 31, 2022 :

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

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets except pattern & dies lying with others.  
(b) According to the information and explanations given to us, the fixed assets were physically verified by the management as well as by the Independent Chartered Accountant Firm during the year under audit.  
(c) The Company has immovable properties in the shape of land and buildings. Conveyance deeds in respect of 295.45 acres land is still pending.
2. According to the information and explanations given to us, physical verification of inventory was conducted by internal wing of the company on test check basis during the year but not at reasonable intervals which, considering high number of items, size of the company and nature of its business, needs improvement. However the same was verified by the Independent Chartered Account Firm and no notable discrepancy was found.
3. According to the information and explanations given to us and on the basis of our examinations of the Books of Accounts, the Company has not granted any loans, secured or unsecured, to Companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clauses (a), (b) and (c) of

paragraph 3 (iii) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, the company has not given any loan, investments, guarantees and securities to which the provisions of Section 185 and 186 of the Companies Act 2013 are applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public within the provisions of Section 73 to 76 of the Act and the rules framed there under.
6. To the best of our knowledge and according to the information and explanations given to us, the Central Govt. has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act 2013 and the Companies (cost records and audit) Rules 2014, as amended for any services/activity rendered by the company.
7. a) According to the information and explanations given to us and according to the books and records produced and examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, GST, Cess and other statutory dues to extent applicable, with the appropriate authorities.

### AND

According to the information and explanations given to us, No undisputed statutory dues, outstanding as at 31st March, 2022 for the period of more than six months, from the date it became payable .

- b) The disputed statutory dues aggregating to Rs.3103.46 lakh (Note no. 28 (xix) (a) 5 & 9) that have not been deposited on account of matters pending before appropriate authorities are as under :

(₹ in lacs)

| Sl. No. | Name of Statute | Nature of dues           | Forum where dispute is pending | Amount         |
|---------|-----------------|--------------------------|--------------------------------|----------------|
| 2.      | Income Tax Act, | Income Tax               | Hon'ble High Court             | 3052.46        |
| 2.      | Custom Duty     | Deemed export compliance | Jt. Comm. (Custom)             | 51.00          |
|         |                 |                          | <b>Total</b>                   | <b>3103.46</b> |

8. According to the information and explanation given to us and based on documents and records produced before us, the Company has defaulted in repayment of Government Loan including interest of Rs. 16429 lakh.

9. According to the information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

10. Based upon the audit procedures performed for the purpose of reporting and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees, has been noticed or reported during course of our audit, nor we have been informed of any such instance by the management

11. In our opinion and according to the information and explanations given to us, the company has not paid/ provided any managerial remuneration during the financial year 2021-22. Hence, the question of requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013, does not arise.

12. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company and hence, not commented upon.

13. Based upon the audit procedures performed

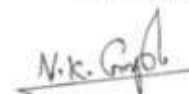
for the purpose of reporting and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013 where applicable and the details of related party transactions have been duly disclosed in the standalone financial statements, as required by the applicable accounting standards.

14. According to the information and explanations given to us and overall examinations of the standalone financial statements, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review and hence, reporting under clause (xiv) of the CARO 2016 order is not applicable.

15. Based upon the audit procedures performed for the purpose of reporting and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him, hence the provisions of clause 3(xv) of the order are not applicable to the company.

16. According to the information and explanations given to us, company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

  
(V.K. Gupta)  
Partner  
M.No.: 014745

Date: 22<sup>nd</sup> December, 2022  
Place: Prayagraj

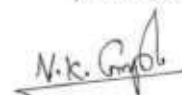
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**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
BHARAT PUMPS & COMPRESSORS LIMITED**

**COMMENTS ON DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 IN  
RESPECT OF BHARAT PUMPS & COMPRESSORS LTD., NAINI, ALLAHABAD FOR THE YEAR  
ENDED 31ST MARCH, 2022**

| Sl.No. | Directions                                                                                                                                                                                                                                                                      | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Whether the company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated. | Yes. Accounting of the company is computerized in Oracle Operating System. All transactions are finally routing through IT System. As such, there is neither any impact on integrity of accounts nor any financial impact.                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2.     | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.                                  | As per decision of Govt. of India vide letter dated 17.12.2020, company is under process of closure. Govt. has approved one time grant of Rs. 316.09 crore for discharge of liabilities / dues of all stake holders and freezing of interest on Govt. Loan upto 31.03.2020 with a mention that collection from customers / sale of movable assets to be paid to Govt. against existing Govt. Loan and interest amounting to Rs. 164.29 crore and balance unpaid amount of Govt. loan and interest, if any, to be write off. During the year company has not provided interest on Govt. Loan amounting to Rs. 1939.62 lakh. |
| 3.     | Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List of cases of deviation.                                                                                             | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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

  
(V.K. Gupta)  
Partner  
(M.No.: 014745)

UDIN : 22014745BFXSVD1368

Date: 22<sup>nd</sup> December, 2022  
Place: Prayagraj

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

Referred to in paragraph 3 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of the company for the year ended March 31, 2022.

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

We have relied on discussion with management and reply given in line with questionnaire on the Internal Financial Controls over financial reporting of BHARAT PUMPS & COMPRESSORS LTD ("The Company") formulated by previous independent internal auditor (during the year, no internal audit was conducted by independent internal auditor) in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, (implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards of Auditing issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013 to the

extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or

disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING**

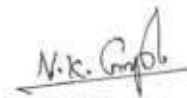
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of control, material misstatement due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risks that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, to the best of our information, according to the explanations given to us, the company needs strengthening in some material aspects with respect to

internal financial control system over financial reporting as at March 31, 2022 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



(V.K. Gupta)

Partner

(M.No.: 014745)

UDIN : 22014745BFXSVD1368

Date: 22<sup>nd</sup> December, 2022

Place: Prayagraj

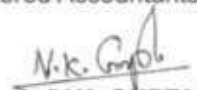
# Balance Sheet as at 31st March, 2022

(` in Lakh)

| PARTICULARS                        | Note No. | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|------------------------------------|----------|---------------------------|---------------------------|
| 1                                  | 2        | 3                         | 4                         |
| <b>I. EQUITY AND LIABILITIES</b>   |          |                           |                           |
| <b>(1) Shareholders' Funds</b>     |          |                           |                           |
| (a) Share Capital                  | 1        | 5353.10                   | 5353.10                   |
| (b) Reserves and Surplus           | 2        | (14395.37) (9042.27)      | (25848.39) (20495.29)     |
| <b>(2) Non Current Liabilities</b> |          |                           |                           |
| (a) Long Term Borrowings           | 3        | 0.00                      | 245.80                    |
| (b) Other Long Term Liabilities    | 4        | 0.00                      | 0.00                      |
| (c) Long Term Provisions           | 5        | 0.00 0.00                 | 0.00 245.80               |
| <b>(3) Current Liabilities</b>     |          |                           |                           |
| (a) Short Term Borrowings          | 6        | 0.00                      | 2551.91                   |
| (b) Trade Payables                 |          | 485.28                    | 2733.70                   |
| (c) Other Current Liabilities      | 7        | 18189.62                  | 35507.47                  |
| (d) Short Term Provisions          | 8        | 0.00 18674.90             | 1944.86 42737.94          |
| <b>(4) Deferred Tax Liability</b>  | 11       | <b>215.62</b>             | <b>0.00</b>               |
| <b>TOTAL :</b>                     |          | <b>9848.25</b>            | <b>22488.45</b>           |
| <b>II. ASSETS</b>                  |          |                           |                           |
| <b>(1) Non Current Assets</b>      |          |                           |                           |
| (a) Property, Plant and Equipment  | 9        |                           |                           |
| (i) Tangible Assets                |          | 2125.14                   | 2561.46                   |
| (ii) Intangible Assets             |          | 2.33                      | 2.49                      |
|                                    |          | 2127.47                   | 2563.95                   |
| (b) Non Current Investments        | 10       | 0.00                      | 0.00                      |
| (c) Long Term Loans and Advances   | 12       | 0.00                      | 0.00                      |
| (d) Other Non Current Assets       | 13       | 0.00 2127.47              | 0.00 2563.95              |
| <b>(2) Current Assets</b>          |          |                           |                           |
| (a) Inventories                    | 14       | 2521.49                   | 2675.82                   |
| (b) Trade Receivables              | 15       | 265.39                    | 5186.70                   |
| (c) Cash and Cash Equivalents      | 16       | 3642.84                   | 9697.51                   |
| (d) Short Term Loans and Advances  | 17       | 1291.06 7720.78           | 2364.47 19924.50          |
| <b>TOTAL :</b>                     |          | <b>9848.25</b>            | <b>22488.45</b>           |

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

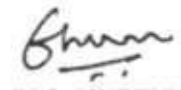
In terms of our report of even date  
For S.R. Gupta & Company  
Chartered Accountants

  
(V.K. GUPTA)  
Partner  
M.No. 014745  
UDIN : 22014745BFXSVD1368

  
(RATAN PRAKASH)  
Head (HR, Mktg, PDD)

On behalf of the Board

  
(R.K. SINGH)  
Director  
DIN : 08360278

  
(K.S. MURTHY)  
Chairman and  
Managing Director  
DIN : 09184201

  
(INDRASEN SINGH)  
CFO & Company Secretary

Place : Allahabad  
Date : 22.12.2022

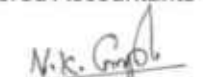
# Statement of Profit & Loss for the year ended 31st March, 2022

(` in Lakh)

| PARTICULARS                                                       | Note No.  | For the year ended<br>31st March, 2022 | For the year ended<br>31st March, 2021 |
|-------------------------------------------------------------------|-----------|----------------------------------------|----------------------------------------|
| 1                                                                 | 2         | 3                                      | 4                                      |
| <b>(I) Revenue from operations :</b>                              | <b>18</b> |                                        |                                        |
| Gross revenue from sale of products and services                  |           | 1091.43                                | 4540.05                                |
| Less : GST                                                        |           | 122.96                                 | 442.17                                 |
| Net revenue from sale of products and services                    |           | 968.47                                 | 4097.88                                |
| Other operating revenue                                           |           | 3.99                                   | 61.95                                  |
|                                                                   |           | 972.46                                 | 4159.83                                |
| <b>(II) Other Income</b>                                          | <b>19</b> | <b>3765.26</b>                         | <b>35.69</b>                           |
| <b>(III) Total Revenue</b>                                        |           | <b>4737.72</b>                         | <b>4195.52</b>                         |
| <b>(IV) Expenses :</b>                                            |           |                                        |                                        |
| Cost of materials consumed                                        | 20        | 139.42                                 | 864.43                                 |
| Changes in inventories of Finished goods and Work-in-progress     | 21        | 180.00                                 | 743.48                                 |
| Employee benefits expenses                                        | 22        | 368.36                                 | 2123.12                                |
| Finance costs                                                     |           | 469.74                                 | 1312.33                                |
| Depreciation and amortisation expenses                            | 9         | 448.39                                 | 453.83                                 |
| Other expenses                                                    | 23        | 1120.47                                | 1505.83                                |
| Provision for bad & doubtful debts                                |           | 0.00                                   | 338.89                                 |
| Write-off of bad debts/un-recoverable trade receivable            |           | 7099.99                                | 0.00                                   |
| <b>Total Expenses</b>                                             |           | <b>9826.37</b>                         | <b>7341.91</b>                         |
| <b>Profit before exceptional and extra ordinary items and tax</b> |           | <b>(5088.65)</b>                       | <b>(3146.39)</b>                       |
| Extra Ordinary Items (VRS and Arrear - 1997)                      | 24        | 64.71                                  | 5242.68                                |
| <b>Profit before Tax</b>                                          |           | <b>(5153.36)</b>                       | <b>(8389.07)</b>                       |
| <b>Tax expense :</b>                                              |           |                                        |                                        |
| Current Tax                                                       |           | 0.00                                   | 0.00                                   |
| Deferred Tax                                                      |           | 215.62                                 | 0.00                                   |
|                                                                   |           | 215.62                                 | 0.00                                   |
| <b>Profit for the year</b>                                        |           | <b>(5368.98)</b>                       | <b>(8389.07)</b>                       |
| Earning per share (Face value ` 1000.00 each)                     |           |                                        |                                        |
| Basic                                                             |           | (1002.97)                              | (1567.14)                              |
| Diluted                                                           |           | (1002.97)                              | (1567.14)                              |

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

In terms of our report of even date  
For S.R. Gupta & Company  
Chartered Accountants

  
(V.K. GUPTA)  
Partner

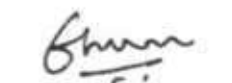
M.No. 014745

UDIN : 22014745BFXSVD1368

  
(RATAN PRAKASH)  
Head (HR, Mktg, PDD)

On behalf of the Board

  
(R.K. SINGH)  
Director  
DIN : 08360278

  
(K.S. MURTHY)  
Chairman and  
Managing Director  
DIN : 09184201

  
(INDRASEN SINGH)  
CFO & Company Secretary

Place : Allahabad  
Date : 22.12.2022

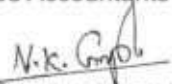
## Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lakh)

|                                                                                 | For the year ended<br>31st March, 2022 | For the year ended<br>31st March, 2021 |
|---------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>A. Cash Flows from Operating Activities :</b>                                |                                        |                                        |
| Profit Before Tax                                                               | (5153.36)                              | (8389.07)                              |
| Adjustments for :-                                                              |                                        |                                        |
| Depreciation                                                                    | 436.48                                 | 438.95                                 |
| Interest Income                                                                 | (10.42)                                | (21.23)                                |
| Interest Expenditure                                                            | 469.74                                 | 1312.33                                |
| Depreciation written back                                                       | 0.00                                   | (7.21)                                 |
| <b>Operating Profit Before Working Capital Changes</b>                          | <b>(4257.56)</b>                       | <b>(6666.23)</b>                       |
| <b>Change in Working Capital :</b>                                              |                                        |                                        |
| (Increase) / Decrease in Stock                                                  | 154.33                                 | 501.20                                 |
| (Increase) / Decrease in Trade Receivables, Loans and Advances and other assets | 5994.30                                | 1699.91                                |
| Increase / (Decrease) in Trade payables and other Liabilities                   | (19092.45)                             | 6017.94                                |
| Total Working Capital Changes - (Decreased) / Increased                         | (12943.82)                             | 8219.05                                |
| <b>Cash generated from Operating Activities</b>                                 | <b>(17201.38)</b>                      | <b>1552.82</b>                         |
| Tax Paid                                                                        | 0.00                                   | 7.21                                   |
| Tax Adjusted                                                                    | 0.42                                   | 0.00                                   |
| <b>Net Cash from Operating Activities (A)</b>                                   | <b>(17200.96)</b>                      | <b>1545.61</b>                         |
| <b>B. Cash Flows from Investing Activities :</b>                                |                                        |                                        |
| Purchase of Fixed Assets & DRE Expenses                                         | 0.00                                   | (21.63)                                |
| Interest Received                                                               | 10.42                                  | 9.53                                   |
| <b>Net Cash from Investing Activities (B)</b>                                   | <b>10.42</b>                           | <b>(12.10)</b>                         |
| <b>C. Cash Flows from Financing Activities :</b>                                |                                        |                                        |
| Increase / (Decrease) in Share Capital                                          | 0.00                                   | 0.00                                   |
| Increase / (Decrease) in Provisions                                             | (1944.86)                              | (351.32)                               |
| Increase / (Decrease) in Reserves & Surplus                                     | 16822.00                               | 9255.00                                |
| (Increase) / Decrease in Long Term Loans and Advances                           | 0.00                                   | 196.80                                 |
| Increase / (Decrease) in Other Long Term Liabilities                            | 0.00                                   | (8.23)                                 |
| Interest Paid                                                                   | (1189.36)                              | (1239.97)                              |
| Repayment of Short Term Borrowings                                              | 0.00                                   | 0.00                                   |
| Dividend and Dividend Tax Paid                                                  | 0.00                                   | 0.00                                   |
| <b>Net Cash from Financing Activities (C)</b>                                   | <b>13687.78</b>                        | <b>7852.28</b>                         |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>                        | <b>(3502.76)</b>                       | <b>9385.79</b>                         |
| Cash & Cash Equivalents at beginning of the year                                | 7145.60                                | (2240.19)                              |
| <b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>                       | <b>3642.84</b>                         | <b>7145.60</b>                         |
| <b>NOTE :</b>                                                                   |                                        |                                        |
| <b>Components of Cash &amp; Cash Equivalents :</b>                              |                                        |                                        |
| Cash & Bank Balances                                                            | 3642.84                                | 9697.51                                |
| Secured Loans (Cash Credit)                                                     | 0.00                                   | (2551.91)                              |
| <b>Cash &amp; Cash Equivalents as stated above</b>                              | <b>3642.84</b>                         | <b>7145.60</b>                         |
| (Figures in bracket represents negative figures)                                |                                        |                                        |

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

In terms of our report of even date  
For S.R. Gupta & Company  
Chartered Accountants

  
(V.K. GUPTA)  
Partner

M.No. 014745  
UDIN : 22014745BFXSVD1368

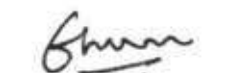
Place : Allahabad  
Date : 22.12.2022

  
(RATAN PRAKASH)  
Head (HR, Mktg, PDD)

On behalf of the Board

  
(R.K. SINGH)  
Director  
DIN : 08360278

  
(INDRASEN SINGH)  
CFO & Company Secretary

  
(K.S. MURTHY)  
Chairman and  
Managing Director  
DIN : 09184201

## Notes to the financial statements

(₹ in Lakh)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(1) Share Capital :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                           |                           |
| <b>AUTHORISED :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                           |
| 6,50,000 Equity Shares of ₹1000/-each<br>(Previous Year 6,50,000 Equity shares of<br>₹1,000/- each)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>6500.00</u>            | <u>6500.00</u>            |
| <b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |                           |
| 535310 fully paid up Equity Shares of<br>₹1,000/- each ( Previous year 535310 Equity<br>Shares of ₹1000/- each)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5353.10                   | 5353.10                   |
| Of the above, 1588 equity shares were<br>allotted as fully paid without payment having<br>been received in cash being the shares<br>allotted against expenditure incurred by Govt<br>of India prior to the formation of the company.<br>Out of the total fully paid up equity shares,<br>535309 fully paid equity shares of ₹1000/-<br>each are held by the President of India<br>through nominee (previous year 535309 fully<br>paid equity shares were held by the President<br>of India through nominee.) The company has<br>one class of equity share having a par value<br>of ₹1000/- each. These shares ranked pari-<br>passu in all respect including voting right and<br>entitlement to dividend. The President of<br>India is only Shareholder, holding more than<br>5 % Shares. |                           |                           |
| <b>TOTAL :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>5353.10</u>            | <u>5353.10</u>            |
| <b>(2) RESERVES &amp; SURPLUS :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                           |
| <b>Capital Reserve :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                           |                           |
| At the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 12256.70                  | 3001.70                   |
| Add : Grant Received from Govt. of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>16822.00</u>           | <u>9255.00</u>            |
| At the end of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 29078.70                  | 12256.70                  |
| <b>Surplus in Statement of Profit and Loss :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                           |                           |
| At the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | (38105.09)                | (29716.02)                |
| Add : Profit for the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>(5368.98)</u>          | <u>(8389.07)</u>          |
| At the end of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (43474.07)                | (38105.09)                |
| <b>TOTAL :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>(14395.37)</u>         | <u>(25848.39)</u>         |

## Notes to the financial statements

(₹ in Lakh)

|                                         | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|-----------------------------------------|---------------------------|---------------------------|
| <b>(3) LONG-TERM BORROWINGS :</b>       |                           |                           |
| Loans and advances from related parties |                           |                           |
| <b>Unsecured</b>                        |                           |                           |
| Loan from Government of India           | 0.00                      | 245.80                    |
| <b>TOTAL :</b>                          | <b>0.00</b>               | <b>245.80</b>             |

### Note :

- (1) Loan from Bharat Heavy Electricals Ltd. is secured by hypothecation of three Nos. machines of the Company and repayable in five annual instalments plus interest from first anniversary of loan and carry an interest equal to Bank Rate with monthly rests. As per terms of loan, the repayment was due for completion on 10.01.2017. However, loan along with interest has been paid during the year 2021-22.

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

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

|                                             | 2021-22<br>Loan From<br>BHEL | 2021-22<br>Loan From<br>GOVT. | 2020-21<br>Loan From<br>BHEL | 2020-21<br>Loan From<br>GOVT. |
|---------------------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| <b>Borrowings repayable</b>                 |                              |                               |                              |                               |
| in the first year (Note No. 7)              | 0.00                         | 11159.00                      | 1200.00                      | 10913.20                      |
| <b>Current maturities of long term debt</b> | <b>0.00</b>                  | <b>11159.00</b>               | <b>1200.00</b>               | <b>10913.20</b>               |
| in the second year                          | 0.00                         | 0.00                          | 0.00                         | 245.80                        |
| in the third to fifth year                  | 0.00                         | 0.00                          | 0.00                         | 0.00                          |
| after five years                            | 0.00                         | 0.00                          | 0.00                         | 0.00                          |
| <b>Long -term borrowings</b>                | <b>0.00</b>                  | <b>0.00</b>                   | <b>0.00</b>                  | <b>245.80</b>                 |

|                                          | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|------------------------------------------|---------------------------|---------------------------|
| <b>(4) OTHER LONG TERM LIABILITIES :</b> |                           |                           |
| Other Deposits                           | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                           | <b>0.00</b>               | <b>0.00</b>               |

|                                   | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|-----------------------------------|---------------------------|---------------------------|
| <b>(5) LONG-TERM PROVISIONS :</b> |                           |                           |
| Provision for employee benefits   |                           |                           |
| Provision for Gratuity            | 0.00                      | 0.00                      |
| Provision for Leave Encashment    | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                    | <b>0.00</b>               | <b>0.00</b>               |

## Notes to the financial statements

( ₹ in Lakh)

|                                                                                         | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|-----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(6) SHORT-TERM BORROWINGS :</b>                                                      |                           |                           |
| Secured                                                                                 |                           |                           |
| Loans from Bank                                                                         |                           |                           |
| Cash credit facilities from SBI Naini                                                   | 0.00                      | 2409.91                   |
| (Cash Credit limit from SBI Naini is secured by hypothecation of entire current assets) |                           |                           |
| Overdraft facilities from Corporation Bank                                              | 0.00                      | 142.00                    |
| (Secured by hypothecation of Fixed deposit Receipts)                                    |                           |                           |
| <b>TOTAL :</b>                                                                          | <b>0.00</b>               | <b>2551.91</b>            |
| <b>(7) OTHER CURRENT LIABILITIES :</b>                                                  |                           |                           |
| Current maturities of long-term debts (Note No. 3)                                      | 11159.00                  | 12113.20                  |
| Interest accrued and due on borrowings                                                  | 5270.42                   | 5355.84                   |
| Interest accrued but not due on borrowings                                              | 0.00                      | 634.20                    |
| Sundry deposits                                                                         | 8.69                      | 82.69                     |
| Payables for fixed assets                                                               | 0.00                      | 113.29                    |
| Statutory liabilities                                                                   | 151.99                    | 7397.49                   |
| Advance received from customers                                                         | 0.00                      | 0.00                      |
| Others                                                                                  | 1599.52                   | 9810.76                   |
| <b>TOTAL :</b>                                                                          | <b>18189.62</b>           | <b>35507.47</b>           |
| <b>(8) SHORT-TERM PROVISIONS :</b>                                                      |                           |                           |
| Current portion of long-term employee benefits                                          |                           |                           |
| Provision for Gratuity                                                                  | 0.00                      | 1410.76                   |
| Provision for Leave Encashment                                                          | 0.00                      | 534.10                    |
| <b>TOTAL :</b>                                                                          | <b>0.00</b>               | <b>1944.86</b>            |

## Notes to the financial statements

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

(₹ in Lakh)

| Particulars                      | Gross Block         |           |                                   | Depreciation and Amortisation |                    |                 |                                   | Net Book Value     |                     |                     |
|----------------------------------|---------------------|-----------|-----------------------------------|-------------------------------|--------------------|-----------------|-----------------------------------|--------------------|---------------------|---------------------|
|                                  | As at<br>31.03.2021 | Additions | Withdrawals<br>and<br>adjustments | As at<br>31.03.2022           | Upto<br>31.03.2021 | For the<br>year | On Withdrawals<br>and adjustments | Upto<br>31.03.2022 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| Tangible assets :                |                     |           |                                   |                               |                    |                 |                                   |                    |                     |                     |
| Land (Free Hold)                 | 10.04               | 0.00      | 0.00                              | 10.04                         | 0.00               | 0.00            | 0.00                              | 0.00               | 10.04               | 10.04               |
| Site Levelling & Development     | 5.72                | 0.00      | 0.00                              | 5.72                          | 0.00               | 0.00            | 0.00                              | 0.00               | 5.72                | 5.72                |
| Roads and Bridges                | 15.04               | 0.00      | 0.00                              | 15.04                         | 14.29              | 0.00            | 0.00                              | 14.29              | 0.75                | 0.75                |
| Buildings                        | 529.07              | 0.00      | 0.00                              | 529.07                        | 410.43             | 5.06            | 0.00                              | 415.49             | 113.58              | 118.64              |
| Drain, sewer & water supply      | 39.59               | 0.00      | 0.00                              | 39.59                         | 34.97              | 0.45            | 0.00                              | 35.42              | 4.17                | 4.62                |
| Plant & Machinery                | 8216.25             | 0.00      | 0.00                              | 8216.25                       | 6048.17            | 399.32          | 0.00                              | 6447.49            | 1768.76             | 2168.08             |
| Elect.fitting & Instal.(Factory) | 160.29              | 0.00      | 0.00                              | 160.29                        | 159.78             | 0.00            | 0.00                              | 159.78             | 0.51                | 0.51                |
| Elect.Fitting & Instal. (Office) | 73.96               | 0.00      | 0.00                              | 73.96                         | 71.66              | 0.28            | 0.00                              | 71.94              | 2.02                | 2.30                |
| Data Processing Elect.Equip.     | 242.77              | 0.00      | 0.00                              | 242.77                        | 237.63             | 0.19            | 0.00                              | 237.82             | 4.95                | 5.14                |
| Vehicles                         | 20.06               | 0.00      | 0.00                              | 20.06                         | 19.49              | 0.00            | 0.00                              | 19.49              | 0.57                | 0.57                |
| Office & Misc. Equipments        | 275.47              | 0.00      | 0.00                              | 275.47                        | 266.06             | 0.66            | 0.00                              | 266.72             | 8.75                | 9.41                |
| Furniture and fixtures           | 65.16               | 0.00      | 0.00                              | 65.16                         | 64.51              | 0.00            | 0.00                              | 64.51              | 0.65                | 0.65                |
| Tele.Exchange & Fax Machine      | 23.33               | 0.00      | 0.00                              | 23.33                         | 22.63              | 0.01            | 0.00                              | 22.64              | 0.69                | 0.7                 |
| Pattern & Dies                   | 796.88              | 0.00      | 0.00                              | 796.88                        | 562.55             | 30.35           | 0.00                              | 592.90             | 203.98              | 234.33              |
| TOTAL :                          | 10473.63            | 0.00      | 0.00                              | 10473.63                      | 7912.17            | 436.32          | 0.00                              | 8348.49            | 2125.14             | 2561.46             |
| Previous year                    | 10452.00            | 29.40     | 7.77                              | 10473.63                      | 7480.61            | 438.77          | 7.21                              | 7912.17            | 2561.46             | 2971.39             |
| Intangible Assets :              |                     |           |                                   |                               |                    |                 |                                   |                    |                     |                     |
| Computer Software                | 90.62               | 0.00      | 0.00                              | 90.62                         | 88.13              | 0.16            | 0.00                              | 88.29              | 2.33                | 2.49                |
| TOTAL :                          | 90.62               | 0.00      | 0.00                              | 90.62                         | 88.13              | 0.16            | 0.00                              | 88.29              | 2.33                | 2.49                |
| Previous year                    | 90.62               | 0.00      | 0.00                              | 90.62                         | 87.95              | 0.18            | 0.00                              | 88.13              | 2.49                | 2.67                |
| GRAND TOTAL :                    | 10564.25            | 0.00      | 0.00                              | 10564.25                      | 8000.30            | 436.48          | 0.00                              | 8436.78            | 2127.47             | 2563.95             |
| Previous Year :                  | 10542.62            | 29.40     | 7.77                              | 10564.25                      | 7568.56            | 438.95          | 7.21                              | 8000.30            | 2563.95             | 2974.06             |

Note :

(1) Details of depreciation and Amortisation charged to Profit and Loss Statement :

(a) Depreciation on Tangible Assets as above

(b) Depreciation on Intangible Assets as above

\* (c) Depreciation on Petty Assets charged off

(d) Depreciation on Loose Tools

**TOTAL :**

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

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

(₹ in Lakh)

**2020-21**

438.77

0.18

0.00

14.88

**453.83****2021-22**

436.32

0.16

0.00

11.91

**448.39**

## Notes to the financial statements

(` in Lakh)

|                                                                                                                             | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(10) NON CURRENT INVESTMENTS :</b>                                                                                       |                           |                           |
| In fully paid 5 shares of ₹ 50/- each<br>(unquoted) at cost in the Crescent<br>Co-operative Housing Society Ltd.,<br>Mumbai | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                                                                                                              | <b>0.00</b>               | <b>0.00</b>               |

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

|                                          | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|------------------------------------------|---------------------------|---------------------------|
| <b>(11) DEFERRED TAX ASSETS (NET) :</b>  |                           |                           |
| Deferred tax assets :                    |                           |                           |
| Provision for employee benefits          |                           |                           |
| Gratuity                                 | 6.74                      | 352.69                    |
| Leave encashment                         | 9.98                      | 133.53                    |
| Employers Contribution to Provident Fund | 0.00                      | 0.00                      |
| Employees Contribution to Provident Fund | 0.00                      | 0.00                      |
|                                          | <u>16.72</u>              | <u>486.22</u>             |
| Deferred tax liabilities :               |                           |                           |
| On fiscal allowances on fixed assets     | 232.34                    | 229.21                    |
| Net Deferred Tax Assets :                | <u>-215.62</u>            | <u>257.01</u>             |
| <b>TOTAL (NET) :</b>                     | <b>0.00</b>               | <b>0.00</b>               |

NOTE : Since there is no virtual certainty of  
future taxable income and closure of the company,  
DTA has not been created in line with Accounting Standard - 22.

|                                            | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|--------------------------------------------|---------------------------|---------------------------|
| <b>(12) LONG-TERM LOANS AND ADVANCES :</b> |                           |                           |
| Capital advances                           | 0.00                      | 0.00                      |
| Unsecured, considered good                 |                           |                           |
| Deposits                                   | 0.00                      | 0.00                      |
| Unsecured, considered good                 |                           |                           |
| Other loans and advances                   | 0.00                      | 0.00                      |
| Unsecured, considered good                 |                           |                           |
| Advance tax (net of provisions)            | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                             | <b>0.00</b>               | <b>0.00</b>               |

|                                        | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|----------------------------------------|---------------------------|---------------------------|
| <b>(13) OTHER NON CURRENT ASSETS :</b> |                           |                           |
| Interest accrued on deposits           | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                         | <b>0.00</b>               | <b>0.00</b>               |

## Notes to the financial statements

(₹ in Lakh)

|                                                                                      | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|--------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(14) INVENTORIES :</b>                                                            |                           |                           |
| (As taken, valued & certified by the Management)                                     |                           |                           |
| Raw Materials (at cost)                                                              | 1381.89                   | 1364.22                   |
| Work-in-progress :                                                                   |                           |                           |
| (at cost or realisable value whichever is lower)                                     |                           |                           |
| Pumps & Compressors                                                                  | 282.36                    | 462.36                    |
| Gas Cylinders                                                                        | 95.66                     | 95.66                     |
| Finished goods (manufactured) :                                                      |                           |                           |
| (At cost or realisable value whichever is lower)                                     |                           |                           |
| Pumps & Compressors                                                                  | 0.00                      | 0.00                      |
| Gas Cylinders                                                                        | 34.00                     | 34.00                     |
| Stores and Spares (at cost)                                                          | 513.48                    | 493.57                    |
| Loose Tools (at cost less depreciation)                                              | 47.63                     | 59.54                     |
| Scrap (at estimated realisable value)                                                | 166.47                    | 166.47                    |
|                                                                                      | <u>2521.49</u>            | <u>2675.82</u>            |
| <br>The above includes goods in transit as under :                                   |                           |                           |
| Raw materials                                                                        | 0.00                      | 0.00                      |
| Stores and Spares                                                                    | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                                                                       | <u>0.00</u>               | <u>0.00</u>               |
| <br><b>(15) TRADE RECEIVABLES :</b>                                                  |                           |                           |
| Outstanding for a period exceeding six months from the date they are due for payment | 265.39                    | 7335.41                   |
| Unsecured, considered good                                                           |                           |                           |
| Others                                                                               | 0.00                      | 1293.71                   |
| Unsecured, considered good                                                           |                           |                           |
|                                                                                      | <u>265.39</u>             | <u>8629.12</u>            |
| Less : Provisions for bad & doubtful debts                                           | 0.00                      | 3442.42                   |
| <b>TOTAL :</b>                                                                       | <u>265.39</u>             | <u>5186.70</u>            |
| <br><b>(16) CASH AND CASH EQUIVALENTS :</b>                                          |                           |                           |
| Balance with Banks                                                                   |                           |                           |
| Current / Saving / CC / OD Accounts                                                  | 325.76                    | 9303.67                   |
| Margin money Accounts                                                                | 214.74                    | 214.74                    |
| Cash / Postage Stamps on hand                                                        | 0.00                      | 1.76                      |
| Others :                                                                             |                           |                           |
| Fixed Deposit with Banks                                                             | 3102.34                   | 177.34                    |
| <b>TOTAL :</b>                                                                       | <u>3642.84</u>            | <u>9697.51</u>            |

## Notes to the financial statements

(₹ in Lakh)

|                                                                                      | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|--------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(17) SHORT TERM LOANS AND ADVANCES :</b>                                          |                           |                           |
| Others (Unsecured, considered good)                                                  |                           |                           |
| Advances to employees                                                                | 1.07                      | 20.42                     |
| Advances for purchases                                                               | 3.50                      | 718.71                    |
| Advances for purchase of fixed assets                                                | 0.00                      | 48.08                     |
| Advances others                                                                      | 8.46                      | 67.88                     |
| Advance tax (net of provisions)                                                      | 1139.32                   | 1139.74                   |
| Commercial advances and deposits with<br>Statutory / Government authorities / bodies | 138.71                    | 335.16                    |
| Other deposits                                                                       | 0.00                      | 34.48                     |
| <b>TOTAL :</b>                                                                       | <b>1291.06</b>            | <b>2364.47</b>            |
| <b>(18) REVENUE FROM OPERATIONS :</b>                                                |                           |                           |
| <b>Gross revenue from :</b>                                                          |                           |                           |
| Sale of products                                                                     | 1001.97                   | 4505.98                   |
| Sale of services                                                                     | 89.46                     | 34.07                     |
|                                                                                      | 1091.43                   | 4540.05                   |
| Less : GST                                                                           | 122.96                    | 442.17                    |
| Net revenue from sale of products and services                                       | 968.47                    | 4097.88                   |
| <b>Other operating revenue :</b>                                                     |                           |                           |
| Scrap sales (Gross)                                                                  | 4.71                      | 73.10                     |
| Less : GST                                                                           | 0.72                      | 11.15                     |
| Scrap sales (Net)                                                                    | 3.99                      | 61.95                     |
| Accretion /(decretion) to scrap stock                                                | 0.00                      | 0.00                      |
| <b>TOTAL :</b>                                                                       | <b>3.99</b>               | <b>61.95</b>              |
| <b>(19) OTHER INCOME :</b>                                                           |                           |                           |
| Interest income                                                                      | 10.42                     | 21.23                     |
| Liquidated damages recovered from Suppliers / Contractors                            | 25.44                     | 6.67                      |
| Exchange Rate Variation                                                              | 0.00                      | 0.18                      |
| Other non-operating income :                                                         |                           |                           |
| Liabilities written back                                                             | 168.71                    | 6.80                      |
| Miscellaneous income                                                                 | 118.27                    | 0.81                      |
| Provisions against doubtful debts , written back                                     | 3442.42                   | 0.00                      |
| <b>TOTAL :</b>                                                                       | <b>3765.26</b>            | <b>35.69</b>              |
| Interest income comprises interest from :                                            |                           |                           |
| Deposits with Banks                                                                  | 10.42                     | 21.23                     |
| Others                                                                               | 0.00                      | 0.00                      |

## Notes to the financial statements

(₹ in Lakh)

### (20) COST OF MATERIALS CONSUMED :

|                                  |               |
|----------------------------------|---------------|
| Consumption of Raw Materials     | 137.03        |
| Consumption of Stores and Spares | 2.39          |
| <b>TOTAL :</b>                   | <b>139.42</b> |

#### For the year ended 31st March, 2022

#### For the year ended 31st March, 2021

|               |
|---------------|
| 854.51        |
| 9.92          |
| <b>864.43</b> |

### (21) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS :

|                                  |        |        |
|----------------------------------|--------|--------|
| Finished goods manufactured (PC) |        |        |
| Opening stock                    | 0.00   |        |
| Closing stock                    | 0.00   | 0.00   |
| Finished goods manufactured (GC) |        |        |
| Opening stock                    | 34.00  |        |
| Closing stock                    | 34.00  | 0.00   |
| Work-in-progress (PC)            |        |        |
| Opening stock                    | 462.36 |        |
| Closing stock                    | 282.36 | 180.00 |
| Work-in-progress (GC)            |        |        |
| Opening stock                    | 95.66  |        |
| Closing stock                    | 95.66  | 0.00   |

#### For the year ended 31st March, 2022

#### For the year ended 31st March, 2021

|         |        |
|---------|--------|
| 0.00    |        |
| 0.00    | 0.00   |
| 34.00   |        |
| 34.00   | 0.00   |
| 1205.84 |        |
| 462.36  | 743.48 |
| 95.66   |        |
| 95.66   | 0.00   |
|         | 743.48 |

GST on increase / (decrease)  
of finished goods

**TOTAL :**

|               |
|---------------|
| 0.00          |
| <b>180.00</b> |

### (22) EMPLOYEE BENEFITS EXPENSE :

#### 1. EMPLOYEES REMUNERATION :

|                                  |        |
|----------------------------------|--------|
| (i) Salaries, Wages & Allowances | 191.29 |
| (ii) Contribution to Funds :     |        |
| Provident Fund & Family Pension  | 21.58  |
| Employee's State Insurance       | 0.04   |

|        |
|--------|
| 212.91 |
|--------|

|         |
|---------|
| 1328.85 |
| 148.86  |
| 0.23    |
| 1477.94 |

#### 2. EMPLOYEES WELFARE :

|                            |       |
|----------------------------|-------|
| (i) Staff Welfare Expenses | 6.42  |
| (ii) Medical Expenses      | 58.54 |

|       |
|-------|
| 64.96 |
|-------|

|        |
|--------|
| 21.24  |
| 117.65 |
| 138.89 |

#### 3. SOCIAL OVERHEADS :

|                                 |       |
|---------------------------------|-------|
| (i) Canteen Expenses (Net)      | 4.35  |
| (ii) Subsidised Transport (Net) | 19.25 |

|       |
|-------|
| 23.60 |
|-------|

|       |
|-------|
| 35.73 |
| 55.63 |
| 91.36 |

#### 4. RETIREMENT BENEFITS :

|                       |       |
|-----------------------|-------|
| (i) Gratuity          | 26.97 |
| (ii) Leave Encashment | 39.92 |

|       |
|-------|
| 66.89 |
|-------|

|        |
|--------|
| 235.33 |
| 179.60 |
| 414.93 |

**TOTAL :**

|                |
|----------------|
| <b>368.36</b>  |
| <b>2123.12</b> |

|                                              | For the year ended<br>31st March, 2022 |                | For the year ended<br>31st March, 2021 |                |
|----------------------------------------------|----------------------------------------|----------------|----------------------------------------|----------------|
| <b>(23) OTHER EXPENSES :</b>                 |                                        |                |                                        |                |
| Power                                        | 91.61                                  |                | 161.97                                 |                |
| Fuel                                         | <u>0.00</u>                            | 91.61          | <u>6.11</u>                            | 168.08         |
| Repairs and Maintenance to :                 |                                        |                |                                        |                |
| Building                                     | 7.61                                   |                | 5.85                                   |                |
| Plant & Machinery                            | 0.60                                   |                | 15.25                                  |                |
| Others                                       | <u>1.05</u>                            | 9.26           | <u>3.98</u>                            | 25.08          |
| Rent (Net)                                   |                                        | 0.02           |                                        | 6.09           |
| Rates and Taxes                              |                                        | 65.67          |                                        | 11.16          |
| Director's Fees & Expenses                   |                                        | 0.00           |                                        | 0.00           |
| Insurance                                    |                                        | 6.69           |                                        | 9.02           |
| Payment to Auditors :                        |                                        |                |                                        |                |
| Audit Fees                                   | 0.95                                   |                | 0.95                                   |                |
| Fees for other Services                      | <u>0.35</u>                            | 1.30           | <u>0.35</u>                            | 1.30           |
| Printing and Stationery                      |                                        | 2.22           |                                        | 7.13           |
| Postage and Telephone                        |                                        | 2.59           |                                        | 7.41           |
| Travelling & Conveyance - Inland             | 2.66                                   |                | 18.43                                  |                |
| - Foreign                                    | <u>0.00</u>                            | 2.66           | <u>0.00</u>                            | 18.43          |
| Bank Charges                                 |                                        | 3.02           |                                        | 39.05          |
| Training Expenses                            |                                        | 0.00           |                                        | 0.02           |
| Expenses on C.I.S.F.                         |                                        | 461.16         |                                        | 570.54         |
| Loss on Sale of Fixed Assets                 |                                        | 0.00           |                                        | 0.15           |
| Write Off other than sundry debtors          |                                        | 360.94         |                                        | 293.62         |
| Other Administration Expenses                |                                        | 109.91         |                                        | 331.30         |
| Entertainment Expenses                       |                                        | 0.09           |                                        | 0.65           |
| Advertisement & Publicity Expenses           |                                        | 0.00           |                                        | 0.56           |
| Other Selling Expenses                       |                                        | 3.33           |                                        | 16.24          |
| <b>TOTAL :</b>                               |                                        | <u>1120.47</u> |                                        | <u>1505.83</u> |
| <b>(24) PRIOR PERIOD ADJUSTMENTS (NET) :</b> |                                        |                |                                        |                |
| VRS Expenses                                 |                                        | 0.00           |                                        | 2925.98        |
| Wage Revision Arrear (1997)                  |                                        | <u>64.71</u>   |                                        | <u>2316.70</u> |
| <b>TOTAL :</b>                               |                                        | <u>64.71</u>   |                                        | <u>5242.68</u> |

## Notes to the financial statements

### 25. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

#### 1.2 USE OF ESTIMATES:

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

### 2.0 FIXED ASSETS:

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

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

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

### 3.0 DEPRECIATION:

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

### 4.0 FOREIGN CURRENCY:

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

### 5.0 IMPAIRMENT OF ASSETS:

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

### 6.0 VALUATION OF INVENTORY:

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

## Notes to the financial statements

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

### 7.0 REVENUE RECOGNITION:

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

### 8.0 CLAIMS:

#### 8.1 BY THE COMPANY:

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

#### 8.2 AGAINST THE COMPANY:

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

### 9.0 RESEARCH & DEVELOPMENT EXPENDITURE:

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

### 10.0 FOREIGN EXCHANGE:

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

### 11.0 PROVISIONS:

#### 11.1 GRATUITY:

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

#### 11.2 LEAVE ENCASHMENT:

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

### 12.0 TAXATION :

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

### 13.0 GOVERNMENT GRANTS :

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

## Notes to the financial statements

### 26. Related Party Disclosures :

In compliance with the Accounting Standard 18 "Related Party Disclosure" transactions with related parties are disclosed as under :-

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

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

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

M/s ONGCL has provided one part time Director on BPCL Board. However, at present, no director is nominated on the BPCL Board.

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

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

### FELLOW SUBSIDIARY / ASSOCIATES :

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

|                                | 2021-22 |        |      | 2020-21 |         |        |
|--------------------------------|---------|--------|------|---------|---------|--------|
|                                | BHEL    | ONGC   | EIL  | BHEL    | ONGC    | EIL    |
| A. Purchases made from         | 0.00    | 0.00   | 0.00 | 138.05  | 0.00    | 0.00   |
| B. Sales made to               | 0.00    | 250.51 | 0.00 | 0.00    | 1960.74 | 0.00   |
| C. Amount realisable from      | 0.00    | 511.48 | 0.00 | 900.33  | 1847.58 | 238.13 |
| D. Amount payable to           | 0.00    | 0.00   | 0.00 | 710.26  | 0.00    | 0.00   |
| E. Loan received from          | 0.00    | 0.00   | 0.00 | 0.00    | 0.00    | 0.00   |
| F. Loan repaid to              | 1200.00 | 0.00   | 0.00 | 0.00    | 0.00    | 0.00   |
| G. Loan & Interest outstanding | 0.00    | 0.00   | 0.00 | 1919.62 | 0.00    | 0.00   |

(₹ in Lakh)

## Notes to the financial statements

(₹ in Lakh)

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

|                                                                                 | For the year ended 31.03.2022 |             |               |           | For the year ended 31.03.2021 |             |               |            |
|---------------------------------------------------------------------------------|-------------------------------|-------------|---------------|-----------|-------------------------------|-------------|---------------|------------|
|                                                                                 | PUMPS                         | COMPRESSORS | GAS CYLINDERS | TOTAL     | PUMPS                         | COMPRESSORS | GAS CYLINDERS | TOTAL      |
| <b>A. SEGMENT REVENUE :</b>                                                     |                               |             |               |           |                               |             |               |            |
| (i) Segment Revenue                                                             | 850.27                        | 241.16      | 0.00          | 1091.43   | 3536.91                       | 1003.14     | 0.00          | 4540.05    |
| (ii) Inter Segment Revenue                                                      | 0.00                          | 0.00        | 0.00          | 0.00      | 0.00                          | 0.00        | 0.00          | 0.00       |
| (iii) Operating Revenue - External (i - ii)                                     | 850.27                        | 241.16      | 0.00          | 1091.43   | 3536.91                       | 1003.14     | 0.00          | 4540.05    |
| <b>B. SEGMENT RESULTS :</b>                                                     |                               |             |               |           |                               |             |               |            |
| (i) Segment Results                                                             | (3213.68)                     | (1287.05)   | (193.31)      | (4694.04) | (4627.47)                     | (1853.26)   | (278.35)      | (6759.08)  |
| (ii) Unallocated Expenses (Net) (Expenses)                                      |                               |             |               | (459.32)  |                               |             |               | (1629.99)  |
| (iii) Profit before Tax                                                         |                               |             |               | (5153.36) |                               |             |               | (8389.07)  |
| (iv) Income Tax/FBT/MAT/Deferred Tax                                            |                               |             |               | 0.00      |                               |             |               | 0.00       |
| (v) Profit after Tax                                                            |                               |             |               | (5153.36) |                               |             |               | (8389.07)  |
| <b>C. ASSETS &amp; LIABILITIES :</b>                                            |                               |             |               |           |                               |             |               |            |
| (i) Segment Assets                                                              | 5896.53                       | 2039.68     | 571.18        | 8507.39   | 13464.71                      | 4657.61     | 1304.29       | 19426.61   |
| (ii) Unallocated Assets                                                         |                               |             |               | 1340.86   |                               |             |               | 3061.84    |
| (iii) Total Assets                                                              |                               |             |               | 9848.25   |                               |             |               | 22488.45   |
| (iv) Segment Liabilities                                                        | 13553.99                      | 4832.45     | 0.00          | 18386.44  | 30950.49                      | 11034.89    | 0.00          | 41985.38   |
| (v) Unallocated Liabilities                                                     |                               |             |               | (8538.19) |                               |             |               | (19496.93) |
| (vi) Total Liabilities                                                          |                               |             |               | 9848.25   |                               |             |               | 22488.45   |
| <b>D. OTHER INFORMATIONS :</b>                                                  |                               |             |               |           |                               |             |               |            |
| (i) Cost incurred during the period to acquire fixed assets (incl. Capital WIP) | 0.00                          | 0.00        | 0.00          | 0.00      | 21.67                         | 7.73        | 0.00          | 29.40      |
| (ii) Depreciation                                                               | 266.78                        | 95.10       | 86.51         | 448.39    | 270.02                        | 96.25       | 87.56         | 453.83     |
| (iii) Non Cash Expenses (other than Dep.)                                       | 0.00                          | 0.00        | 0.00          | 0.00      | 253.54                        | 85.35       | 0.00          | 338.89     |

## Notes to the financial statements

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

#### (i) Basis of Preparation of Financial Statements :

Till the financial year 2019-20, financial statements was prepared on the historical cost basis applying going concern concept and in accordance with Generally Accepted Accounting Principles in India (Indian GAPP), including Accounting Standards notified under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other relevant provisions of the Companies Act, 2013. Further, the Guidance Notes/Announcements issued by The Institute of Chartered Accountant of India (ICAI) was also considered wherever applicable, as adopted consistently by the company but during the year 2020-21 onwards, financial statement are being prepared with some deviation in applying going concern concept because Ministry of Heavy Industries, Govt. of India has communicated decision of Union Cabinet vide letter Dated 17.12.2020 to shutting down the operation and closure of the company.

#### (ii) In the light of decision of Govt. of India, vide its order dated 17.12.2020, regarding closure of the company, necessary accounting / disclosure/ payment has been made on the following approved points :-

- Shutting down the operation of the plant of the company and closure of the company.
- Separating the employees rendered surplus due to closure through VRS/VSS after payment of all outstanding dues.
- Since land was provided by U.P. Govt. free of cost, it is proposed that land along with permanent structure of building and plant may be handed over to U.P. Govt. free of cost.
- Providing of one time grant of Rs. 316.09 crore by the Govt. of India to the company to be utilized exclusively for closure related expenses including implementation of VRS/VSS for employees, Payment of their outstanding salary & statutory dues including all outstanding dues of earlier retired employees, 1997 wage revision arrear, payment of dues of suppliers / contractors, repayment of SBI & ICICI Bank working capital loan, payment of BHEL loan along with interest, CISF , Payment of pending appeal relating to income tax and sales tax etc.
- Write-off of Govt. of India Loans and accrued interest except the amount to be repaid by the company from sale proceed. The amount as on 31.03.2020 is Rs.164.29 crore with interest (with freezing of interest upto 31.03.2020) The above loan will be repaid by the company to Govt. of India from the realization from customers, sale proceeds of other assets of the company as and when they are disposed off and after setting all the liabilities related to closure of the company. If the assets sale proceeds are not sufficient to fully repay the

loan amount, then the balance loan amount remaining unpaid is to be written off.

- Disposal of plant/machinery and movable assets will be done by the company through e-auction by MSTC Ltd. Terms of appointment of MSTC will be in accordance with DPE /Govt. guideline.
- The Government of Uttar Pradesh has given 295.45 acres of land free of cost against actual allotment of 300 acres of land. Conveyance deeds in respect of 295.45 acres of land have not yet been executed and the matter was still under correspondence till last year. This had provisionally been capitalised by debiting land and crediting capital reserve account in terms of Bureau of Public Enterprises, New Delhi, Letter No. BPE/159/Adv dated 7th Nov. 1969 at the valuation of Rs10.04 lakh (Previous Year Rs 10.04 lakh) being the value shown in the records of Land Acquisition Officer, Allahabad. Valuation certificate from the Land Acquisition Officer, Allahabad had not been received. However in the light of recent decision of Closure of the Company by Central Govt., communicated vide letter dated 17.12.2020, free of cost land provided by U.P. Govt., it is decided that land along with permanent structure of building and plant will be handed over to U.P. Govt., free of cost. Accordingly, necessary action will be taken in due course of time as the closure activities /lifting of movable assets are under process.
- The Govt. of India vide its letter dated 17.12.2020, has freezed the interest on Govt. Loan upto 31.03.2020, accordingly, no interest provision on Govt Loan has been made during the year 2021-22 (Rs. 1939.62 lakh) and in previous year 2020-21 (Rs. 1841.46 lakh).
- Since all employees of company has already been relieved through VRS/VSS till 12.06.2021 no further provision has been made against gratuity and leave encashment. Amount lying under head of Gratuity and Leave Encashment as on 31.03.2022 is relating to unpaid amount of relived employees on actual calculation basis. As such there is no need of Actuarial Valuation.
- Balance lying under head of Provision of Ex- Gratia payable under VRS/VSS package as on 31.03.2022 is unpaid amount of relieved employees amounting to Rs 609.91 lakh out of total provision made during the previous year amounting to Rs. 2925.98 lakh.
- During the year, Govt. Grant of Rs. 16822.00 lakh received (previous year Rs 9255.00 lakh) for closure activity of the company. This amount was received against the liabilities/provisions exist in the books of accounts. Accordingly, the same is treated as capital grant and shown under the head Capital Reserve in Note No.2.
- Payment of most of the unpaid trade payables has been done during the current year after

## Notes to the financial statements

reconciliation. Since company is already under closure process, necessary adjustment of advance to suppliers vis-à-vis trade payables and write off/ write back of receivables/ payable has been done during the year. Write-back of liabilities of some vendors have been done where amount was not payable due to commercial dispute/no claim etc after proper reconciliation. Confirmation in respect of balances in various accounts of exiting Sundry debtors, Loans and advances, Current liabilities including trade payables, advances from customers and margin money with banks are awaited and accordingly, the balances in these accounts are subject to confirmation / reconciliation, if any.

- (ix) Central Industrial Security Force (CISF) has raised bills for their services which includes interest liability amounting to 1412.31 lakh (previous year 1319.66 lakh) due to Non/delayed payment. CISF is a Central Government Agency and has accepted delayed payment without interest in past. Accordingly, present claim of interest amount are shown as contingent liability. For waiver of interest Company has already approached to CISF authorities.
- (x) The Company is not having any scheme for post-retirement medical benefits.
- (xi) In order to comply with the Accounting Standard 28 – "Impairment of assets" issued by the Regulatory Authority, the Company normally formed a committee consisting of representatives of Finance, Planning, Purchase and Common services departments to assess the impairment of assets and based on recommendations of the committee, accounting of impairment of assets were being done till 31.03.2020. Due to decision of closure of the company, no such committee is being formed. However during the year valuation of all movable assets has be done by external valuer and it has been observed that valuation of all movable assets are more than the carrying cost. Accordingly, no provision is required to be made in the books of accounts for this purpose
- (xii) Regarding undisputed outstanding for more than 45 days payable to Micro and Small Enterprises as at 31st March,2022 no provision for interest for delay in payment has been made since generally bills are paid in time / bills submitted / presented late by the suppliers.
- (xiii) Government of India vide letter No. 2(9)/2006-PE-IV dated 07.09.2009 has permitted the company to consider making disbursement of arrear of 1997 pay revision upto 25 % of profit before tax. In view of loss before tax, company has not made any provision since 2011-12 and shown the estimated liability amounting to Rs 3000.00 lakh as contingent liability. However, considering the decision of closure of the company and acceptance of Govt. to pay the arrears, an amount of Rs. 2316.70 lakh has been considered as firm liability during the year 2020-21 and provided in the books of accounts. Amount lying under head of liability of 1997 wage

revision arrears as on 31.03.2022 is relating to unpaid amount of old retired/ relived employees .

- (xiv) Sundry Debtors as on 31.03.2022 amounting to Rs 265.39 lakh (Previous Year Rs 8629.12 lakh) includes amount deducted/ with hold by customers on account of balance payment due later on/wrong deduction/ shortage etc. Since the matters are regularly been taken up by the Company with the respective customers no provision has been made against these amount. During the year 2021-22 company has written-off Rs 7099.99 lakh which includes Rs 3442.42 lakh relating to trade receivables for which provisions was made in previous years upto 2020-21. Earlier Company was quite hopeful for realization of these amounts which was mainly deducted towards LD/Short supply/freight/tax difference/old balance payment etc and accordingly, have not been accounted for these deductions in the books of accounts. However, in the light of recent decision of Closure of the company by Central Govt., communicated vide letter dated 17.12.2020 decision of write off has been taken after exercising due efforts for collection of pending trade receivables. In this regards, company made several request to the various customers for extension of delivery period where LD/PRC amount were deducted which might be resulted refund of the same but in the present scenario of closure of the company, customers shown reluctance to favor BPCL as there will not be any future business relation and most of the deductions towards LD were made according to SO(Sale order) terms .
- (xv) Considering the decision of closure of the company, all long term liabilities and long term assets have been considered as short term liability and assets.
- (xvi) There are certain inventory items under the head raw materials, components and stores and spares which were old and non moving against which provisions were made totaling to Rs 1040.48 lakh in different earlier years upto the year 2005-06. These were written off in the year 2006-07 in the books of accounts and as such, these items are appearing in the records at zero value as realizable value is yet to be ascertained. However, these items are being sold as scrap items / used wherever possible with proper accounting for removal from records.
- (xvii) Regarding impact of Covid-19 pandemic on the business operations of the Company was not assessed as the operation of the Company has already shutdown in compliance of decision of closure of the company by Govt. of India.
- (xviii) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## Notes to the financial statements

(₹ in Lakh)

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

|                                                                                                 | As at<br>31st March, 2022 | As at<br>31st March, 2021 |
|-------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(xix) Contingent liabilities and commitments :</b>                                           |                           |                           |
| <b>(a) Contingent liabilities :</b>                                                             |                           |                           |
| Claims against the Company not acknowledged as debts :                                          |                           |                           |
| (1) Sales tax liability including interest pending appeal                                       | 0.00                      | 319.60                    |
| (2) Electricity bill liabilities due to revised tariff and penalty pending appeal               | 0.00                      | 32.61                     |
| (3) In respect of civil suits                                                                   | 39.66                     | 39.66                     |
| (4) Interest liability claimed by CISF                                                          | 1412.31                   | 1319.66                   |
| (5) Income Tax liability pending appeal                                                         | 3052.46                   | * 1403.48                 |
| (6) Outstanding Letter of Credit                                                                | 0.00                      | 0.00                      |
| (7) Outstanding Bank Guarantees                                                                 | 0.00                      | * 87.13                   |
| (8) Subjudice case of fitment benefit of Wage revision 2007 of Executive employees (Estimated)  | 0.00                      | 1000.00                   |
| (9) Disputed Liability relating to custom duty-deemed export compliance (Estimated)             | 51.00                     | 0.00                      |
| <b>(b) Commitments :</b>                                                                        |                           |                           |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 0.00                      | 205.64                    |
| * Excluding interest liability                                                                  |                           |                           |

|                                | 2021-22        |                  | 2020-21        |                  |
|--------------------------------|----------------|------------------|----------------|------------------|
| <b>(xx) Social overheads :</b> | <b>Canteen</b> | <b>Transport</b> | <b>Canteen</b> | <b>Transport</b> |
| Total Expenditure              | 4.40           | 19.35            | 36.43          | 56.55            |
| Less : Total Income            | 0.05           | 0.1              | 0.70           | 0.92             |
| Net Expenditure                | 4.35           | 19.25            | 35.73          | 55.63            |

## Notes to the financial statements

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

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

( ` in Lakh)

| SL | Particulars of Provisions | Op. Balance as on 01.04.2021 | Additions during the year | Paid/ Adjustments during the year | Reversed during the year | Closing Balance as on 31.03.2022 |
|----|---------------------------|------------------------------|---------------------------|-----------------------------------|--------------------------|----------------------------------|
| 1  | Gratuity                  | 1410.76                      | 26.97                     | 1410.76                           | 26.97                    | 0.00                             |
| 2  | Leave Encashment          | 534.10                       | 39.92                     | 534.10                            | 39.92                    | 0.00                             |
|    | TOTAL :                   | 1944.86                      | 66.89                     | 1944.86                           | 66.89                    | 0.00                             |
|    | Previous Year             | 2296.18                      | 554.08                    | 766.25                            | 139.15                   | 1944.86                          |

#### **Brief Description :**

**Gratuity & Leave Encashment :** The provisions for Gratuity and Leave encashment have been made on the basis of actuarial valuation obtained for the purpose till the financial year 2019-20. and from 2020-21 onwards, provision for gratuity & leave encashment has been made on actual basis due to decision of closure of the company. There is no uncertainty about these outflows. There is also no expected reimbursement.

## Notes to the financial statements

(₹ in Lakh)

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

|         |                                                                                      | 2021-2022  | 2020-2021  |
|---------|--------------------------------------------------------------------------------------|------------|------------|
| (xxii)  | <b>CIF VALUE OF IMPORTS :</b>                                                        |            |            |
|         | Raw materials and components                                                         | 0.00       | 38.91      |
| (xxiii) | <b>EXPENDITURE IN FOREIGN CURRENCY: (on cash basis)</b>                              |            |            |
|         | Analog Study                                                                         | 0.00       | 0.00       |
| (xxiv)  | <b>F O B VALUE OF EXPORT :</b>                                                       |            |            |
|         | Exports of goods                                                                     | 0.00       | 0.00       |
| (xxv)   | <b>CONSUMPTION OF IMPORTED &amp; INDIGENOUS MATERIALS :</b>                          |            |            |
|         | A. Value of all imported raw materials & components, stores & spare parts consumed   | 6.60       | 40.92      |
|         | B. Value of all indigenous raw materials & components, stores & spare parts consumed | 132.82     | 823.51     |
|         | C. Percentage of each to total consumption                                           | 5 % & 95 % | 5 % & 95 % |

#### SUB NOTE :

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

### (xxvi) TURNOVER (GROSS) :

|                                       | 2021-2022      |                   | 2020-2021      |                   |
|---------------------------------------|----------------|-------------------|----------------|-------------------|
|                                       | Quantity (Nos) | Value (₹ in Lakh) | Quantity (Nos) | Value (₹ in Lakh) |
| A. Compressors                        | 00 No.+spares  | 283.42            | 00 No.+spares  | 1437.51           |
| B. Pumps :                            |                |                   |                |                   |
| 1. R.P.                               | 04 Nos+spares  | 267.47            | 04 Nos+spares  | 2190.03           |
| 2. C.P.                               | 00 Nos+spares  | 451.08            | 00 Nos+spares  | 878.44            |
| C. Gas Cylinders                      | 00 Nos.        | 0.00              | 00 Nos.        | 0.00              |
| D. Execution of erection & other jobs | -              | 89.46             | -              | 34.07             |
| <b>TOTAL :</b>                        |                | <b>1091.43</b>    |                | <b>4540.05</b>    |

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

|                                                    | 2021-2022 |                   | 2020-2021 |                   |
|----------------------------------------------------|-----------|-------------------|-----------|-------------------|
|                                                    | Quantity  | Value (₹ in Lakh) | Quantity  | Value (₹ in Lakh) |
| <b>A. INDIGENOUS :</b>                             |           |                   |           |                   |
| 1. Steel plates                                    | -         | 0.00              | 3.82 MT   | 1.70              |
| 2. Boughtout materials for PC *                    | -         | 55.68             | -         | 345.52            |
| 3. Other Misc. items *                             | -         | 74.79             | -         | 466.37            |
| <b>TOTAL :</b>                                     |           | <b>130.47</b>     |           | <b>813.59</b>     |
| <b>B. IMPORTED :</b>                               |           |                   |           |                   |
| 1. Components for PC *                             | -         | 6.56              | -         | 40.92             |
| 2. Other Misc. items *                             | -         | 0.00              | -         | 0.00              |
| <b>TOTAL :</b>                                     |           | <b>6.56</b>       |           | <b>40.92</b>      |
| <b>Total Raw Materials and components consumed</b> |           | <b>137.03</b>     |           | <b>854.51</b>     |

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

## Notes to the financial statements

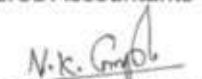
### (28) Additional Notes to the Financial Statements (Contd.) : (xxviii) STOCK OF GOODS PRODUCED :

|                  | 2021-2022            |                       | 2020-2021            |                       |
|------------------|----------------------|-----------------------|----------------------|-----------------------|
|                  | Quantity<br>(Nos)    | Value<br>( ` in Lakh) | Quantity<br>(Nos)    | Value<br>( ` in Lakh) |
| A. PUMPS :       |                      |                       |                      |                       |
| 1. Centrifugal   | 00 Nos<br>(00 Nos)   | 0.00<br>(0.00)        | 00 Nos<br>(00 Nos)   | 0.00<br>(0.00)        |
| 2. Reciprocating | 00 Nos<br>(00 Nos)   | 0.00<br>(0.00)        | 00 Nos<br>(00 Nos)   | 0.00<br>(0.00)        |
| B. COMPRESSORS : |                      |                       |                      |                       |
| 1. Reciprocating | 00 Nos<br>(00 Nos)   | 0.00<br>(0.00)        | 00 Nos<br>(00 Nos)   | 0.00<br>(0.00)        |
| C. CYLINDERS :   |                      |                       |                      |                       |
| Various Types    | 400 Nos<br>(400 Nos) | 34.00<br>(34.00)      | 400 Nos<br>(400 Nos) | 34.00<br>(34.00)      |

#### SUB NOTE :

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

In terms of our report of even date  
For S.R. Gupta & Company  
Chartered Accountants

  
(V.K. GUPTA)

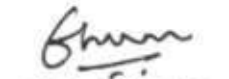
Partner  
M.No. 014745

UDIN : 22014745BFXSVD1368

  
(RATAN PRAKASH)  
Head (HR, Mktg, PDD)

On behalf of the Board

  
(R.K. SINGH)  
Director  
DIN : 08360278

  
(K.S. MURTHY)  
Chairman and  
Managing Director  
DIN : 09184201

  
(INDRASEN SINGH)  
CFO & Company Secretary

Place : Allahabad  
Date : 22.12.2022

# TEN YEAR DIGEST

(₹ in Lakh)

| SL | PARTICULARS                               | 2021-22    | 2020-21    | 2019-20    | 2018-19    | 2017-18    | 2016-17    | 2015-16   | 2014-15   | 2013-14   | 2012-13   |
|----|-------------------------------------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| 1  | VALUE OF PRODUCTION                       | 968.47     | 3796.57    | 6370.40    | 5456.05    | 7628.01    | 7601.12    | 6967.47   | 7769.00   | 15012.60  | 15274.40  |
| 2  | SALES                                     | 1091.43    | 4540.05    | 6572.48    | 6866.29    | 7712.20    | 7490.94    | 7851.94   | 10223.49  | 14705.80  | 12902.30  |
| 3  | GROSS PROFIT/(LOSS) / PBDIT               | (4170.52)  | (1041.34)  | 1126.15    | (394.63)   | (1129.33)  | (4152.48)  | (4696.03) | (3471.56) | (583.90)  | (1883.90) |
| 4  | DEPRECIATION / DRE                        | 448.39     | 453.83     | 464.28     | 465.09     | 478.45     | 506.04     | 514.96    | 704.95    | 485.20    | 493.90    |
| 5  | INTEREST                                  | 469.74     | 1312.33    | 2639.44    | 2675.12    | 2639.44    | 1805.25    | 789.48    | 599.53    | 488.70    | 298.70    |
| 6  | (a) PROFIT/(LOSS) BEFORE TAX              | (5088.65)  | (2807.50)  | (2011.01)  | (3534.84)  | (4247.22)  | (5411.47)  | (5534.76) | (4776.04) | (1567.90) | (2676.40) |
|    | ON CURRENT OPERATIONS *                   | 0.00       | 338.89     | 687.91     | 306.93     | 383.02     | 1725.67    | 0.00      | 0.00      | 0.00      | 0.00      |
|    | (b) (i) PROVISIONS                        | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | 1052.30    | 775.78    | 0.00      | 0.00      | 0.00      |
|    | (ii) NET PRIOR PERIOD ADJ.                | 64.71      | 5242.68    | 0.00       | 0.00       | 0.00       | 0.00       | (310.07)  | 0.00      | 0.00      | 0.00      |
|    | (iii) EXTRA ORDINARY ITEM                 | (5368.98)  | (8389.07)  | (2698.92)  | (3841.77)  | (4630.24)  | (8189.44)  | (6000.47) | (4776.04) | (1567.90) | (2676.40) |
| 7  | (c) PROFIT /(LOSS) BEFORE TAX             | 0.00       | 0.00       | 0.00       | (493.43)   | (238.73)   | 207.96     | 1590.06   | 727.73    | (1043.60) | 114.70    |
| 8  | PROVISION FOR TAX                         | (5368.98)  | (8389.07)  | (2698.92)  | (3348.34)  | (4391.51)  | (8397.40)  | (7590.53) | (5503.77) | (524.26)  | (2791.10) |
| 9  | NET PROFIT/(LOSS) AFTER TAX               | 10564.25   | 10564.25   | 10542.62   | 10522.31   | 10507.09   | 10468.86   | 10444.77  | 10435.75  | 8777.50   | 8648.70   |
| 10 | GROSS BLOCK                               | 2127.47    | 2563.95    | 2974.06    | 3399.27    | 3825.93    | 4237.14    | 4682.91   | 5145.31   | 4281.90   | 4584.50   |
| 11 | NET BLOCK                                 | (10954.12) | (22813.44) | (21810.58) | (16963.61) | (10580.98) | (4478.55)  | (3742.10) | 1828.49   | 5781.90   | 7883.80   |
| 12 | WORKING CAPITAL                           | (9042.27)  | (20249.49) | (18836.52) | (13564.34) | (6755.05)  | (241.41)   | 940.81    | 6973.80   | 10063.80  | 12468.30  |
| 13 | CAPITAL EMPLOYED                          | N/A        | 2321.89    | 4335.42    | 3347.90    | 4802.37    | 3600.68    | 3149.45   | 3754.63   | 6543.60   | 5127.80   |
| 14 | VALUE ADDED                               | (9042.27)  | (20495.29) | (21361.22) | (18662.30) | (14820.53) | (10190.29) | (2000.85) | 3999.62   | 8923.45   | 10491.30  |
| 15 | NET WORTH                                 | 368.36     | 2031.76    | 2476.36    | 3102.29    | 4886.92    | 5958.57    | 6517.23   | 6308.84   | 6702.50   | 6661.80   |
| 16 | SALARIES, WAGES AND BENEFITS              | 122.96     | 251.19     | 651.29     | 624.42     | 649.76     | 380.82     | 686.66    | 947.15    | 1441.00   | 1403.00   |
| 17 | CONTRIBUTION TO EXCHEQUER                 | N/A        | (2353.67)  | (1546.73)  | (2576.32)  | (3036.61)  | (5433.53)  | (6861.44) | (4071.09) | (1082.60) | (2182.60) |
| 18 | INTERNAL RESOURCE GENERATION              | 0.00       | 0.00       | 0.00       | 0.00       | 155.33     | 175.30     | 976.42    | 1202.51   | 710.40    | 1993.70   |
| 19 | EXPORT INCLUDING DEEMED EXPORT            | 0.00       | 140        | 170        | 218        | 296        | 391        | 523       | 638       | 780       | 889       |
| 20 | NO. OF EMPLOYEES                          | N/A        | 16.58      | 25.50      | 15.36      | 16.22      | 9.21       | 6.02      | 5.89      | 8.40      | 5.80      |
| 21 | VALUE ADDED PER EMPLOYEE                  | N/A        | 1.14       | 1.75       | 1.08       | 0.98       | 0.60       | 0.48      | 0.60      | 1.00      | 0.80      |
| 22 | VALUE ADDED PER RUPEE OF WAGES            | N/A        | 0.41       | 0.13       | 0.18       | 0.30       | 0.82       | 3.79      | (1.38)    | (0.10)    | (0.30)    |
| 23 | NET PROFIT /(LOSS) TO NET WORTH           | N/A        | (0.10)     | 0.11       | (0.04)     | (0.11)     | (0.40)     | (0.45)    | (0.33)    | (0.10)    | (0.20)    |
| 24 | GROSS MARGIN TO GROSS BLOCK               | N/A        | (0.51)     | 0.45       | (0.13)     | (0.23)     | (0.70)     | (0.72)    | (0.55)    | (0.10)    | (0.30)    |
| 25 | PBDIT TO EMPLOYEES COST                   | N/A        | 0.51       | 0.66       | 0.49       | 0.62       | 0.48       | 0.40      | 0.37      | 0.40      | 0.40      |
| 26 | VALUE ADDED TO GROSS SALES                | N/A        | 0.05       | (0.06)     | 0.03       | 0.17       | 17.20      | (4.99)    | (0.50)    | (0.10)    | (0.20)    |
| 27 | GROSS PROFIT TO CAPITAL EMPLOYED          | N/A        | 418.13     | 387.44     | 408.50     | 345.20     | 363.51     | 361.14    | 269.58    | 254.90    | 226.60    |
| 28 | SUNDRY DEBTORS TO NO. OF DAYS OF TURNOVER | N/A        | 257.96     | 182.53     | 216.25     | 210.70     | 231.81     | 249.38    | 270.45    | 201.30    | 199.60    |
|    | INVENTORY TO NUMBER OF DAYS OF PRODUCTION | N/A        |            |            |            |            |            |           |           |           |           |

N/A - Company is already closed as such these figures have not been calculated due to the company's "Not Going Concern" Status.





**Bharat Pumps & Compressors Ltd.**



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**(A Government of India Enterprise)**

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