



Brahmaputra Cracker and Polymer Limited

# Annual Report 2012-2013





**VISION**

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

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

**MISSION**





# Board of Directors



Shri B C Tripathi  
Chairman



Shri P N Prasad  
Managing Director



Shri O. P. Tailor  
Director (Finance)  
(w.e.f. 01.07.2013)



Mrs Neel Kamal Darbari



Mrs Sushma Taishete  
(we.f. 20.12.2012)



Shri R K Dutta



Shri R T Jindal



Shri Dipak Chakravarty



Shri T K Ananth Kumar



Shri S L Raina  
(Up to 31.05.2013)



Shri S Venkatraman



Shri P K Jain



Shri P C Sharma



Shri Gautam Barua



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### Registered Office

Hotel Brahmputra Ashok  
M. G. Road, Guwahati  
Assam - 781001

### Project Site Office

Lepetkata  
P.O. - Lepetkata  
District-Dibrugarh  
Assam-786006

### Project Execution Office

3rd Floor, GAIL Training Institute  
24, Sector-16A, Noida  
Uttar Pradesh-201301

### Bankers

#### Punjab National Bank

- Goenka Market  
Jhalukpara  
Dibrugarh  
Assam
- Large Corporate  
Branch  
Tolstoy House  
Tolstoy Marg  
New Delhi-110001

#### State Bank of India

Thana Charali  
Dibrugarh  
Assam-786001

### Statutory Auditors

M/s Das & Sharma  
Chartered Accountants  
Durga Bhawan, 2nd Floor  
A. T. Road, Bharalumukh  
Guwahati-781009



## NOTICE

Notice is hereby given that the sixth Annual General Meeting of the Company will be held on Thursday, the 29th day of August, 2013 at 3 p.m. at the registered office at Hotel Brahma Putra Ashok, M G Road, Guwahati 781001 to transact the following business-

### As Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, the Directors' Report, the Statutory Auditors' Report and the comments of the Comptroller & Auditor General of India thereon.
2. To appoint a Director in place of Shri B C Tripathi, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R K Dutta, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Dipak Chakravarty, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri P K Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors for the year 2013-14 in terms of the provisions of Section 224 (8) (aa) of the Companies Act, 1956 and to pass the following resolution, with or without modification, as an Ordinary Resolution:

*"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors as appointed by the Comptroller and Auditor General of India for the financial year 2013-2014."*

### As Special Business

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



*“RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mrs Sushma Taishete , who was appointed as an Additional Director w.e.f. 20.12.2012 be and is hereby appointed as a Director of the Company, liable to retire by rotation.”*

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

*“RESOLVED THAT in supersession of earlier resolution passed by the shareholders, in accordance with Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, if any, the relevant provisions of the Memorandum and Articles of Association of the Company, the Cabinet Committee on Economic Affairs approval dated 16.11.2011 and the Joint Venture Agreement dated 18.10.2006 the Board of Directors of the Company (the “Board”) which expression shall include any Committee thereof constituted by the Board or one or more of the Directors as may be authorized by the Board be and is hereby authorized on behalf of the Company to issue, offer and allot equity shares of ₹ 10/- each at par, whether or not such allottee(s) are members of the Company, up to an aggregate amount of ₹ 13,00,00,00,000 (Rupees One thousand three hundred crore only) including the shares already allotted to the following promoters in the ratio mentioned against each:*

<i>GAIL (India) Limited 16, Bhikaiji Cama Place, New Delhi 110066</i>	<i>70%</i>
<i>Oil India Limited Duliajan 786602 Assam</i>	<i>10%</i>
<i>Numaligarh Refinery Limited 122A, G S Road, Christian Basti, Guwahati 781005 Assam</i>	<i>10%</i>
<i>Government of Assam Assam Sachibalaya, Dispur Guwahati 781006 Assam</i>	<i>10%</i>

*RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot, from time to time, such number of equity shares as may be decided by the Board in its absolute discretion, as may be required to be issued and allotted, all such shares ranking pari passu with the existing equity shares of the Company in all respects.*

*RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters*



*and things as it may at its discretion deem necessary or desirable for such purpose including, without limitation, determining the form and manner of the issue, the class of investors to whom the shares are to be allotted, as it may in its absolute discretion deem fit.*

**RESOLVED FURTHER THAT** *the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of shares as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."*

Dated : 29<sup>th</sup> July 2013  
Guwahati

By Order of the Board  
Sd/-  
(Ruli Das Sen)  
Company Secretary

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## Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form duly completed should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
2. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, is annexed hereto and all documents referred to in the same will be open for inspection by members, at the registered office of the Company during normal working hours up to the date of the Annual General Meeting.





## Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

### *Agenda No. 7*

Mrs Sushma Taishete, Director, Ministry of Petroleum and Natural Gas, was nominated by MoP&NG vide letter no. L-12018/6/2010-GP-II dated 15th November, 2012 as Director on the Board of Directors of the company in place of Dr. Neeraj Mittal. She was inducted as an Additional Director w.e.f. 20th December, 2012 till the conclusion of this Annual General Meeting. The Board recommends her appointment as Director liable to retire by rotation.

The Company has received a Notice from a member under section 257 of the Companies Act, 1956, proposing the candidature of Mrs Sushma Taishete as a Director of the Company. A brief profile of Mrs Sushma Taishete is provided in the Corporate Governance Report.

Your Directors recommend the resolution for approval of the shareholders. None of the Directors except Mrs Sushma Taishete is interested in this resolution.

### *Agenda No. 8*

The Authorised Share Capital of the Company has been increased from ` 12,00,00,00,000 (Rupees Twelve Hundred crore only) divided into 1,20,00,00,000 (One hundred and Twenty crore) Equity Shares of ` 10/- (Ten) each to ` 20,00,00,00,000 (Rupees Two Thousand crore

only) divided into 200,00,00,000 (Two hundred crore) Equity Shares of ` 10/- (Ten) each.

The present issued and paid up share capital of the Company is ` 11,32,87,15,600 (Rupees One thousand one hundred thirty two crore, eighty seven lakh, fifteen thousand six hundred only).

During incorporation of the Company, equity shares amounting to ` 700 was also issued to the individual subscribers to the Memorandum of Association in addition to the promoters. Thereafter equity was raised on the basis of project cost. As per revised project cost approved by the Cabinet Committee on Economic Affairs on 16.11.2011, the equity component has been increased from ` 10,40,00,00,000 (Rupees One thousand forty crore only) to ` 12,69,00,00,000 (Rupees One thousand two hundred sixty nine crore only). On taking into account the equity allotted to the individual subscribers to the Memorandum, the present equity component would be ` 12,69,00,00,700 (Rupees One thousand two hundred sixty nine crore seven hundred only).

As per the JV Agreement, subscribed capital of the Company is required to be allotted at any point of time in the following proportion and calls are being made to the promoters as per the envisaged



ratio of contribution and in line with approved business plan:

GAIL	70%
OIL	10%
NRL	10%
GoA	10%

In terms of the JV Agreement, the promoters intend to subscribe to the offer of shares as may be made by the Company from time to time in accordance with the agreed equity sharing ratio for the project.

Section 81 of the Companies Act, 1956 provides, *inter-alia*, that whenever at any time after the expiry of two years from the formation of a company or at any time after the expiry of one year from allotment of shares in that company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of company by

further issue/ offer and allotment of shares, such shares shall be offered to the existing shareholders of the company in the manner laid down in the said Section, unless the shareholders decide otherwise by a special resolution.

The shareholders in the annual general meeting held on 27.08.2012 had authorized the Board to issue, offer, and allot shares from time to time, up to an aggregate amount of ₹ 12,6900,00,000.

Consent of the shareholders is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956, authorizing the Board of Directors to issue shares as stated in the Resolution.

Your Directors recommend the resolution for approval of shareholders.

None of the Directors of the Company is concerned /interested in the proposed resolution except to the extent of them being Nominee Directors.



## Message from the Chairman

*Dear Member,*

I have the pleasure of sharing with you the 6th Annual Report of your company, and take this opportunity to communicate regarding the progress of the Assam Gas Cracker project.

The overall physical performance by the end of the last fiscal year 2012-13 was 91% of which 23.4% was achieved during the year. With the committed efforts of the BCPL workforce I am sure that the project commissioning shall soon be a reality and BCPL project shall be poised to revive and spur large scale industrial growth in the North-Eastern region to usher socio-economic dividends for Assam in particular.

Growth in the Indian polymer segment is over two times that of the nation's GDP. As per the benchmark, operating rates for ethylene have been about 86% globally and the same for India has been over 95% signifying demand improvement on the global and domestic fronts. It is expected that the operating rates shall increase during the next couple of years especially on the back of improved demand and the demand-supply balance is expected to tilt in favour of the ethylene producers in the Asian region during the next two-three years. This bodes well for establishing a market for your company's products in the near future.

Looking ahead, the initiative of the State Government to establish a plastic park at Tinsukia dovetailing with the commissioning of the cracker shall not only be a major step in accelerating local consumption of the polymers but shall also pave the way for generating avenues of employment in the polymer downstream processing and manufacturing in the region. Notwithstanding employment creation opportunity, the plastic processing park can be a major catalyst in the growth of the per capita consumption of plastics in the north-east region as a whole. GAIL (India) Limited as the sole marketer

of the BCPL products is also working up arrangements of product evacuation and sales to various locations in India as well as to the nearby countries. As we near countdown to commissioning of the project we seek continued support of the Government of India and the promoters namely, GAIL (India) Ltd., the Government of Assam, Numaligarh Refinery Ltd. and Oil India Ltd in the successful culmination of the project very soon.

During the year a slew of measures were initiated to draw talent for expanding workforce, plan systems and processes in an endeavor to stream-line operations and promote work ethos at your company.

I am proud to share that your Company has taken commendable interest in discharging its responsibilities towards the society and has been working on identified thrust areas for social impact, such as, road laying for improved connectivity, construction of rooms in dispensary, renovation of historical graveyard etc. Your Company has also initiated steps for ensuring sustainable development and working towards a comprehensive policy on the same.

I would like to reiterate the commitment and resolve of the Board towards managing your Company in a transparent manner for maximizing long-term value for the stakeholders. A report on Corporate Governance forms a part of this Annual Report.

The Assam Gas Cracker project has been a challenging journey. The project is at a crucial phase of construction and is now closer to commissioning. I assure you that our efforts in completing this project are steadfast and I solicit your continued support in working towards a mutually rewarding future.

*B C Tripathi*  
Chairman



## Directors' Report

*Dear Shareholders,*

Your Directors have the pleasure of presenting the sixth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2013.

### *Project Progress*

Your company is now in the final phase of project execution and has achieved an overall physical progress of 91% against the cumulative target schedule of 97.9% during the year under review.

### *Revised Project Cost and Schedule*

After the Cabinet Committee on Economic Affairs (CCEA) approved on 16th November, 2011 a revised project cost of ₹ 8920 crore along with a revised schedule, all possible efforts are being made to achieve mechanical completion by July 2013 and commissioning by December, 2013 as scheduled.

### *Highlights*

- Detailed Engineering: The entire detailed engineering work has been completed.
- Ordering: All material requisitions (MRs) have been issued. Entire ordering has been completed except for 03 bulk material MRs (Piping), which will be progressively done by 15th May, 2013.
- Manufacturing & Delivery: Out of total 1091 Equipment 1076 have been received at site.
- Tendering: All 114 tenders have been awarded.

- Bulk Materials: 98.5% of the piping material has been received at site and the balance is being expedited for progressive delivery by June, 2013.
- Construction: Civil works of all major process units and offsite is almost completed. Mechanical, electrical and instrumentation works are going on at a relentless pace. Out of a total of 1091 equipment 792 have been erected at site. On an average around 6000 labourers are working at



*Erection of the Gasoline Fractionator in the Ethylene Cracker Unit.*



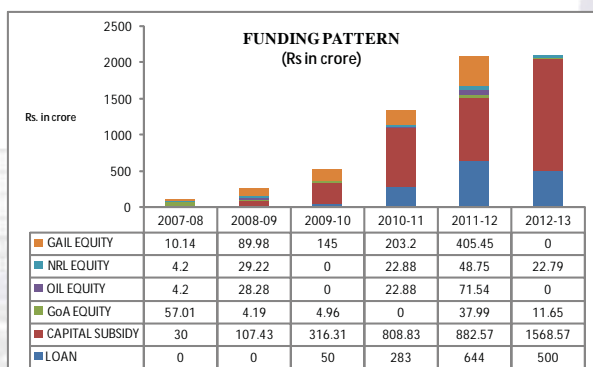
site. Pre-commissioning & commissioning activities in Utilities & Offsites units have been started. Hydrotesting of 48 km 18" O. D. Duliajan-Lepetkata-Duliajan Pipeline has been completed. All equipment at the Gas Sweetening Unit/C2+ Recovery Unit, BCPL, Lepetkata have been erected and pre-commissioning activities are in progress. Storage tanks for Naphtha, Pyrolysis fuel oil (PFO) and Pyrolysis gasoline are ready.

- Health Safety Environment- Accident free man-hours- 52.04 million man-hours.

### Financial Progress

As it is nearing completion the project is gaining momentum with firm financial commitments having increased to over ₹ 8411.04 crore and financial progress of 72.77% being achieved till the end of the financial year under review.

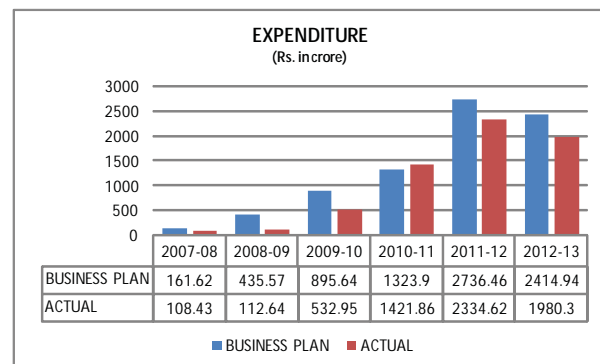
The total expenditure incurred during the year was ₹ 1980.30 crore out of a cumulative expenditure of ₹ 6490.81 crore. The authorized share capital of your Company is ₹ 2000 crore and the paid up capital has gone up to ₹ 1057.95 crore. During the year, Capital Subsidy amounting to ₹ 1568.57 crore, has been received from the Department of Chemicals and Fertilizers, Government of India including interest income



(net of taxes) from parking of surplus Capital Subsidy of ₹ 16.57 crore, which has been added to Capital Subsidy for the period 2012-13.

Till the end of the year a total amount of ₹ 3713.70 crore has been received as Capital Subsidy from the Government of India. Out of this, the unutilized Capital Subsidy is ₹ 59 crore. Secured loans of ₹ 500 crore were also drawn during the year from OIDB and OIL and the total secured loans as on 31.03.2013 was ₹ 1477 crore.

### Business Plan 2012-13



The Business Plan for the year was ₹ 2414.94 crore, against which the actual expenditure was ₹ 1980.30 crore. The major expenditure heads of the capex include Plant & Machinery (₹ 1454.89 crore), Engineering Cost (₹ 67.11 crore), site related facilities (₹ 212.24 crore), financing charges (₹ 108.55 crore) infrastructure cost to OIL & ONGC (₹ 71.96 crore).

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

As your Company is still in the project execution stage, there are as yet no cases for disclosure with regard to conservation of energy and technology absorption and foreign exchange earnings as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.



However, the total foreign exchange expenditure on account of import of technical knowhow, indigenous contracts and supplies to the tune of ₹ 481.30 crores has been incurred during the year under review.

### Particulars of Employees

None of the employees are drawing the remuneration specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2013.



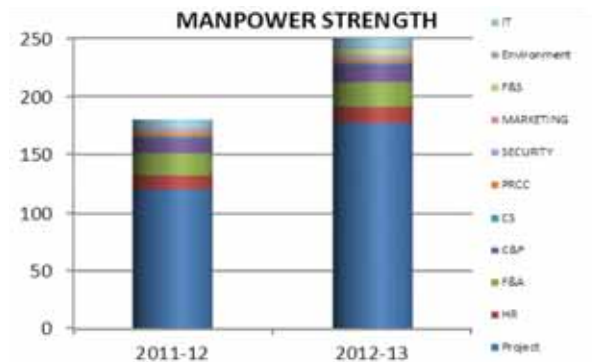
Shri B C Tripathi, Chairman with Shri S I Hussain, Commissioner, Upper Assam, Shri P N Prasad, Managing Director, Shri S Venkatraman, Director and others at the 6th BCPL Day celebrations.

### Human Resource

Your company recognizes the importance of its human capital as the most competitive resource available to the organization today particularly in the face of shifting workforce demographics and rapid changes in technology. To attract, retain and develop employees from diverse backgrounds having varied capabilities and to inculcate in them a sense of responsibility and urgency to achieve the set goals which are in line with the organization's objectives, remains the key focus of the HR Department. In the present knowledge era which is synonymous with change and unpredictability, it is the constant endeavour of your company to keep the employees motivated and build a feeling of employee ownership towards the organization. The reward for these efforts has been the admirable spirit exhibited by the

employees towards achieving speedy execution of the project.

The manpower strength of company as on 31st



March, 2013 was 205 out of which 65% are from the North East Region. In addition 45 executives are on secondment/deputation from the promoter companies. The total work force in your company will be 620 (426 executives + 194 non-executives) considering the commissioning and subsequent operation & maintenance of the plant. Press advertisements for recruitment of 130 executives and 93 non-executives have already been issued and applications received are under scrutiny and short listing stage.

Simultaneously, recruitment is also going on very fast. Adequate representation is being given to female employees and minorities who account for more than 17 % and 6% respectively of the total employee strength. Priority is also being given to engage local labour for skilled/semi-skilled/unskilled works through contractors working at site.

### Industrial Relations

At present around 6000 contract labourers are engaged at the project site at Lepetkata. Though there were some labour issues in the recent past, with quick intervention of the management these were resolved promptly in close coordination with the officials of labour authorities. A Memorandum



### *Republic Day Celebrations, 2013*



*Ladies participating in a race*



*Friendly match between BCPL and CISF*

of Settlement has also been signed between all major contractors and representatives of labourers in the presence of a Conciliation Officer to remove all the anomalies with respect to various benefits of contract labourers engaged at work site.

Your Company has also constituted a Public Grievance Redressal Cell (PGRC) for redressing the grievances of contract labourers working at the project site. So far PGRC has received over 100 complaints and resolved all of them amicably.

#### *Changes in the Board of Directors*

During the year under review, the following changes occurred in the Board of Directors:

(i) Shri R T Jindal, Principal Secretary to the Government of Assam, Industries & Commerce Department, nominated by GoA as a Director of the company was appointed w.e.f. 22.05.2012 in place of Shri Jatinderbir Singh.

(ii) Shri Rakesh Kumar resigned from the position of Director (Finance) and ceased to be a Director w.e.f. 22.05.2012.

(iii) Shri Gautam Barua, Director, IIT, Guwahati was appointed as an Independent Director of the company w.e.f. 27.08.2012.

(v) Mrs. Sushma Taishete, Director, Ministry of Petroleum & Natural Gas (MoP&NG) nominated

by MoP&NG was appointed as a Director of the company w.e.f. 20.12.2012 in place of Dr Neeraj Mittal.

#### *Corporate Social Responsibility*

As an offspring of the historical Assam Accord signed in 1985 with the objective of overall socio-economic development of the region, your Company has been aware of its social obligations since inception. A conscious decision was hence taken to initiate CSR activities right from the project implementation stage, with the idea of developing the surrounding areas and to create awareness about the objective of setting up the Assam Gas Cracker Project.

The CSR initiatives for 2012-13 have been identified and taken up in consultation with local District Authorities. An internal committee reviews and recommends the proposals for implementation.

**The following CSR initiatives have been undertaken for 2012-13 :**

1. Construction of Part II of 2.30 km road for Kakoti Gaon, Dibrugarh. Part I of the road was constructed under CSR 2011-12.
2. Construction of two rooms at the Urban Dispensary, Dibrugarh.



*Graveyard, Dibrugarh renovated as part of CSR*

3. Renovation of the historical graveyard, Dibrugarh.
4. Construction of two additional classrooms for Weaving Centre and earth filling at Moran Blind School, Dibrugarh.
5. Augmentation of existing 11/0.43KV/100KVA Sub- Station to 250 KVA at Lepetkata Bongali Gaon, Dibrugarh.
6. Providing three computers and other

infrastructural development at Doomurdolong Tea Estate, Sivasagar.

#### *Sustainable Development*

As per the Memorandum of Understanding signed with the Ministry of Chemicals and Fertilizers (MoC&F) for the year 2012-13, your Company has undertaken and completed development of a Green Belt by planting 1000 trees around the plant with a total expenditure of ₹ 2,21,596. Your Company is committed to proper disposal of construction and other wastes in line with various statutory requirements, in an environment friendly manner.

#### *Right to Information Act, 2005*

The Company adheres to Government instructions issued in pursuance of the Right to Information Act, 2005, and has designated a Central Public Information Officer and First Appellate Authority under the Act. During the year, 22 queries were received and replies were given within the stipulated time.

#### *Statutory Auditors' Report*

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



*Inauguration of the canteen building by Shri B C Tripathi, Chairman*





### *Comments of Comptroller & Auditor General (C&AG) of India*

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2013 under Section 619(4) of the Companies Act, 1956. The comments of the C&AG on the Annual Accounts of the Company for the year under review are also annexed hereto.

### *Management Discussion & Analysis*

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

### *Corporate Governance*

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

### *Responsibility Statement of the Board of Directors*

As required by Section 217(2AA) of the Companies Act, 1956 your Directors affirm that to the best of their knowledge and explanation:

(i) In preparing the annual accounts, the applicable accounting standards have been followed and there is no material departure from the Accounting Standards.

(ii) The Accounting Policies adopted have been consistently applied and, wherever necessary, made judgments and estimates, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) The annual accounts have been prepared on a 'going concern' basis.

### *Acknowledgement*

Your Directors remain grateful to the Ministry of Chemicals and Fertilizers, the Ministry of Petroleum and Natural Gas and the Ministry of Environment and Forests for their guidance and support. Your Directors also express gratitude for the continued patronage from the promoters, GAIL, OIL, NRL and Government of Assam and likewise from the lenders, Oil Industry Development Board, Punjab National Bank, Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Corporation Bank, State Bank of Travancore and Jammu & Kashmir Bank. Your Directors are thankful to the entire team of EIL, the bankers, consultants, suppliers and the various intermediaries for their continued cooperation in expediting the project development process. Your Directors express appreciation of the advice and co-operation extended by the Internal Auditors, the Statutory Auditors and the officials of the Comptroller & Auditor General of India. Your Directors also acknowledge the dedicated efforts of the employees towards speedy execution of the project and building a fully functional organization, despite the difficulties associated with a greenfield project.

Sd/-

Dated: 24<sup>th</sup> June 2013

Place: New Delhi

(B C Tripathi)

Chairman

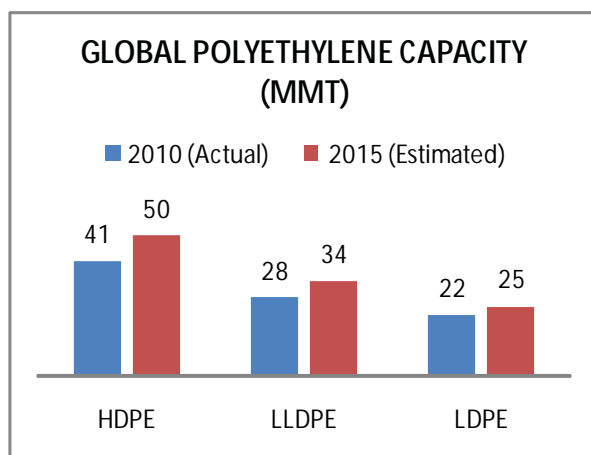


## Management Discussion and Analysis Report

### Industry Structure and Developments

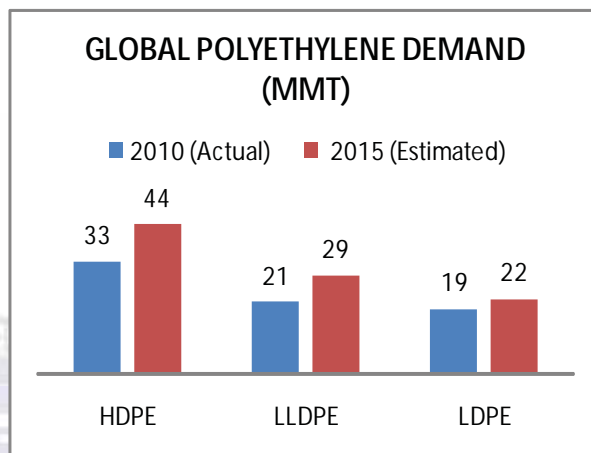
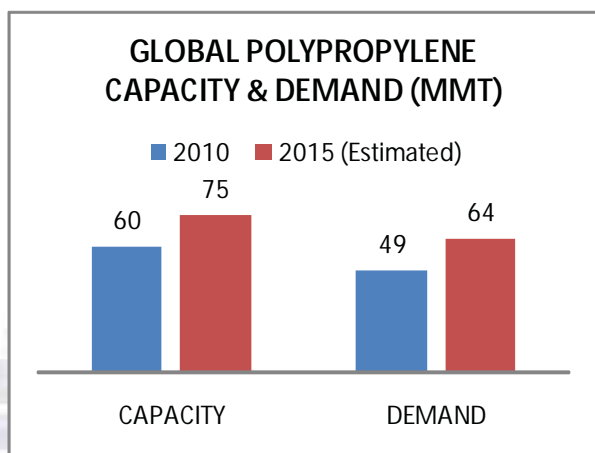
Comprising mainly of synthetic fibres, polymers, synthetic detergent intermediaries, elastomers and performance plastics, the petrochemical industry yields products which pervade the entire range of items of daily use, be it packaging, apparel, housing, construction, automobiles, electronic goods, toys, household items, furniture, horticulture or medical appliances, to name a few. The petrochemical industry has been one of the fastest growing industries in the country. However, its largest contribution would be in agriculture and food industry during production, handling and in distribution. Amongst the major petrochemicals, performance plastics and polymers have witnessed the highest growth and the production of polymers account for more than 60% of the total production of major petrochemicals.

Though the Indian petrochemical industry could not escape the ravages of the global meltdown in the recent past, trends in production of petrochemicals



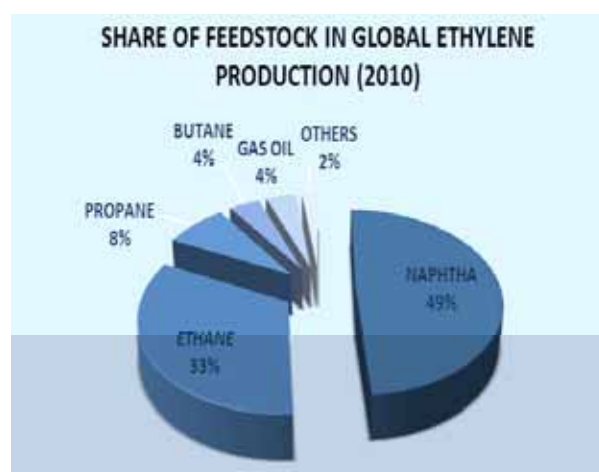
are expected to improve. The major plastic materials like PE and PP are derived from the olefins, Ethylene and Propylene, which constitute the two major building blocks or monomers with almost 70% share in the global basic petrochemicals market.

The polymers Polypropylene (PP), Linear Low Density Polyethylene (LLDPE) and High Density Polyethylene (HDPE), the primary products of the company are essentially used in the manufacture of plastic products. Global demand of plastics has





risen to nearly 199 million tonnes with commodity plastics like Polyethylene (PE), Polypropylene (PP), Polyvinyl Chloride (PVC) and Styrenics being the major contributors. Polyethylene is the largest volume polymer used by the industry while Polypropylene today is the second largest and fastest growing plastic. Technology innovations and the availability of lower cost raw material have played a part in shaping the industry. Natural gas and naphtha are the main sources of feedstock for this industry.



In the global scenario, Ethane, LPG and methanol-to-olefins are fast emerging as alternative feedstock in the production of Ethylene, particularly in the Middle East and North America due to their availability at cost effective prices. India has three naphtha-based and three gas-based cracker units with a combined capacity of 2.9 million MT per

annum. Four new cracker units including the company's own are expected to start up by 2015.

Petrochemicals offer one of the highest value additions in the manufacturing sector, playing an important role in the economic growth. As an “enabler” industry, it provides critical inputs which enable other sectors to grow. It also provides a vital link between natural resources and value-added products. Increased consumption of petrochemicals is a strong indication of economic growth as demand in petrochemicals is in essence, a derived demand dependent on the overall growth of the economy and its constituent sectors.

The Indian market in petrochemicals is driven by the international demand-supply forces and the country ranks fifth in the world as a consumer of polymers after China, USA, Japan and Germany. However, with an estimated per capita consumption of 7 kg as opposed to the global average of 25 kg, the country's contribution is not very large by global standards

Despite being capital and technology intensive, the downstream sector in this industry provides huge opportunities for large scale employment. The downstream plastic processing is the largest employer with over 3.53 million people deriving their livelihood from this sector.

### Polymers Demand Supply Gap In India (Kta)

Products	Demand		Capacity		Gap	
	2011-12	2016-17	2011-12	2016-17	2011-12	2016-17
LDPE	405	597	205	605	- 200	8
LLDPE	1198	2076	835	1960	-363	-116
HDPE	1657	2573	1825	3090	168	517
PP	2993	5015	4140	4715	1147	-300
PVC	2087	3102	1330	1635	-757	-1467
PS + EPS	340	638	640	666	300	28



Recovering gradually from the effects of the economic slowdown, sporadic new investments in different petrochemical segments in India have begun and market sentiments have improved over the recent past. Some of the planned projects including the IOCL petrochemicals complex and expansion projects by GAIL and HPL have materialized, while other greenfield projects are being pursued. Adequate government support would however be required to tap the actual potential in the domestic petrochemicals sectors.

### *Strengths and Weaknesses*

Emergence of new technologies and alternative raw materials in the production of basic petrochemicals present opportunities for some and a threat for others. Adoption of state of the art dual feed technology is a major plus in the project considering that Natural Gas fractions C2/C3 are not freely tradable. This technology provides an option for replacing Naphtha with Natural Gas as feedstock without resorting to changes, thereby reducing dependence on a single feedstock. Feedstock will not be a constraint and there is sufficient domestic demand.

Having been conceived as part of the Assam Accord, this prestigious project enjoys strong support both from Government of India as well as Government of Assam, which has been instrumental in driving it forward to its present stage.

A strong plus for this project is the unstinted support from its promoters who have wide experience and expertise in the hydrocarbon sector. At every stage since its inception, the promoters have been supplementing the manpower requirement by providing personnel having requisite expertise in construction, commissioning, operation and maintenance of petrochemical and gas processing units, on secondment/deputation basis. The

wide and varied experience of EIL, the Project Management Consultants has also been a major support in the erection and construction activities.

Considering the vital role played by Marketing in the success of any industry, your company is fortunate to have a marketing tie-up with GAIL, its holding company which has been in the field of petrochemicals for more than a decade. Feedstock tie-ups with OIL, NRL as well as ONGC mitigate worries concerning adequate availability. Further, there is ample potential for development of downstream projects in the entire northeastern region including the state of Assam and Government of Assam is extending full support in this respect. A Plastic Park is being set up in Tinsukia by the Government of Assam towards this end. Market prospects in neighbouring countries including Myanmar and Bangladesh are also considered to be bright.

Once the project is commissioned and downstream plastic industries emerge, use of wood in the region is expected to be replaced by plastics in the furniture and construction sectors. This would have far reaching consequences in arresting the rapid depletion of forests in the northeastern region, one of the toughest challenges. Benefits would accrue both to the national economy as well as the consumers.

Being highly capital intensive, one of the inherent weaknesses of the project is its high capital cost and reliance on capital and feedstock subsidies. The possibility of withdrawal of government support in these matters in the future could be a cause for concern.

A fundamental constituent of the supportive framework required for enabling rapid growth and expansion to cater to both domestic and overseas demand is the rolling out of adequate physical



infrastructure. The twin factors of location and inadequate infrastructure in the region pose a logistical drawback both in terms of transporting equipment to the project site and in future, the despatch of material from the plant. Its location has also been a deterrent in attracting and retaining experienced manpower. However, with the introduction of better facilities and benefits, the prospects are now looking up. Non-availability of quality power and high cost of energy also remain areas of concern.

### *Opportunities and Threats*

Demand for Plastics, which find use in all the major sectors, is perceived as an indicator of industrial growth. With the per capita plastic consumption in India still remaining at an estimated 7.0 Kg as compared to 109 Kg in US, 32 Kg in Brazil and 29 Kg in China, there is huge potential for future growth. The domestic market for end products is also growing rapidly. Varied factors including favourable demographics, rising disposable income, development of rural marketing, growth of organized retailing, development in agriculture, automobile, telecommunication and health care herald immense promise for future growth in the sector. With one of the lowest per capita consumption of polymers and plastics in India, the northeastern region offers a huge advantage to your company in the absence of any major competitor in the region. Downstream industries are expected to emerge. There is an ever growing demand for polymer products especially Polypropylene in this region.

The northeastern region also provides an opportunity in the form of large availability of relatively cheap labour as compared to other developed economies of the world, which in turn improves the prospects for expanding capacities.

Increased economic activity reflected by a burgeoning GDP augurs well for the petrochemicals

industry as demand in the sector bears a direct relation with economic growth in other sectors.

The biggest component of cost of production is that of feedstock. High feedstock cost in India as compared to the middle-east where the cost is only a fraction of that in India, places our producers at a competitive disadvantage. Cost competitiveness is imperative for survival against cheaper imports under the open market regime as dumping of cheaper products by low cost producers is a cause for concern in this sector.

The availability of technically skilled and experienced manpower particularly in the region is limited. However, in this respect your company is fortunate to have the continued support of its promoters.

Conservation of environment is today a matter gaining widespread attention. Plastics, its use and disposal, are perceived as threats to the environment and this negative perception comprises a threat to the industry. However, developments in the field of biodegradable and photodegradable plastic, improvement in quality of products with reduced negative impact on environment negate this threat perception to a great extent. Replacement of wood used in furniture and construction, with plastic materials is in fact a bonus for the environment in terms of conservation of the fast depleting forest resources, a major challenge in the country.

Despite growing demand, the effects of high inflationary pressures on the rate of growth in domestic demand cannot be ignored. Volatility in prices is a norm in the petrochemical industry which passes through 6 to 8 year cycles of peaks and lows. Possible tariff concessions on polymers to Gulf Cooperation Council (GCC) countries under a free trade agreement with India for boosting trade may distort the tariff structure and result in duty



inversions with the effective duty on end products becoming lower than that on feedstock Naptha.

### *Segment wise or Product wise Performance*

The company is still in the project execution stage.

### *Outlook*

The demand for building blocks is based on projected downstream capacities for polymers, synthetic rubber etc. New capacities are being planned and requirement of building blocks are expected to grow from 6.4 MMT to 13.5 MMT over the next five years. During the 11th plan period, commodity polymers grew at 11.9% (CAGR) while capacity creation grew by 10.8%. India was fortunate enough to recover quickly from the impact of global recession as the industry was dependent on domestic consumption with a good demand. This demand is expected to remain robust in the coming years. Commodity plastics are enjoying a rate of growth above GDP and this is expected to continue in the 12th plan period with all polymers expected to grow at approximately 10% CAGR. Substantial increase in capacities of LDPE, LLDPE, HDPE are expected along with small increase in capacities of PP and PVC.

However, today India is to a great extent self-sufficient in petrochemicals. The impetus needs to shift towards export oriented petrochemical capacities. Despite being one of the fastest growing industries in the country, an adverse investment climate including low import duties on petrochemical products, infrastructure bottlenecks, high energy cost coupled with high internal transaction costs, and the establishment of more economic capacities in the Middle East backed by easy availability of subsidized feedstock, is resulting in waning of interest in this sector.

Though the government has identified the petrochemical industry as one of the key drivers to GDP growth, realization of the growth potential is possible only with a supportive policy regime and a facilitative business environment.

Despite being adversely affected by the aggressive reduction in import tariff post liberalization, the polymer producers in India have now adjusted to the low tariff regime and become globally competitive. The domestic consumption in India has also witnessed a healthy growth due to the lower prices.

As far as your Company is concerned, all efforts are being made to achieve mechanical completion by July, 2013 and commissioning by December, 2013.

### *Risks and Concerns*

A major concern for all the stakeholders has been delayed in scheduled project implementation and resultant cost escalation. Earnest and unrelenting efforts are however being directed towards completion of the project as per revised schedule. Project progress has improved in the recent past and the overall physical progress was 91% as on 31st March, 2013.

Despite firm arrangements having been ensured by the Government of India for feedstock availability for 15 years of plant operation, the long term availability, particularly of Natural Gas remains a concern. Future feedstock pricing is another uncertain area as prices would be reviewed every five years from the date of production. There has already been a substantial increase in prices of feedstock since the time of approval of the project. High crude oil prices may be disadvantageous to Naptha as a feedstock. Further, the odds of cessation of government support in the form of subsidies in the future are high.



Low levels of private investments in the northeastern region which has special challenges due to the perception of limited opportunity and difficult logistics and access could be an area for concern so far as emergence of downstream industries is concerned. The State Government's efforts in setting up a Plastic Park at Tinsukia are however expected to provide an incentive for entrepreneurs in this regard. The need of the hour is to develop policies which would strengthen mutual dependence with the neighbouring economies, particularly Bangladesh and Myanmar, in order to boost enterprise in the region.

Being in the construction phase the company is not yet exposed to operational risks. However, efforts have already been initiated for risk management with a policy towards that end already in place to identify and mitigate construction phase, financial, operational and other risks. The Company's legal compliances are reviewed by the Board of Directors periodically.

#### *Internal Control Systems and their adequacy*

Your Company exercises due care to ensure that there are sufficient internal controls for safeguarding its assets and protecting them against loss from unauthorized use or disposition. Care is also taken to ensure reliable financial reporting and compliance with applicable laws and regulations. Being in its nascent stage, the company is gradually introducing its own systems and policies and in areas where its own policies are not yet defined, those of its holding company are being followed. A risk management policy is already in place. Quarterly internal audit is being conducted by the Internal Auditors, M/s Deloitte Haskins & Sells.

There is continuous monitoring and review of the Company's progress and activities by the holding company, GAIL and also by the State and Central Government authorities at the highest level.

#### *Financial Performance with respect to Operational Performance*

The Company is yet to begin commercial operations.

#### *Material Developments in Human Resources, Industrial Relations Front including number of people employed*

Your Company is committed to recruit quality personnel and driving employee performance, accomplishment and continuous improvement by adhering to an effective recruitment policy and training programmes aimed at developing core competencies, all the time maintaining a balance between strategic goals of the individual and the organization. Recognizing the critical importance of its human resources to the organization's success, due care is taken to keep them motivated to contribute their fullest for the development of the Company which is still in its nascent stage.

During the year under review, there have been some commendable developments on the HR front including constitution of the company's own Provident Fund Trust & a Staff Welfare Committee, finalization of posts and pay scales of non-executives. The Career Advancement (Promotion) Scheme, the Performance Management System and



*Fire drill during observance of National Fire Safety Week.*



a mechanism for redressal of complaints regarding sexual harassment of women employees, have also been introduced.

While steadily increasing its own human capital base adequate care has been taken to ensure major representation of the locals. Most of the skilled / semi-skilled / unskilled workers engaged in the construction work are from the northeast. The human strength of the company as on 31st March, 2013 was 250, out of which 45 are on secondment from GAIL and 205 are the company's regular employees.

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

Your Company is keenly aware of its responsibilities towards the environment. Pollution control and other environment protection norms are being complied with. The project includes an effluent treatment plant for proper effluent discharge within the limit prescribed by the authorities. Obtaining clearance from the Pollution Control Board, Assam for setting up a railway siding facility

for transportation of Naphtha to the project site has been a major achievement during the year. Once the project begins operations, the aspects of conservation of technology and foreign exchange and the development of renewable energy will gain significance.

*Corporate Social Responsibility*

CSR initiatives have been undertaken to contribute to the society in the areas of health care, hygiene, education, infrastructure development & environment, to the extent possible in the project implementation phase.

*Data Source : Report of Sub-group on Chemicals & Petrochemicals, for the 12th Five year Plan, Government of India.*

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

*Training Programmes*



*Reservation Roster*



*Stress Management*





## Report on Corporate Governance

### *Company's Philosophy*

The Company strongly believes that the adoption of effective and transparent corporate governance practices is crucial to foster confidence of the stakeholders and the public and for sustained development of the Company.

The Board of Directors is committed to establishing practices that ensure the conduct of business with transparency, integrity and accountability. It shall be the constant endeavour of the management to inculcate from the beginning, a culture of ethical and honest conduct.

### *Board of Directors*

As on 31st March, 2013, the Board of Directors of your Company consisted of thirteen Directors including an ex-officio Chairman nominated by GAIL, two Government Nominees (representing MoC&F and MoP&NG), two Non Official Part time Directors and the Managing Director. The Nominee Directors are appointed in accordance with the Joint Venture Agreement and the Articles of Association of the Company. The position of Director (Finance) has been vacant since 22.05.2013 with the resignation of Shri Rakesh Kumar and an order for appointment of Shri O. P. Tailor has since been issued by the administrative ministry, MoC&F.

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

Sl. No.	Name of the Director	Designation	No. of Directorships/ Chairmanship in other companies #		No. of Committee* Memberships / Chairmanship in other companies#		No of Board Meetings attended	Attendance in last AGM
			Chairman	Director	Chairman	Member		
<b>Functional Directors</b>								
1	<b>Shri P N Prasad</b>	Managing Director	-	-	-	-	4	Yes
2	<b>Shri Rakesh Kumar</b> (up to 21.05.2012)	Director (Finance)	-	-	-	-	1	No
<b>Promoter Directors</b>								
3	<b>Shri B.C. Tripathi</b> Chairman & Managing Director GAIL (India) Ltd.	Chairman	3	1	-	1	3	No
4	<b>Shri R. K. Dutta</b> Advisor Government of Assam	Director	-	2	-	-	4	Yes



5	<b>Shri Jatinderbir Singh</b> Principal Secretary to the Government of Assam, Industries & Commerce Department (Up to 21.05.2012)	Director	2	8	-	-	-	No
	<b>Shri R T Jindal</b> Principal Secretary to the Government of Assam, Industries & Commerce Department (w.e.f. 22.05.2012)	Director	2	9	-	-	2	No
6	<b>Shri Dipak Chakravarty</b> Managing Director Numaligarh Refinery Ltd.	Director	-	1	-	-	2	No
7	<b>Shri T.K. Ananth Kumar</b> Director (Finance) Oil India Limited	Director	-	1	-	-	2	Yes
8	<b>Shri S L Raina</b> Director (HR) GAIL (India) Ltd. (Up to 31.05.2013)	Director	-	3	-	3	4	Yes
9	<b>Shri S Venkatraman</b> Director (BD) GAIL (India) Ltd.	Director	3	5	-	1	4	Yes
10	<b>Shri P K Jain</b> Director (Finance) GAIL (India) Ltd.	Director	-	5	1	-	4	Yes
<b>Government Directors</b>								
11	<b>Ms Neel Kamal Darbari</b> Joint Secretary, Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals	Director	-	-	-	-	2	No
12	<b>Dr. Neeraj Mittal</b> Joint Secretary Ministry of Petroleum & Natural Gas (Up to 19.12.2012)	Director	-	1	-	-	-	No
	<b>Mrs. Sushma Taishete</b> Director Ministry of Petroleum & Natural Gas (w.e.f. 20.12.2012)	Director	-	-	-	-	-	No
<b>Independent Director</b>								
13	<b>Shri Prafulla Chandra Sharma</b>	Director	-	2	-	2	2	Yes
14	<b>Shri Gautam Barua</b> (w.e.f. 27.08.2012)	Director	-	1	-	1	2	No
(*) Committee positions refer only to Audit Committee and Shareholders' Grievance Committee. (#) Other company means public companies only.								

### Details of Board Meetings held during the year 2012-13.

Four meetings of the Board of Directors were held during the year.

No. of the Board Meeting	Date	Board Strength	No. of Directors present
36th	15.05.2012	13	8
37th	27.08.2012	13	8
38th	21.11.2012	13	10
39th	27.02.2013	13	10



### *Profile of Directors being appointed / reappointed*

**Shri B C Tripathi**, Chairman, retires by rotation at the ensuing annual general meeting pursuant to section 256 of the Companies Act, 1956 and being eligible offers himself for reappointment. Shri Tripathi was appointed as an Ex-officio Chairman of Brahma Putra Cracker and Polymer Limited (BCPL) w.e.f. 01.08.2009. He has taken over as Chairman and Managing Director of GAIL (India) Limited, before which he worked as Director (Marketing), GAIL. Shri Tripathi is a Mechanical Engineer with over 27 years' of experience in the Gas Sector. He has rich experience in the entire major operational and core areas namely, project management, pipeline construction, gas transmission, operations and maintenance and marketing. He has a keen interest in CSR, sports and culture.

**Shri R K Dutta**, Director, retires by rotation at the ensuing annual general meeting pursuant to section 256 of the Companies Act, 1956 and being eligible, offers himself for reappointment. Shri R K Dutta, Advisor (cabinet rank) to the Government of Assam on the Assam Gas Cracker Project (BCPL) has been one of the first Directors on the Board of Directors of BCPL w.e.f. 08.01.2007. Shri Dutta holds a Bachelor's degree in History from St. Stephen's College, New Delhi and a post graduate diploma in Marketing from the Faculty of Management Studies, Delhi University. With over 43 years of rich experience in petroleum industry, he has also served as first Managing Director of Numaligarh Refinery Limited and Chairman & Managing Director of Oil India Limited.

**Shri Dipak Chakravarty**, Director, retires by rotation at the ensuing annual general meeting pursuant to section 256 of the Companies Act, 1956 and being eligible offers himself for reappointment. Shri Chakravarty was appointed as a Director of Brahma Putra Cracker and Polymer Limited (BCPL) w.e.f. 01.04.2011. He has taken over as Managing Director of Numaligarh Refinery Limited (N R L) w.e.f. 01.04.2011, before which he worked as Director (Technical) of the company since 04.08.2006. Shri Chakravarty is a graduate in Chemical Engineering from Assam Engineering College, Guwahati and is an MS in Chemical Engineering from North Western University, Evanston, USA. He has wide experience in refinery management including projects, planning, production, process and operations.

**Shri P K Jain**, Director, retires by rotation at the ensuing annual general meeting pursuant to section 256 of the Companies Act, 1956 and being eligible offers himself for reappointment. Shri Jain, was appointed a Director of Brahma Putra Cracker and Polymer Limited (BCPL) w.e.f. 07.03.2011. He is the Director (Finance), GAIL (India) Limited before which he worked as Executive Director (Internal Audit) of the company. He is a Chartered Accountant and an MBA in finance from University of HULL, United Kingdom. With over 33 years of experience in Finance & Accounts, Shri P K Jain has wide exposure and expertise in the area of financial and treasury management and was involved in restructuring loan portfolio, raising funds at competitive rates through various sources including bonds (domestic/international), ECB, ECA, Term Loans to have the optimal cost of capital. He also has rich experience in the areas of project evaluation, financial appraisal of projects and headed the finance team during execution of major projects of GAIL like pipelines, petrochemicals, E&P, Pricing, Tariff Determination, Risk Management and Internal Audit.

**Mrs. Sushma Taishete**, Director was appointed as an Additional Director w.e.f. 20.12.2012. Mrs. Taishete,



a 1989 batch Civil Service officer, holds an M. Sc degree in Microbiology from Haffkine Institute, Mumbai and a Diploma in Clinical Analysis from Sophia College, Mumbai. During her career spanning over two decades, she has served in various departments/offices of the centre at Ministry of Defence and Ministry of Health & Family Welfare including on foreign deputation at National Health Systems Resource Centre (NHSRC). She has been associated with various organizations including as Member of Umashankar Committee (1999) formed to look into Village Health Guide Scheme, Member of National Support and Monitoring Cell (PNDT), Member of Task Force Committee (NRHM) and Nodal Officer for Kerala, Maharashtra and Jammu & Kashmir under NRHM. She has also written a number of articles, particularly on the girl child. She is presently serving as Director (Marketing and Gas Projects), in the Ministry of Petroleum and Natural Gas.

### *Audit Committee*

The Audit Committee presently comprises of three members and Shri P C Sharma, a Non-official (Independent) Director is the Chairman thereof. Shri T K Ananth Kumar, Director along with the Managing Director and the Director (Finance) are Permanent Invitees to the Audit Committee. The terms of reference for the Audit Committee have been framed in line with the DPE Guidelines on Corporate Governance.

Four meetings of the Committee were held during the year under review on 11.05.2012, 26.07.2012, 15.10.2012 and 06.02.2013 and the details of attendance by the members during 2012-13 are given below:

Name of Directors	No of meetings attended
Shri P C Sharma, Chairman	4
Shri R K Dutta, Member (up to 26.08.2012)	2
Shri Dipak Chakravarty, Member (up to 26.08.2012)	-
Shri T K Ananth Kumar, Member (up to 26.08.2012)	1
Shri P K Jain, Member	4
Shri Gautam Barua, Member (w.e.f. 27.08.2012)	2

### *Other Committees*

The Remuneration & HR Committee, headed by a Non-official (Independent) Director comprises of the following three members all of whom are non-executive Directors:

Shri P C Sharma, Director	: Chairman
Shri T K Ananth Kumar, Director	: Member
Shri S L Raina, Director (up to 31.05.2013)	: Member



The Managing Director is a Permanent Invitee to the Committee.

During the year under review four meetings of the Committee were held on 03.05.2012, 07.08.2012, 27.08.2012 and 13.12.2012. The Committee recommends the perquisites, facilities and other benefits of the employees for consideration of the Board. It also reviews and recommends the formulation of HR policy in the company.

An empowered **Committee of the Board on Contracts and Procurement** is also in place for expeditious clearance of approvals for the project.

**A Committee on Sustainable Development**, headed by a Non-official (Independent) Director has also been duly constituted as per requirement of the DPE Guidelines on Sustainable Development, to recommend the plans and policy of the company and to oversee the performance in respect of sustainable development.

### *Remuneration to Directors*

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

The details of remuneration paid to the Whole-time Directors of the Company during the financial year 2012-13 are as below:

Name	Salary & Allowances (₹)	Contribution to PF, Gratuity and Other Funds (₹)	Other Benefits and Perquisites (₹)	Performance Linked Incentives (₹)	Total (₹)
Shri P N Prasad (Managing Director)	22,72,767	1,96,844	4,09,033	--	28,78,644
Shri Rakesh Kumar Director (Finance) (Up to 21.05.2012)	2,77,411	23,652	49,133	--	3,50,196

The Part-time Non-official Directors are not being paid any remuneration other than sitting fee which amounted to ₹ 1,70,000/- to Shri P C Sharma and ₹ 90,000/- to Shri Gautam Barua during the year. The Nominee Directors do not receive any pecuniary benefits including sitting fee from the company.



### General Meetings

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

No. of the AGM	Date	Time	Venue	Any Special Resolution Passed
3 <sup>rd</sup>	17.07.2010	11.00 a.m.	Hotel Brahma Putra Ashok, M.G. Road, Guwahati	Yes (Authorization for further issue of shares pursuant to Section 81)
4 <sup>th</sup>	29.07.2011	4.00 p.m.	Hotel Brahma Putra Ashok, M.G. Road, Guwahati	None
5 <sup>th</sup>	27.08.2012	12.00 noon	Hotel Brahma Putra Ashok, M.G. Road, Guwahati	Yes (Authorization for further issue of shares pursuant to Section 81)

### 6<sup>th</sup> Annual General Meeting

Date : 29.08.2013

Time : 3:00 p.m.

Venue : Registered Office

Hotel Brahma Putra Ashok

M G Road, Guwahati 781001



5<sup>th</sup> Annual General Meeting in progress

### Disclosures

- (i) The related party transactions are disclosed in the notes to accounts forming part of the annual report.
- (ii) The Company has complied with the requirements of the DPE Guidelines on Corporate Governance, save and except the composition of the Board with respect to number of Nominee Directors and



Independent Directors. The Board has requested for a special dispensation from the Government of India regarding reduction in the number of Nominee Directors appointed as per JV Agreement, as the Company is still in the project implementation stage. A second Independent Director was appointed by the Government of India during the year under review.

- (iii) The Company has a Whistle Blower Mechanism as per which the Public Interest Disclosure and Protection of Informer (PIDPI) Resolution No 89 of Government of India is being followed.
- (iv) A mechanism for Risk Management has been put in place to identify and mitigate construction phase, financial, operational and other risks.

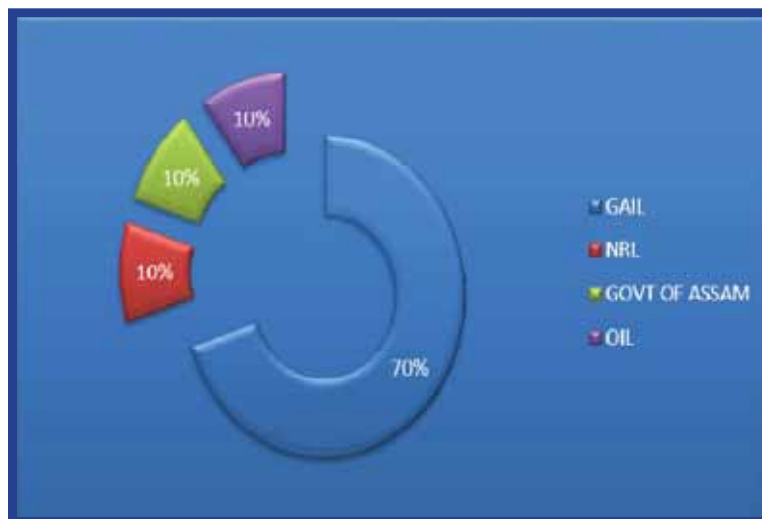
### *Audit Qualifications*

For the 6th successive year there is no audit qualification in the report of the Statutory Auditors on the accounts of the Company for the year ended 31st March 2013.

### *Means of Communication*

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

### *Shareholding Pattern*



### *Corporate Governance Compliance Certificate*

A certificate from a Company Secretary in practice regarding compliance of conditions of corporate governance during 2012-13, as per clause 8.2.1 of the DPE Guidelines is annexed.

### *Secretarial Audit Report*

The Company has voluntarily carried out Secretarial Audit for the year under review and the report on the same is annexed.



### *Code of Conduct*

The Company has a Code of Conduct for the Board members and the senior management personnel and all the members of the Board and the senior management personnel have affirmed compliance of the Code of Conduct for the financial year ended on March 31, 2013.

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## DECLARATION

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

*Sd/-*

(P N Prasad)

Managing Director

Brahmaputra Cracker and Polymer Ltd.

### *Visiting site*



*Shri Indrajit Pal, IAS, Secretary, MoC&F seen  
with Shri S Venkatraman, Director*



*Shri Rajesh Ranjan, IPS, Chief Vigilance Officer  
with Shri P N Prasad, Managing Director*





## Secretarial Audit Report

### ***Narayan Sharma***

B. Com (Major), F.C.S.

### **Narayan Sharma & Associates**

Buildworth Building, G.S. Road

Dispur, Guwahati - 781005

Ph. : 2340687 (D), 2340353, 2340354 (Extn. 23)

Fax : 0361-2341411, Res. : 2620539

e-mail : narayan@buildworth.com

The Board of Directors

Brahmaputra Cracker and Polymer Ltd.

Hotel Brahma Putra Ashok

M.G. Road, Guwahati – 781001

We have examined the registers, records, books and papers of **Brahmaputra Cracker and Polymer Ltd.** (the Company) for the period **1st April 2012 to 31st March 2013** according to the provisions of:

The Companies Act, 1956 and the Rules made thereunder; and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 and Memorandum and Articles of Association of the Company.

1. Based on our examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company, its Company Secretary and officers, the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
  - (a) Maintenance of statutory registers and documents and making necessary entries therein;
  - (b) Filing of the requisite forms and returns with the Registrar of Companies, North Eastern Region, Shillong within the time prescribed under the Act and the rules made there under;
  - (c) Service of documents by the Company on its members, auditors and Registrar of Companies;
  - (d) Notice of Board Meetings and Committee meetings of Directors;
  - (e) Convening and holding of the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - (f) Convening and holding of the 5th Annual General Meeting on 27th August 2012;
  - (g) Minutes of proceedings of General Meeting and Meetings of Board and its committees;
  - (h) Constitution of Board of Directors and appointment, retirement and re-appointment of Directors;
  - (i) Appointment of Chairman and Managing Director, Whole Time Directors and non-executive Directors and their remuneration;
  - (j) Transfer and transmission of the Company's shares, issue and allotment of shares and issue of original and duplicate certificate of shares;



- (k) Appointment and remuneration of Auditors;
  - (l) Borrowings and registration, modification and satisfaction of charges;
  - (m) Board's Report;
  - (n) Contracts, common seal, registered office and publication of name of the Company; and
  - (o) Generally, all other applicable provisions of the Act and the rules made under the Act.
2. We further report that:
- (a) The Directors of the Company have made all the required disclosures under Section 299, 305 of the Act. However, being a Government Company provisions of section 274(I)(g) of the Act are not applicable to the Company;
  - (b) Board Members and Senior Management Personnel have affirmed compliance with the Code of conduct of the Company for the financial year ending on 31st March 2013;
  - (c) The Company has where required, obtained all the necessary approvals of Directors, Shareholders and other authorities as required under the Act;
  - (d) There was no prosecution initiated against or show cause notice received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the company during the financial year, for offence under the Act;
  - (e) The provision as to transfer of amount to unpaid dividend account, application money due for refund, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are not applicable to the company;
  - (f) The amount borrowed by the Company from public financial institutions, banks and others during the financial year ending 31st March 2013, are within the borrowing limits of the company and that the necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened Annual General Meeting;
  - (g) The Company is a non-listed Company and the provisions of the listing agreements are not applicable to the Company except and to the extent that is a subsidiary of the listed Company;
3. We further report that the Company, except for the composition of the Board with required number of Independent Directors, the maximum number of Nominee Directors to be appointed by Government/other CPSEs, has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines on Corporate Governance.

Place: Guwahati

Date: 26th April 2013

For **Narayan Sharma & Associates**

Company Secretaries

*Sd/-*

**(NARAYAN SHARMA)**

**Proprietor**

**C. P. No. 3844**



## Report on compliance of Corporate Governance

**Narayan Sharma**

B. Com (Major), F.C.S.

**Narayan Sharma & Associates**

Buildworth Building, G.S. Road

Dispur, Guwahati - 781005

Ph. : 2340687 (D), 2340353, 2340354 (Extn. 23)

Fax : 0361-2341411, Res. : 2620539

e-mail : narayan@buildworth.com

The Board of Directors  
Brahmaputra Cracker and Polymer Ltd.  
Hotel Brahmputra Ashok  
M.G. Road, Guwahati – 781001

We have examined the compliance of conditions of Corporate Governance by Brahmputra Cracker and Polymer Limited (herein referred as “the Company”) for the year ended 31st March, 2013, as stipulated in the DPE Guidelines on Corporate Governance. The Company being not a listed Company, the conditions of Corporate Governance as mentioned in clause 49 of the listing agreement are not applicable to it.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, except for the constitution of the Board with required number of Independent Directors and the maximum number of Nominee Directors to be appointed by Government/other CPSEs, has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines on Corporate Governance.

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

Place: Guwahati  
Date: 26th April 2013

For **Narayan Sharma & Associates**  
**Company Secretaries**

*Sd/-*

**(NARAYAN SHARMA)**

**Proprietor**

**C. P. No. 3844**

**Membership No. FCS 5117**



## Independent Auditor's Report

**Das & Sharma**  
**Chartered Accountants**



**Binoy Kumar Das**, FCA, DISA  
**Devajit Sharma**, FCA, DISA

To.  
The Members,  
Brahmaputra Cracker and Polymer Limited  
Guwahati, Assam

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Brahma Putra Cracker and Polymer Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these 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 Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.
- (b) In the case of the Statement of Profit and Loss, of the lack of transactions revenue in nature, given the operational status of the project, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### *Emphasis of Matter:*

1. We draw attention to Para 3(i) of Note 18 to the financial statements regarding the change in the method of depreciation. We have been informed that this change was warranted as it was desirable that the same method as was being followed by the Holding Company (GAIL) be followed by the Company. Our opinion is not qualified in respect of this matter.
2. We draw attention to Para 19 of Note 18 to the financial statements regarding

the status of claims made against the Company, and that no claim has been acknowledged there against. Our opinion is not qualified in respect of this matter.

3. We draw attention to Para 21 of Note 18 to the financial statements relating to balances of debtors and creditors being subject to confirmation. Only five confirmations out of fifty requested by the management have been received by us. Our opinion is not qualified in respect of this matter.
4. We draw attention to Para 3(ii) of Note 18 to the financial statements regarding change in the method for recognition of losses in Foreign Exchange fluctuation, and the resultant drawing up of a Profit & Loss Account where such losses have been booked. Our opinion is not qualified in respect of this matter.
5. We draw attention to Note 1(b)(iii) to the financial statements indicating the amount of unpaid calls. The amounts unpaid are not in respect of shares allotted but are amounts unpaid in respect of a Joint Venture agreement among the promoters i.e. GAIL, OIL, NRL & GoA. Our opinion is not qualified in respect of this matter

### *Report on other Legal and Regulatory requirements*

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order,") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) The provisions of clause (g) of sub section 1 of section 274 of the Companies Act, 1956, are not applicable to the Company.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company

*Other Matter:*

1. The process of obtaining land ownership documents for 131 Bighas of Land from the Government of Assam is under way pending necessary approvals from Government authorities. Possession has been obtained. Our opinion is not qualified in respect of this matter.

Place : Guwahati  
Date : 20<sup>th</sup> May, 2013

For **DAS & SHARMA**  
Chartered Accountants  
FRN : 314214E

*Sd/-*

Binoy Kumar Das  
Partner  
M No. 051898



*The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Brahma Putra Cracker and Polymer Limited on the accounts of the company for the year ended 31st March, 2013.*

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. Physical verification of finished goods, stores, raw materials and spare parts does not arise as the Company is not, at present, maintaining inventory. Stocks of construction materials are, in the main, under the custody of Engineers India Limited who have certified that the material statement maintained at BCPL was correct.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from Oil India Limited, a related Company to the extent of Rs 250 crores which was wholly outstanding as on 31 March, 2013. The Company's name is listed in the register maintained under Section 301 of the Companies Act, 1956.
5. According to the information and explanation given to us, we are of the opinion that the rate of interest and terms and conditions of the loans taken from Oil India Limited, one of the related parties, are not prejudicial to the interests of the Company.
6. Repayment of the loan is yet to commence and interest for the year was duly paid.
7. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.



8. It has been represented to us that, the Company has not made transaction with any parties whose names warrant entry into the register maintained under section 301 of the Companies Act, 1956
9. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
10. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
11. Maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956, is not applicable at present as the Company has not commenced operations, nor have such records being prescribed under the Act.
12. The Company has been regular in deposit of undisputed statutory dues, including Provident Fund, VAT, Service Tax, Customs Duty, Income-tax etc with the relevant authorities. We have been informed that no undisputed amount was payable in respect of VAT, Service Tax, Customs Duty, Income-tax and other Statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.
13. The accumulated losses of the Company at the end of the financial year are less than 50% percent of the Net Worth of the Company, and represent losses in Foreign Exchange transactions recognized in terms of AS 11, even though commercial operations have yet to commence.
14. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
15. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
16. The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
17. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
18. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
19. The Company had utilised the Term loans obtained and the loan was applied for the purpose for which it was taken.
20. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
21. Based on the audit procedures performed and the information and explanations given





to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

22. The Company has no outstanding debentures during the period under audit.
23. The Company has not raised any money by public issue during the year.

24. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place : Guwahati  
Date : 20<sup>th</sup> May, 2013

For **DAS & SHARMA**  
Chartered Accountants  
FRN : 314214E

*Sd/-*  
Binoy Kumar Das  
Partner  
M No. 051898



## Balance Sheet

as at 31st March'2013

		` in '000	
Particulars	Note No.	As at 31st March'2013	As at 31st March'2012
<b>A EQUITY AND LIABILITIES</b>		` in '000	
<b>1 Shareholders' Funds</b>			
(a) Share capital	1	10,579,503	8,615,503
(b) Reserves and surplus	2	36,927,872	21,451,288
<b>2 Share Application Money Pending Allotment</b>	3	1,046,549	2,666,099
<b>3 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	14,416,250	9,770,000
(b) Deferred tax liabilities (net)			
(c) Other long-term liabilities	5	-	3,538
(d) Long-term provisions	6	8,468	1,579
<b>4 Current Liabilities</b>			
(a) Short-term borrowings			
(b) Trade payables			
(c) Other current liabilities	7	3,976,010	3,520,613
(d) Short-term provisions	8	2,331,761	1,789,910
<b>TOTAL</b>		<b>69,286,413</b>	<b>47,818,530</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	1,634,047	1,602,532
(ii) Intangible assets	9	79,338	78,803
(iii) Capital work-in-progress	10	53,095,911	37,067,720
(vi) Fixed assets held for sale			



₹ in '000

Particulars	Note No.	As at 31st March'2013	As at 31st March'2012
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	11	11,666,960	7,045,665
(e) Other non-current assets	12	30,316	189,957
<b>2 Current Assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	13	-	-
(d) Cash and cash equivalents	14	1,656,754	1,394,486
(e) Short-term loans and advances	15	722,645	103,573
(f) Other current assets	16	400,442	335,794
<b>TOTAL</b>		<b>69,286,413</b>	<b>47,818,530</b>
<b>C Additional information</b>	18		
<b>D Significant Accounting Policies</b>	19		

*Sd/-*  
(P.N.Prasad)  
Managing Director

*Sd/-*  
(S.Venkatraman)  
Director

*Sd/-*  
(A.K.Tiwari)  
Chief Finance Officer

*Sd/-*  
(Ruli Das Sen)  
Company Secretary

As per our separate report on Even Date

For Das & Sharma  
Chartered Accountants,  
Firm No. 314214E

*Sd/-*  
(Binoy Kumar Das)  
Partner  
Mem. No. 51898

Place : New Delhi  
Date : 20.05.2013



## Profit and Loss Statement for the year ended 31<sup>st</sup> March, 2013

in '000

Particulars	Note No.	As at 31st March' 2013	As at 31st March' 2012
I. Revenue From Operations		Nil	Nil
<u>In respect of a company other than a finance company:</u>			
Sale of products			
Sale of services			
Other operating revenues			
Less:			
Excise duty			
II. Other income		Nil	Nil
III. Total Revenue (I + II)		Nil	Nil
IV. Expenses:		Nil	Nil
Cost of materials consumed			
Internally manufactured intermediates or components consumed			
Purchases of Stock-in-Trade			
Changes in inventories of finished goods,work-in-progress and Stock-in-Trade			
Employees benefits expense			
Finance costs			
Depreciation and amortization expense			
Other expenses	17	209,137	Nil
<b>Total expenses</b>		<b>209,137</b>	<b>Nil</b>
V. Profit/(Loss)before exceptional and extraordinary items and tax(III-IV)		(209,137)	Nil
VI. Exceptional items		Nil	Nil
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(209,137)	Nil
VIII. Extraordinary Items		Nil	Nil
IX. Profit/(Loss)before tax (VII- VIII)		(209,137)	Nil
X Tax expense:		Nil	Nil
(1) Current tax			
(2) Deferred tax			
XI Profit/(Loss) for the period from continuing operations (VII-VIII)		(209,137)	Nil
XII Profit/(loss) from discontinuing operations		Nil	Nil
XIII Tax expense of discontinuing operations		Nil	Nil
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		Nil	Nil
XV Profit/ (Loss) for the period (XI + XIV)		(209,137)	Nil
XVI Earnings per equity share: (in `)			
(1) Basic		(0.21)	Nil
(2) Diluted		(0.21)	Nil

Sd/-  
(P.N.Prasad)  
Managing Director

Sd/-  
(S.Venkatraman)  
Director

Sd/-  
(A.K.Tiwari)  
Chief Finance Officer

Sd/-  
(Ruli Das Sen)  
Company Secretary

As per our separate report on Even Date

For Das & Sharma  
Chartered Accountants,  
Firm No. 314214E

Sd/-  
(Binoy Kumar Das)  
Partner  
Mem. No. 51898

Place : New Delhi  
Date : 20.05.2013



## Notes forming part of the Balance Sheet

### Note:1: Share capital

Particulars	As at 31st March'2013		As at 31st March'2012	
	Number of shares	₹ in '000	Number of shares	₹ in '000
(a) Authorised Equity Shares of ₹ 10/- each	2,000,000,000	20,000,000	2,000,000,000	20,000,000
(b) Issued Equity Shares of ₹ 10/- each	1,269,000,000	12,690,000	1,269,000,000	12,690,000
(c) Subscribed and fully paid up Equity Shares of ₹ 10/- each	1,057,950,260	10,579,503	861,550,260	8,615,503
(d) Subscribed but not fully paid up Equity Shares of ₹ 10/- each	Nil	Nil	Nil	Nil
<b>Total</b>	<b>1,057,950,260</b>	<b>10,579,503</b>	<b>861,550,260</b>	<b>8,615,503</b>

### Note :1 (a):Share Capital Reconciliation

₹ in '000

Particulars								
Notes: (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes	Closing Balance
<b>Equity Shares</b>								
Year ended 31st March' 2013								
- Number of shares	861,550,260	196,400,000						1,057,950,260
- Amount ₹ in '000	8,615,503	1,964,000						10,579,503
Year ended 31st March' 2012								
- Number of shares	324,657,260	536,893,000						861,550,260
- Amount ₹ in '000	3,246,573	5,368,930						8,615,503



**Note :1 (b): Share capital other details**

₹ in '000

Particulars	
(i) Details of shares held by each shareholder holding more than 5% shares (Disclosures pursuant to note no.6A(g) of part I of Schedule VI to the Companies Act 1956).	

Class of shares / Name of shareholder	As at 31st March'2013		As at 31st March'2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
GAIL ( India ) Limited	740,565,173	70	603,085,133	70
Oil India Limited	105,795,029	10	86,155,019	10
Numaligarh Refinery Limited	105,795,029	10	86,155,019	10
Govt. of Assam	105,795,029	10	86,155,019	10

Note : No. of shares as at 31.03.2013 includes 70 nos. of shares issued to Directors(GAIL-40 nos., OIL-10 nos. NRL-10 nos.& GOA-10 nos.)

(ii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date (Disclosures pursuant to note no.6A(i) of part I of Schedule VI to the Companies Act 1956).

Particulars	Aggregate number of shares	
	As at 31 March' 2013	As at 31 March' 2012
<b>Equity shares with voting rights</b>		
Fully paid up pursuant to contract(s) without payment being received in cash	66,155,019	66,155,019
Fully paid up by way of bonus shares		
Shares bought back		
<b>Equity shares with differential voting rights</b>		
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Fully paid up by way of bonus shares		
Shares bought back		

(iii) Details of calls unpaid (Disclosures pursuant of note no. 6A (k) of Part I of Schedule VI to the Companies Act. 1956)

Particulars	As at 31 March' 2013		As at 31 March' 2012	
	Number of shares	₹ in '000	Number of shares	₹ in '000
<b>Equity shares with voting rights</b>				
Aggregate of calls unpaid				
- by directors				
- by officers				
- by others	106,394,868	1,063,949	140,839,938	1,408,399

(iv) Details of forfeited shares (Disclosures pursuant to note no.6A(l) of part I of Schedule VI to the Companies Act 1956) : Nil



## Note:2: Reserves and surplus

₹ in '000

Particulars	As at 31st March'2013	As at 31st March'2012
(a) Capital reserve		
Opening balance	21,451,288	12,625,633
<b>Add:</b> Fund received during the year	15,520,000	8,754,400
Gross Interest earned on STDR's	183,887	
Less:TDS	18,166	71,255
(b) Surplus		
Profit and Loss Account	(209,137)	-
<b>Total</b>	<b>36,927,872</b>	<b>21,451,288</b>

Note : Capital Reserve represents the Capital subsidy received from Govt.of India. It also includes interest on STDR's made out of this fund as per the letter no.45013/1/2005-PC-1(PRT) dt:15.02.2012 received from MOCF,New Delhi.

## Disclosures under Accounting Standard 12

₹ in '000

Particulars	As at 31st March'2013	As at 31st March'2012
Details of government grants:		
Government grants received by the Company during the year towards	15,520,000	8,754,400
- Subsidies (recognised under Capital Reserves)		
Interest (Net of Taxes) on parking of Capital subsidy added back	165,721	71,255
<b>Total</b>	<b>15,685,721</b>	<b>8,825,655</b>

1. The Capital Subsidy of ₹ 15,520,000,000/- (Previous Year ₹ 8,75,44,00,000/-) has been received from the Government of India during the year by way of contribution towards the capital outlay. As per AS-12 ( Para 16 ) , Government Grants by way of contribution towards capital should be credited to Capital Reserves as per condition attached to such grants.
2. The Company has received a directive from its administrative ministry MoCF vide letter no 45013/1/2005-PC-I(Part) dated 15.02.2012 that the interest earned on capital subsidy is not the income of BCPL and the same shall be added back to capital subsidy. As such interest income (Net of Taxes) of ₹ 165,720,893/- (Previous year ₹ 71,254,729/- net of txes) has been added back to capital subsidy .

**Note:3: Share Application money pending allotment**

in '000

JV Partner	Equity Call Issued	Money Received	Shares Allotted	As at 31st March'2013	As at 31st March'2012
Oil India Limited	1,269,000	1,269,000	1,057,950	211,050	407,450
Numaligarh Refinery Limited	1,269,000	1,269,000	1,057,950	211,050	179,500
Govt Of Assam	1,269,000	1,157,950	1,057,950	100,000	179,900
GAIL (India) Limited	8,883,000	7,930,100	7,405,651	524,449	1,899,249
Directors	1	1	1	-	-
<b>Total</b>	<b>12,690,001</b>	<b>11,626,051</b>	<b>10,579,502</b>	<b>1,046,549</b>	<b>2,666,099</b>

Share application money not exceeding the issued capital and to the extent not refundable is to be disclosed under this line item (Disclosure pursuant to Note no. 6G of Part I of Schedule VI to the Companies Act 1956.)

Terms and conditions for shares to be issued :- As per J V Agreement between the promoters and CCEA approval.

Number of shares proposed to be issued :- All to the extent when the ratio as per JV agreement is met.

The amount of premium, if any :- Nil

The period before which shares are to be allotted :- As and when the proportion of equity contribution in the ratio of 70:10:10:10 is met by the promoters, viz., GAIL, GoA, OIL & NRL , in terms of the J V Agreement.

Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money : Yes

The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending. :- Not applicable. Shares are allotted as and when the proportion of equity contribution in the ratio of 70:10:10:10 is met by the promoters, viz., GAIL, GoA, OIL & NRL , in terms of the JV Agreement.





**Note : 4: Long-term borrowings details**

₹ in '000

Particulars	As at 31st March'2013	As at 31st March'2012
Secured		
(a) Bonds/debentures	Nil	Nil
(b) Term loans		
(i) From Banks		
Allahabad Bank	612,500	612,500
Andhra Bank	742,500	742,500
Bank of Baroda	962,000	962,000
Bank of India	962,000	962,000
Corporation Bank	481,000	481,000
Jammu & Kashmir Bank	481,000	481,000
PNB	1,856,000	1,856,000
State Bank of Travancore	403,000	403,000
<b>Total</b>	<b>6,500,000</b>	<b>6,500,000</b>

(Secured by way of 1st charge on all fixed assets both movable and immovable, present and future including tangible and intangible ranking paripasu with all term lenders except to the extent of 131 bighas of Govt. land in possession of the company but title deed yet to be transferred)

**\*Terms of Repayment :** 16 half yearly equal installments after moratorium of 2 years from the original date of commencement of commercial operation. 1st installment due on 31.12.2014.

**Rate of interest:** 11.75 % for 2012-13, linked with the base rate of PNB, the lead Bank of the consortium.

(ii) Others : Oil Industries Development Board	5,416,250	3,270,000
--	-----------	-----------

(Secured by way of 1st charge on all fixed assets both movable and immovable, present and future ranking paripasu with all term lenders except to the extent 131 bighas of Govt. land in possession of the company but title deed yet to be transferred). The loan obtained from OIDB has been secured by corporate guarantee is given by GAIL, OIL, NRL.

**\*Terms of Repayment :** Total period of loan is 10 years from the date of drawal which includes 2 years moratorium. The repayment shall be in 8 yearly equal installments. The first installment shall become due at the end of 3rd year from the date of drawal. Rate of interest on loan will depend on the month in which loan installment is drawn by BCPL.

Note : An amount of ₹ 353,750,000/- payable within next 12 months has been transferred to "Other current liabilities" at Note no.7

Unsecured : Oil India Limited	2,500,000	-
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(Guaranteed by way of corporate guarantee of borrower(BCPL) valid till the loan is secured by first charge on the fixed assets in favour of OIL).

**\*Terms of Repayment :** 8 equal quarterly installments after 2 years of moratorium. 1st installment is due on the last date of the immediate quarter after completion of 3 years from the date of loan agreement.

**Rate of interest :** 10.20 % linked with base rate of SBI to be reset every year.

In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)	Nil	Nil
<b>Total</b>	<b>14,416,250</b>	<b>9,770,000</b>

**Note : 5 : Other long-term liabilities**

` in '000

Particulars	As at 31st March'2013	As at 31st March'2012
(a) Trade Payables	Nil	Nil
Acceptances		
Other than Acceptances		
(b) Others		
PRS Contractors	-	3,538
Retention Money Contractors		
Retention Money Others		
<b>Total</b>	<b>-</b>	<b>3,538</b>

**Note : 6 : Long Term Provisions**

` in '000

Particulars	As at 31st March'2013	As at 31st March'2012
(a) Provision for employee benefits		
Gratuity	3,380	1,243
Leave Encashment	5,088	336
(b) Others	NIL	NIL
<b>Total</b>	<b>8,468</b>	<b>1,579</b>

1. During the year the company has provided for gratuity liability of ` 21,57,569/- (Previous year ` 9,12,543/-) for regular employees. The assumptions methodology used in actuarial valuations are consistent with the requirements of Accounting Standard AS-15.
2. The company has provided the liability for leave encashment benefit for regular employees in the books of accounts on the basis of actuarial valuation for existing employees at the closing date. Company records its future value for unavailed leave liability amount on the basis of actuarial valuation and charged to the accounts. Such liability for leave encashment amounting to ` 48,14,642/- (Previous year ` 2,65,293/-) has been provided in the accounts during the year.


**Note :7: Other current liabilities**

₹ in '000

Particulars		As at 31st March'2013		As at 31st March'2012
<b>(a) Current Maturities of Long-term debt</b>				
Loan-OIDB		353,750		-
<b>(a) Other payables</b>		1,976,082		1,416,568
Employees	1,491		701	
Tax (Vat , ST,TDS & WCT )	115,624		182,704	
Security Deposit	68,365		77,965	
Earnest Money Deposit	11,051		8,714	
Price Reduction Schedule	1,102,301		577,699	
Retention	676,509		568,623	
Others	741		162	
<b>(b) Payables against capital works &amp; supplies</b>		1,646,178		2,104,045
Suppliers (Indegenous)	73,943		779,782	
Suppliers & Consultant (Foreign )	341,126		615,456	
Contractors	1,231,109		708,807	
<b>Total</b>		<b>3,976,010</b>		<b>3,520,613</b>

**Note :8: Short-term provisions**

₹ in '000

Particulars		As at 31st March'2013		As at 31st March'2012
<b>(a) Provision for employee benefits:</b>				
Provision for gratuity		34		14
Provision for other employee benefits (Leave salary)		69		5
<b>(b) Provision - Others:</b>		2,331,658		1,789,891
Provision for income Tax	146,441		40,023	
Provision for Liability (Contractors)	2,114,367		1,608,646	
Provision for custom duty	18,658		-	
Suppliers	-		103	
Others	52,192		40,702	
Provision for MCE premium	-		100,417	
<b>Total</b>		<b>2,331,761</b>		<b>1,789,910</b>

Note:Provision for employee benefits represent the short term liabilities, with the long term liabilities finding place in Note-6.



### Note : 9 : Tangible & Intangible Assets

₹ in '000

Particulars	Gross Block at Cost				Depreciation			Net Block		
	As at 01.04.2012	Additions during the year	Sales/ Adjustments during the year	As at 31.03.2013	Accumulated depreciation as at 01.04.2012	Addition during the year	Sales/ Adjustments during the year	Total Accumulated depreciation as at 31.03.2013	As at 31.03.2012	As at 31.03.2013
<b>Tangible Assets : (A)</b>										
Land Lease Hold	818,439	-	-	818,439	91,280	25,917	-	117,197	727,159	701,241
Building - Other than factory building	644,568	-	5,926	638,642	29,839	10,636	(19,189)	21,286	614,729	617,355
Bunk House	-	688	-	688	-	138	-	138	-	551
F & F and Other Equip	56,455	13,145	110	69,490	19,533	5,564	(7,390)	17,708	36,921	51,783
Electrical	302,257	-	4,878	297,379	84,842	14,367	(53,354)	45,854	217,415	251,525
EDP	15,242	3,651	-	18,893	9,436	2,890	(4,150)	8,176	5,805	10,717
Motor Cars/Jeeps	1,233	120	-	1,353	731	127	(380)	478	502	875
<b>Total : (A)</b>	<b>1,838,194</b>	<b>17,604</b>	<b>10,914</b>	<b>1,844,884</b>	<b>235,661</b>	<b>59,639</b>	<b>(84,463)</b>	<b>210,837</b>	<b>1,602,532</b>	<b>1,634,047</b>
<b>Intangible Assets : (B)</b>										
Software/Licenses	4,408	1,794	-	6,202	1,933	1,240	(69)	3,104	2,476	3,098
Right of Use (Perpetual)	75,625	-	-	75,625	-	-	0	-	75,625	75,625
Right of Use (Limited useful life)	878	-	-	878	176	88	0	263	702	615
<b>Total : (B)</b>	<b>80,911</b>	<b>1,794</b>	<b>-</b>	<b>82,705</b>	<b>2,109</b>	<b>1,328</b>	<b>(69)</b>	<b>3,367</b>	<b>78,803</b>	<b>79,338</b>
<b>Current Years Totals-2012-13</b>	<b>1,919,105</b>	<b>19,398</b>	<b>10,914</b>	<b>1,927,590</b>	<b>237,770</b>	<b>60,967</b>	<b>(84,532)</b>	<b>214,204</b>	<b>1,681,335</b>	<b>1,713,385</b>
<b>Previous Years Totals-2011-12</b>	<b>1,505,831</b>	<b>421,666</b>	<b>8,392</b>	<b>1,919,105</b>	<b>149,782</b>	<b>88,653</b>	<b>665</b>	<b>237,770</b>	<b>1,356,049</b>	<b>1,681,336</b>



## Note : 10 : Capital Work in Progress

in '000

SL No.	Particulars	As at 31st March'2013	As at 31st March'2012
A	CWIP-Capital jobs	25,126,549	16,674,478
B	CWIP-Intangible assets pending amortisation(import of technical knowhow)	1,585,038	1,438,403
C	CWIP-Enabling Assets	2,165,602	1,446,048
D	Loss on foreign exchange fluctuations	-	10,151
E	CWIP-Construction stock :	-	-
1	Material at site-Inland Supplies	6,887,782	6,438,305
2	Material at site-Foreign Supplies	1,386,143	721,826
3	Material in-transit inland supplies	1,345,163	1,727,295
4	Material in-transit foreign supplies	1,300,992	1,034,082
5	Material pending for inspection	6,618,688	4,755,409
6	Material Handling services	58,195	43,369
F	PMC fees for project related activities	3,851,389	3,393,556
G	Charges paid for opening of foreign letter of credit	5,971	4,810
H	Interest on mobilization advance	(135,388)	(79,554)
I	Entry tax recoverable from GoA	-	-
J	WCT recoverable from GoA	(835,460)	(506,371)
K	Cenvat Adjustment Account	-	(1,998,258)
L	Incidental expenses during construction	3,936,929	1,964,171
M	Foreign currency transaction & Translation Adjustment A/c.	(201,682)	-
	<b>Total</b>	<b>53,095,911</b>	<b>37,067,720</b>

Note : Interest recovered on mobilisation advances have been reduced from Capital Work in Progress as these amounts are received in respect of funds given as advance for works and have the effect of reducing the cost of construction.

**Note:11: Long-term loans and advances**

(i).Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

₹ in '000

Particulars	As at 31st March'2013	As at 31st March'2012
<b>(a) Capital Advances</b>		
Secured, considered good		
-Advance for capital Job	448,230	2,363,583
-Material Advance	7,140,844	2,271,904
Unsecured, considered good	Nil	Nil
Doubtful	Nil	Nil
	<b>7,589,074</b>	<b>4,635,487</b>
<b>(b) Security Deposits</b>		
Secured, considered good	Nil	Nil
	-	-
<b>(c) Loans and advances to related parties (refer note (ii) below)</b>		
Secured, considered good	Nil	Nil
	-	-
<b>(d) Other loans and advances</b>		
Secured, considered good		
Cenvat	3,439,990	2,410,178
Cenvat-Deferred	637,896	-
	<b>4,077,886</b>	<b>2,410,178</b>
<b>Total</b>	<b>11,666,960</b>	<b>7,045,665</b>

**ii. Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956**

₹ in '000

Particulars	As at 31 March 2013	As at 31 March 2012
Directors *	Nil	Nil
Other officers of the Company	Nil	Nil
Firm in which director is a partner *	Nil	Nil
Private Company in which director is a member	Nil	Nil
	-	-

Note : Cenvat Accounting :

The company has opted for Cenvat credit option pursuant to the earlier excise exemption order, rescinded in month of Nov 2011. Accordingly the company has accounted cenvat credit on regular basis .Total cenvat credit upto 31.03.2013 of ₹ 4,077,885,818/- has been shown under long term loans & advances.



### Note : 12 : Other Non Current Assets

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956.

` in '000

Particulars		As at 31st March'2013	As at 31st March'2012
(a) Long term trade receivables (including trade receivables on deferred credit terms)		Nil	Nil
(b) Others :			
Secured, considered good (STDR's having maturity more than 12 months)		-	153
<b>Others: Misc</b>		30,316	189,804
Secured advance to contractor	5,037		2,223
Deposits with Govt. & Other authorities (ASEB,CISF,GAIL & Others)	25,279		156,710
Deferred revenue expenditure	-		30,871
<b>Total</b>		<b>30,316</b>	<b>189,957</b>

### Note:13: Trade receivables

Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

` in '000

Trade Receivables	As at 31st March'2013	As at 31st March'2012
Trade receivables outstanding for a period less than six months from the date they are due for payment	Nil	Nil
<b>Total</b>	<b>-</b>	<b>-</b>

Trade Receivable stated above include debts due by:

` in '000

Particulars	As at 31st March'2013	As at 31st March'2012
Directors	Nil	Nil
Other officers of the Company	Nil	Nil
Firm in which director is a partner	Nil	Nil
Private Company in which director is a member	Nil	Nil
<b>Total</b>	<b>-</b>	<b>-</b>



### Note :14: Cash and Cash Equivalents

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

in '000

Particulars	As at 31st March'2013	As at 31st March'2012
<b>(a) Balances with banks</b>		
This includes:		
Balances in current Account	816,541	318,425
<b>(b) Cheques, drafts on hand</b>	Nil	Nil
<b>(c) Cash on hand</b>	Nil	Nil
<b>(d) Others</b>		
Escrow account	250,010	666,011
Term deposits having remaining maturity period of 12 months or less	590,203	410,050
<b>Total</b>	<b>1,656,754</b>	<b>1,394,486</b>

### Note :15: Short-term loans and advances

in '000

Particulars	As at 31st March'2013	As at 31st March'2012
<b>(a) Loans and advances to employees</b>		
Secured, considered good	829	1,583
Unsecured, considered good	Nil	Nil
Doubtful	Nil	Nil
<b>(b) Prepaid expenses - Insurance</b>	21,520	32,038
<b>(c) Others</b>	700,296	69,952
Advance income tax	27,950	27,664
Advance Entry Tax	188,798	-
Custom	1,612	9,291
EIL revolving fund	300	300
Advance TDS	54,530	32,556
Adv Mobilization	301,103	-
Adv Mobilization-Others	7,174	-
Advance to others	118,829	141
<b>Total</b>	<b>722,645</b>	<b>103,573</b>





## Note 16 : Other current assets

` in '000

Particulars		As at 31st March'2013	As at 31st March'2012
(a) Unbilled revenue		Nil	Nil
(b) Unamortised expenses		38,640	Nil
(c) Accruals			
Interest accrued on STDR		2,223	2,134
Interest accrued on mobilization advance		10,196	2,267
Accrued income on crane hiring charges		1,257	-
(d) Others		348,126	331,393
Insurance	7,529		372
Govt. of Assam (WCT)	331,163		326,874
Contractors	1,122		22
Suppliers	60		-
Employee	140		74
Recovery of Crane hire charges	8,112		4,051
<b>Total</b>		<b>400,442</b>	<b>335,794</b>

### Note:

- Amount receivable as WCT from Govt. of Assam has been treated as short term as the claim already stands lodged, and the amount is expected to be received in cash during the next financial year.
- In line with the change in accounting policies of amortisation of deferred revenue expenditure in the very first year of commercial production, the unamortised expenses amounting to ` 38,640,407/- is expected to be amortised in the FY-2013-14.

## Note 17: Other expenses

` in '000

Particulars	As at 31st March'2013	As at 31st March'2012
(a) Net loss/gain on foreign currency transaction and translation	177,519	Nil
(b) Prior period adjustment ( Net loss/gain on foreign currency transaction and translation)	31,618	Nil
<b>Total</b>	<b>209,137</b>	<b>-</b>



## Notes to Accounts as at 31-03-2013

### *Note 18: Additional Information to the Financial Statements*

#### 1. Revised Project Cost

In view of time and cost overrun, the company has revised the project cost from initially ₹ 5,460.61 Cr to ₹ 8,920 Cr and consequently, the schedule of completion from April 2012 to December 2013. The Ministry of Chemicals and Fertilizer, Govt. of India, has communicated approval of CCEA vide its letter no F. No. 45012/23/10-PC-I dated 2nd December 2011.

#### 2. Preparation of Profit & Loss Account as per revised schedule VI

Though the Company is in construction stage and no commercial activities have been started to date, keeping in view the requirement of revised schedule VI and Companies Act 1956, and in line with the change in accounting policy in respect to treatment on loss/gain on foreign currency transaction and translation account, Profit and Loss account has been prepared by debiting the net loss on foreign currency fluctuations. Accordingly negative earning per share has been computed on the basis of weighted average of equity share allotted in compliance with AS-20. It is also relevant to note that incidental expenditure during construction period pending allocation to Fixed Assets on capitalization has been treated under "Capital work in progress".

#### 3. Changes in Accounting Policies

##### (i) Impact of Change in method of Depreciation :

During Current Financial Year 2012-13 the Company has changed its Accounting Policy in respect of Depreciation on Fixed Assets from Written Down Value Method (WDV) to Straight Line Method (SLM) with retrospective effect from the date of inception of Company i.e. 08.01.2007. This was done in order to bring parity in the method with the Holding Company, GAIL (India) Limited. Due to change in method of depreciation, the incidental expenditure during construction period pending allocation to Fixed Assets has been decreased to the extent of ₹ 8,41,83,719/- with an increase in respective Net Block of Fixed Assets to the same extent.

##### (ii) Impact of Change in treatment of Net loss/Gain on account of foreign exchange differences:

During the year the Company has changed its accounting policies in respect of treatment of Gain or loss on account of foreign exchange difference from adjusting with cost of assets to accounting under "Profit and Loss Statement" with retrospective effect. As a result Net foreign exchange loss of ₹ 3,16,17,789/- up to 31.03.2012 (Prior period adjustment) and ₹ 17,00,63,962/- for the



year 2012-13 has been reduced from total "Capital work in progress" as on 31.03.2013 with corresponding debit to "Profit and Loss Statement".

4. Since Commercial Production has not been started Indirect Expenses incurred during construction period which is not related to construction/acquisition of Fixed Assets are being carried forward under the head "Incidental Expenses during Construction" and will be fully amortized in the first year of Commercial Production. An amount of ` 3,86,40,407/- was spent up to 31.03.2013 towards Incorporation expenses, CSR activities, Advertisement for development of public relation etc. which were considered as deferred revenue expenditure till last FY 2011-12, will be written off fully in the first year of commercial production.

5. Previous year's figures

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

6. Claim of Work Contract Tax from Govt. of Assam

Details of claim as under	Amount in `	
	Current Year	Previous Year
Opening Claim as on 01.04.2012 (FY-2008-09,2009-10 , 2010-11 & 2011-12)	32,68,74,001	23,98,24,950
Claim lodged for the financial year 2012-13	32,90,88,709	29,56,37,759
<b>Total Claim Lodged:</b>	<b>65,59,62,710</b>	<b>53,54,62,709</b>
Less: Received during the year	32,48,00,000	20,85,88,708
<b>Receivables as at 31.03.2013</b>	<b>33,11,62,710</b>	<b>32,68,74,001</b>

7. Taxation of Interest Earned on Capital Subsidy

As per directives from MOCF gross interest earned by parking of fund from the capital subsidy forms part of Capital Subsidy and as such the interest income from parking of capital subsidy not taxable as capital receipts in the hands of Company. Accordingly Company has filed return for refund of claim as follows:

Year	Refund Claimed ( ` )
2008-09	2,77,12,793
2009-10	1,85,09,419
2010-11	1,09,90,510
2011-12	<u>1,42,85,640</u>
<b>Total</b>	<b>7,14,98,362</b>

Till final disposal of the case by ITAT/CIT (APPEAL), the net interest income from parking on capital subsidy up to FY-2012-13 has been considered to form part of capital subsidy.



If the appeal is preferred in ITAT in favor of Company and subsequent to the refund by income tax authority, the same will be considered as part of capital subsidy.

However, provisions for income tax have been made for such interest.

#### **8. Taxability of interest income from short term deposit (STDRs) during Project period**

Since the company is in construction stage, the interest income earned by parking of funds in short term deposits (STDRs) are "Inextricably Linked" with setting up of the project and not taxable as per legal opinion obtained by Company. The banks are however deducting TDS. An application under section 264 has been filed with CIT (TDS), Guwahati against rejection of application in Form No. 13 for issue of No-Deduction Certificate.

In the light of above position, company has opted not to deposit advance tax on interest income from short term deposits out of parking of funds from Equity, Loan & Subsidy. However, as abundant precaution, necessary tax provisions have been made pending disposal of the petitions.

#### **9. Entry Tax Exemption on Project**

The claim of Entry Tax till 31st March, 2013 for ₹ 18,87,97,830/- (previous year ₹ 15,84,26,241/-) in pursuance to the Notification no FTX.58/2008/254 Dated 20.10.2012 with retrospective effect from 20.10.2009 allowing exemption from the payment of entry tax on specified capital goods under Assam Entry Tax Act 2008 is pending for reimbursement from Tax Authority.

#### **10. Provision of Income Tax**

Provision for Income tax of ₹ 7,17,08,800/- (previous year ₹ 1,17,96,132/-) recognized for the year ended 31.03.2013, as indicated in para 8 above, includes the provision for Income Tax for the current year on interest earned on STDRs kept by investing surplus funds of Loan, Equity and Capital Subsidy and other Incomes. The provision excludes differential tax provision of ₹ 2,86,27,216/- and ₹ 60,81,894/- for FY 2011-12 & 2010-11 respectively to include income from Interest on investing surplus funds on Capital Subsidy pending disposal of the case by CIT (Appeals).

#### **11. Recognition of Cenvat Benefit**

CENVAT credit has been recognized on account of withdrawal of Excise benefit with effect from 16.11.2011. Eligible CENVAT credit amounting to ₹ 343,99,90,426/- since inception of project till 31.03.2013 has been netted off against CWIP/Fixed Assets/Inventory (Construction materials) where ever applicable during the FY 2012-13

Total Cenvat Credit up to 31.03.2013 as per Return filed with Excise Deptt. comes to ₹ 300,85,61,357/- as against ₹ 343,99,90,426/- reflected in books as on 31.03.2013 which has been shown under non-current assets. The difference arises due to the different basis taken, i.e. CENVAT on the eligible items has been taken on the receipt of such materials at site whereas the booking in accounts is on payment basis.

#### **12. Deferred Tax Liability**

No deferred tax liability has been recognized since the project is in the construction stage.



### 13. Lease Hold Land

Lease hold Land of ` 81,84,38,860/- comprises land for which lease deed has been executed for a period of 30 years. As the title to the land rest on the Govt. of Assam, the same will be amortised over the said period. Such land has been reflected as a tangible asset under note 9 to the financial statements.

### 14. Right of Use

The company has acquired the "Right of Use" (ROU) for the purpose of laying and maintenance of the underground pipeline for receiving and supplying of Gas is shown under Intangible Assets. Perpetual Right of Use of ` 7,56,25,684/- (Previous year ` 7, 56, 25,684/-) acquired by the company , does not bestow upon the company the ownership of land and thus no amortization has been provided on the same. However cost of Right of use (limited useful life) having useful life of 10 years is being amortized over the life of ROU.

### 15. Term Deposit with Public Works Department

Term Deposit amounting to ` 2,03,127/- (previous year ` 2,03,127/-) has been kept as security deposit (refundable) for permission of laying pipelines with Public Works Department.

### 16. Auditors Fees

The fees for the statutory auditors for the financial year 2012-13 has been fixed at ` 1,50,000/- plus service taxes, out of pocket expenses etc. (Previous year ` 75,000/-).An amount of ` 15,000/-(net of taxes) was paid to the auditors during the financial year 2012-13 for other services.

### 17. Insurance

Insurance claim of ` 11,04,853/- (Previous year ` 3,47,260/-) has been recognized in the books. Insurance claims are being recognized when the amount thereof can be measured reliably and ultimate collection is reasonably certain.

### 18. Capitalization

During the year Assets of ` 1,93,98,370/-(Previous year ` 42,16,65,949/-) has been capitalized in books.

### 19. Contingent liabilities

(a) Claims against the Company not acknowledged as debt : NIL

(b) Guarantees :

(i) The Company has furnished Back to Back Guarantee to M/s. GAIL (India) Limited against GAIL's Corporate Guarantee to Oil Industries Development Board (OIDB), in respect of OIDB's Loan assistance of ` 250 Crore. (Previous Year NIL).

(ii) The Company has furnished Corporate Guarantee to M/s. Oil (India) Limited in pursuance to Loan Agreement executed on 21<sup>st</sup> February, 2013 towards Inter-corporate Loan of ` 250 Crore sanctioned and disbursed during March 2013, by OIL. The



Corporate Guarantee will remain valid till loan is secured by way of first charge on fixed assets of the Company.

- (c) Other money for which the Company is contingently liable
- (i) The company has received a letter from Service Tax Cell, Dibrugarh indicating the finding of inspection report of CERA audit that there is a short payment of service tax to the extent of ₹ 24, 94,151/- on the part of BCPL in respect of the services of Foreign Service provider. The company has represented the matter to the department in view of computation methodology being adopted by the department which is not in accordance with the notification issued. Accordingly keeping the present status in consideration, the management is of the opinion that provision is not required.
  - (ii) There are 15 legal cases involving the company as a party. The financial implication of these cases cannot be ascertained at present excepting in one case where the M/s. EPIL has lodged a claim of ₹ 34.06 Cr with Permanent Machinery of Arbitrator, New Delhi on account of disputed claim on contract due to offloading and M/s.Aryan Logistics lodged a claim of ₹ 0.51 Cr with Court of Civil Judge Allipore (South). Considering the legal status of the claim, the company has not kept any provision for this claim.
  - (iii) The Company has arranged for issuance foreign letter of credits through bankers and the outstanding LCs as on 31.03.2013 is ₹ 76.23 Cr (Previous year ₹ 430.15 Cr).

## 20. Commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for:

	2012-13 (₹ in Cr)	2011-12 (₹ in Cr)
Tangible assets	1870.78	3374.94
Intangible assets	49.45	70.78
<b>Total</b>	<b>1920.23</b>	<b>3445.72</b>

## 21. Balance Confirmation

Balance confirmation has been sought from certain vendors/contractors/authorities for balances grouped under loans and advances, deposits and sundry creditors. Five confirmations were received by the auditors. The rest are subject to confirmation and reconciliation.

## 22. Forex Transactions

- a) Value of import calculated on CIF basis by company for the FY 2012-13 up to 31.03.2013 in respect of capital goods is ₹ 3,39,93,18,652/- (Previous year ₹ 3,32,32,69,878/-).
- b) Expenditure in foreign currency includes the followings:-
  - Fess for Licensors (Net of TDS) ₹ 19,09,96,216/-  
(Previous year Rs.Nil)
  - Others (Net of tax where applicable) ₹ 1,29,17,39,964/-  
(Previous year ₹ 165, 24, 51,822)



- c) During the year up to 31.03.2013 Net loss on foreign currency transaction and translation account of ` 17,75,19,086/- (previous year Nil) has been debited to profit and loss account in view of change in accounting policy.

### 23. Expenses on Secondees

During the year 2012-13 the expenses of ` 17,74,83,893/- (Previous year ` 9,65,74,979/-) has been incurred up to 31.03.2013 on employees deputed on secondment basis from GAIL (India) Ltd and NRL has been accounted under IEDC head on the basis of the debit advices raised from the respective companies. The expense of ` 6,68,864/- (Previous year ` 5,70,984/-) has also been incurred on employee deputed from Govt. of Assam for the same period.

### 24. Related Party Disclosures

Information as per Accounting Standard 18 as prescribed under Accounting Standard Rules, 2006 on Related Party Disclosures is given below:

Name of related parties and description of relationship:

Sl. No.	Name of the Related Party	
<b>a) Holding Company :</b>		
1	GAIL (India) Ltd.	
<b>b) Joint Owners :</b>		
1	Numaligarh Refinery Limited	
2	Oil India Limited	
3	Government of Assam	
<b>c) Key Management Personnel</b>		
1	Mr. P. N. Prasad	Managing Director
2	Mr. Rakesh Kumar (Up to 21.05.2012)	Director Finance
3	Mr. G. Prasad	Chief Operating Officer
4	Mr. A. K. Tiwari	Chief Finance Officer

### Details of Transactions:

Details	2012-13	2011-12
<b>a) Holding Company :</b>		
Expenditure incurred on Salary of employees on Deputation	` 17,38,76,453/-	` 9,37,53,690/-
Amount Paid towards purchase of assets	NIL	NIL
Equity Share Contribution	NIL	` 3,75,82,51,000/-
Amount paid towards rental charges	` 71,89,562/-	` 76,50,085/-
Amount Outstanding in Current Liabilities & Provisions up to 31.03.2013	` 1,75,00,000/-	` 1,37,00,716/-



b) Joint Owners :		
Amount paid for infrastructure development for gas supply	NIL	₹ 34,39,58,456/-
Amount outstanding for infrastructure development for gas supply	₹ 92,10,10,451/-	₹ 38,18,50,000/-
Expenditure incurred on Salary of employees on Deputation	₹ 42,76,304/-	₹ 33,92,273/-
Equity Share Contribution	₹ 34,44,00,000/-	₹ 1,61,06,79,000/-
c) Key Management Personnel:		
Remuneration to Directors	₹ 25,50,178/-	₹ 29,15,191/-
Amount Outstanding(Payable)	NIL	NIL

## 25. Segment Reporting (AS 17)

The company is under construction stage and hence Accounting Standard -17 "Segment Reporting" of the Companies (Accounting Standard) Rules, 2006 is not applicable.

## 26. Claims due to Micro , Small & Medium enterprise

To the extent information available to the company, amount of ₹ 15,31,717/- (Previous year ₹ 12,85,594/-) was due to Micro ,Small and Medium Enterprises. These represent deposits etc. and no amounts were overdue for payment as on 31<sup>st</sup> March,2013.

Sd/-  
(P.N.Prasad)  
Managing Director

Sd/-  
(S.Venkatraman)  
Director

Sd/-  
(A.K.Tiwari)  
Chief Finance Officer

Sd/-  
(Ruli Das Sen)  
Company Secretary

As per our separate report on Even Date

For Das & Sharma  
Chartered Accountants,  
Firm No. 314214E

Sd/-  
(Binoy Kumar Das)  
Partner  
Mem. No. 51898

Place : New Delhi  
Date : 20.05.2013





## Significant Accounting Policies

as at 31-03-2013

### 1. Basis of accounting and preparation of Financial Statements

#### a. Accounting Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

#### b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements. Examples of such estimates include estimated useful life of fixed assets and estimated useful life of leased assets. Actual results could differ from these estimates.

### 2. Inventories

- a. Raw materials and Finished products are valued at cost or net realizable value, whichever is lower. Finished products include excise duty and royalty wherever applicable.
- b. Stock in process is valued at cost or net realizable value, whichever is lower. It is valued at cost where the finished products in which these are to be incorporated are expected to be sold at or above cost.
- c. Stores and spare and other material for use in production of inventories are valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished products in which they will be incorporated are expected to be sold at/or above cost.
- d. Surplus/Obsolete Stores and Spares are valued at lower of cost or net realizable value.
- e. Surplus/Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realizable value.
- f. All issues of Project Materials to Contractors for use in Capital Jobs are valued at weighted average cost.



### 3. Fixed Assets, Capital Work-in-Progress & Depreciation /Amortisation

#### a. Fixed Assets:

Fixed Assets are valued at historical cost on consistent basis inclusive of incidental expenses related thereto. In the case of commissioned assets, where final payments to the contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of the Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.

Machinery spares, which can be used only in connection with an item of fixed asset and their use is expected to be irregular, will be capitalized with the cost of that fixed asset and will be depreciated fully over the remaining useful life of that asset.

Asset acquired out of Government Grants are capitalized, by way of corresponding credit to Capital Reserves.

#### b. Intangible Assets

Assets like software, licenses and right of use of land including crop compensation in course of acquiring such ROU which are expected to provide future enduring benefits will be capitalized as Intangible Assets.

#### c. Capital Work-in-Progress

The Capital Work-in-progress includes PMC Fees /advance for capital goods/materials in Transit / value of materials/equipment etc received at site for use in the projects.

#### d. Expenditure incurred during construction period

All revenue expenditure incurred during the construction period, which are, directly or indirectly attributable to acquisition/construction of specific fixed assets, will be capitalised at the time of commissioning of such assets.

#### e. Depreciation / Amortization

During Current Financial Year 2012-13 the Company has changed Accounting Policy in respect of Depreciation on Fixed Assets from Written down Value Method (WDV) to Straight Line Method (SLM) with retrospective effect from the date of inception of Company i.e. 08.01.2007. Depreciation on fixed assets, other than those mentioned below is provided in accordance with the rates as specified in Schedule XIV of the Companies Act 1956 on Straight Line Method (SLM) on pro-rata basis (Monthly pro-rata for bought out assets).

- i. Assets costing up to ` 5,000/- are depreciated fully in the year of capitalization.
- ii. Bunk Houses are depreciated on assumption of five years life.



- iii. Cost of the leasehold land is amortized over the lease period of 30 years.
- iv. Capital expenditure on the assets, the ownership of which are not with the company, and referred to as enabling facilities are shown separately under the heading "Capital Expenditure-Enabling Facilities". These assets will be amortized over useful life of the assets from the date from which they are put into use.
- v. Intangible assets will be amortized equally over period of five years from the date of recognition.
- vi. Depreciation due to price adjustments on account of foreign exchange rate variations or otherwise in the original cost of fixed assets will be charged with prospective effect.
- vii. Indirect expenses incurred during the construction period which are not related to the construction activity nor are incidental thereto, will be amortized fully in the First Year of Commercial Production of the Company.
- viii. No depreciation is being charged on ROU being perpetual in nature and ROU having limited useful life is being amortised over the life of ROU.
- ix. The cost of software and licenses are amortised in 5 years on straight line method.

#### **4. Borrowing Costs**

Borrowing cost of the funds that are attributable to the acquisition or construction of qualifying assets is capitalized as a part of the cost of such assets. The same will be capitalized up to the date when the asset is ready for use, after netting off any income earned on temporary investment of such funds.

#### **5. Foreign Currency Transaction**

- a. Transactions in foreign currency are accounted at the exchange rate prevailing on the transaction date.
- b. Monetary items (such as Cash, Receivables, Loans, Payables etc) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling rate for Payables and TT buying rate for Receivables) prevailing at the year end.
- c. Non-monetary items (such as Investments, Fixed Assets etc) denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- d. Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for in the profit & loss account except in case of long term foreign currency monetary items relating to acquisition of depreciable capital assets in which cases they are adjusted to the carrying cost of such assets and in other cases, accumulated in "Foreign Currency Monetary items Translation Difference Account" in the financial statements and amortized over the balance period of such long term assets or liability, by recognition as income or expenses in each of such period.



## 6. *Capital grants by Government of India*

Non-refundable Government Grants in the nature of promoters' contribution are credited to capital reserve and are treated as part of shareholders' funds.

## 7. *Employee benefits*

- a. All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- b. Employees Benefits under Defined Contribution Plan in respect of Provident Fund is recognized based on the undiscounted obligation of the company towards contribution to the fund. The same is paid to the provident fund account with the Regional Commissioners of P.F.
- c. Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard -15 - Employee Benefits (revised 2005) issued by ICAI.

## 8. *Taxes on income*

- a. Provision for Tax during the construction period is made on interest earned on investments during the construction period, which is treated for tax purposes as "Income from other Sources". Such income tax has been debited under the head IEDC-Rates & Taxes.
- b. On commissioning, the company will be eligible for tax incentives under section 80IE of the Income Tax Act, 1961, and will be liable to MAT only under section 115JB of the said Act.

## 9. *Preliminary Expenses*

The qualifying preliminary expenditure incurred in connection with the setting up of the business and the new industrial unit to be amortized fully in the first year of Commercial Production.

## 10. *Impairment of assets*

If the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of the estimated future cash flows.

## 11. *Provisions, Contingencies & Capital Commitments*

- a. Provisions are recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- b. Liabilities for expenses are recognized only when such liabilities exceed ₹ 0.10 Lakhs.



- c. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ` 5.00 Lakhs in each case are disclosed by way of notes to accounts.
- d. Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ` 5.00 Lakhs.

## 12. *Segmental Reporting*

The Company has only one segment, hence there are no reportable segments under Accounting Standards 17 "Segment Reporting" of the Companies (Accounting Standard) Rules, 2006.

## 13. *General*

- a. Prepaid expenses and prior period expenses/income upto ` 1.00 lakh in each case will be charged to relevant heads of account of the current year.
- b. Liquidated damages if any, will be accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled after capitalization of the assets are charged to revenue, if below ` 50.00 lakhs in each case otherwise adjusted in the cost of the relevant assets.
- c. Insurance claims will be accounted for on the basis of claims admitted by the insurers.
- d. Custom duty and other claims (including interest on delayed payments) will be accounted for on acceptance in principle.

*Sd/-*  
(P.N.Prasad)  
Managing Director

*Sd/-*  
(S.Venkatraman)  
Director

*Sd/-*  
(A.K.Tiwari)  
Chief Finance Officer

*Sd/-*  
(Ruli Das Sen)  
Company Secretary

As per our separate report on Even Date

For Das & Sharma  
Chartered Accountants,  
Firm No. 314214E

*Sd/-*  
(Binoy Kumar Das)  
Partner  
Mem. No. 51898

Place : New Delhi  
Date : 20.05.2013



## Incidental Expenses During Construction

in '000

Particulars	As on 31st March' 2013	As on 31st March' 2012
Interest charges to lenders	763,884	177,118
OIDB interest charges	308,479	232,589
OIL interest charges	13,134	-
Bank charges	18	21
Advertisement & publicity	3,131	863
CISF & security	81,636	46,997
Communication expenses	3,746	3,315
Depreciation	(23,561)	87,990
Insurance	89,090	156,538
Other infrastructure expenses	4,502	5,110
Casual Labour Charges	10,458	10,126
Others	13,039	15,716
Payment to auditors	1,612	113
Power, fuel & water charges	13,189	16,815
Printing & stationery	3,581	2,484
Professional & consultancy charges	14,824	12,044
Rates & taxes	104,494	13,919
Recruitment & training exp	5,118	11,391
Rent	12,314	15,244
Repairs & maintenance	5,504	515
Salary, wages & staff costs	318,893	193,466
Survey & investigation	(478)	9,450
Township & Guest House maintenance	2,656	4,017
Travelling expenses	22,056	17,372
Vehicle hire & running exp	33,551	34,321
Welfare expenses	396	355
Enabling facility : other infrastructure	-	97
Crane hiring charges	283,330	11,573
Incidental expenses 07-08 pending adjustment	90,527	90,963
Incidental expenses 08-09 pending adjustment	126,203	127,836
Incidental expenses 11-12 pending adjustment	964,533	-
Incidental expenses 09-10 pending adjustment	300,174	293,498
Incidental expenses 10-11 pending adjustment	479,034	472,952
Coin adjustment	-	-
<b>Total</b>	<b>4,049,067</b>	<b>2,064,808</b>
Bank interest on CLTD	13,313	2,832
Bank interest on STDR's.	25,794	46,831
Profit on sale of fixed assets	(1)	-
Miscellaneous income	11,515	9,564
Miscellaneous income electricity	102	145
Recovery of crane hire charges	26,139	3,673
Miscellaneous income house rent recovery	139	366
Miscellaneous income interest on security deposit with ASEB	271	-
Miscellaneous income lease rent recovery	1,630	966
PRS for closed po.(indigenous)	30,796	14,273
IEDC capitalised	-	21,987
Miscellaneous income forfeiture of EMD/SD	1,877	-
Miscellaneous income sale of bid document	264	-
Overhead charged on insurance claim	145	-
Recovery from bachelor accomodation	154	-
<b>Total</b>	<b>112,138</b>	<b>100,637</b>
<b>Grand Total</b>	<b>3,936,929</b>	<b>1,964,171</b>



## Cash Flow Statement

for the period ended 31st March, 2013

` in '000

PARTICULARS	2012-2013	2011-2012
<b>A. Cash flow from investing activities</b>		
Additions/purchases of fixed assets	(32,049)	(325,287)
Capital work-in-progress	(14,055,433)	(15,698,822)
Incidental expenses during construction	(1,980,529)	(1,137,852)
Profit/Loss (Foreign exchange fluctuation)	(209,137)	-
Current assets loans and advances	(5,137,605)	(6,965,732)
Current liabilities & provisions	1,000,600	2,373,005
<b>Net cash outflow from investing activities</b>	<b>(20,414,153)</b>	<b>(21,754,688)</b>
<b>B. Cash flow from financing activities</b>		
Proceeds from issue of share capital	1,964,000	5,368,930
Proceeds from loans	4,646,250	6,440,000
Proceeds from advance against share capital from NRL , OIL , GAIL(india) Ltd & Govt. of Assam	(1,619,550)	268,400
Proceeds from capital subsidy from govt of india	15,685,721	8,825,655
<b>Net cash inflow from financing activities</b>	<b>20,676,421</b>	<b>20,902,985</b>
<b>Net increase in cash &amp; cash equivalents (A+B)</b>	<b>262,268</b>	<b>(851,703)</b>
Opening cash and cash equivalents	1,394,486	2,246,189
Closing cash and cash equivalents	1,656,754	1,394,486
Closing cash and cash equivalents as per books	1,656,754	1,394,486
<b>Note:</b>		
Cash and cash equivalent as per revised Schedule VI		
Current account balance	816,541	318,425
<b>Restricted cash:</b>		
Term deposit having maturity more than 12 months		
Term deposit having remaining maturity of 12 months or less	590,203	410,050
Escro account balance	250,010	666,011
<b>Total</b>	<b>1,656,754</b>	<b>1,394,486</b>

Sd/-  
(P.N.Prasad)  
Managing Director

Sd/-  
(S.Venkatraman)  
Director

Sd/-  
(A.K.Tiwari)  
Chief Finance Officer

Sd/-  
(Ruli Das Sen)  
Company Secretary

As per our separate report on Even Date

For Das & Sharma  
Chartered Accountants,  
Firm No. 314214E

Sd/-  
(Binoy Kumar Das)  
Partner  
Mem. No. 51898

Place : New Delhi  
Date : 20.05.2013



## Balance Sheet Abstract and Company's General Business Profile for the year ended 31st March, 2013

### i. Registration Details

Registration No.	008290	State Code	02
Balance Sheet Date	31.03.2013		

### ii. Capital Raised During the year ( ` In '000)

Public Issue	Nil	Right issue	Nil
Bonus issue	Nil	Private Placement	344,450

### iii. Position of Mobilization and Deployment of Funds ( ` in '000)

Total Liabilities	69,286,413	Total assets	69,286,413
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#### Sources of funds

Paid-up capital	10,579,503	Reserves and surplus	36,927,872
Advance against share capital	1,046,549	Unsecured Loans	2,500,000
Secured Loans	12,270,000		
Deferred tax Liability	Nil		

#### Application of funds

Net Fixed assets	54,809,296	Investment/advance for investment	Nil
Net current assets	8,475,987	Misc. Expenditure	38,640
Accumulated Loss	Nil		

### iv. Performance of the Company

Turnover	Nil	Total Expenditure	Nil
Profit/(Loss) before tax	Nil	Profit/Loss after tax	Nil
Earnings per Share ( ` )	Nil	Dividend	Nil

### v. Generic names of the principal products/ services of Company(as per monetary terms)

Item Code No. (ITC Code)	Nil
Product description	Business not yet started

Sd/-  
(P.N.Prasad)  
Managing Director

Sd/-  
(S.Venkatraman)  
Director

Sd/-  
(A.K.Tiwari)  
Chief Finance Officer

Sd/-  
(Ruli Das Sen)  
Company Secretary

As per our separate report on Even Date

For Das & Sharma  
Chartered Accountants,  
Firm No. 314214E

Sd/-  
(Binoy Kumar Das)  
Partner  
Mem. No. 51898

Place : New Delhi  
Date : 20.05.2013





## Comments of the Comptroller and Auditor General of India

Comments of the Comptroller and Auditor General of India Under Section 619(4) of the Companies Act, 1956 on the Accounts of Brahmputra Cracker and Polymer Limited, Guwahati for the year ended 31 March 2013.

The preparation of financial statements of Brahmputra Cracker and Polymer Limited, Guwahati for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20-05-2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Brahmputra Cracker and Polymer Limited, Guwahati for the year ended 31 March 2013. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

Date: 25 June 2013  
Place: Kolkata

For and on behalf of the  
Comptroller & Auditor General of India  
*Sd/-*  
(Nandana Munshi)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I, Kolkata



*Despatch Terminal and Gas Dehydration Unit at Duliajan*



*Metering Section*



*Sub Station Panel Room*



# Brahmaputra Cracker and Polymer Limited

## FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ as my /our proxy to vote for me /us on my /our behalf at the Sixth Annual General Meeting of the Company to be held on the 29th of August 2013 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix  
Revenue  
Stamp  
Re.1/-







Brahmaputra Cracker and Polymer Limited  
Registered Office  
Hotel Brahmaputra Ashok  
M. G. Road, Guwahati - 781001