



Brahmaputra Cracker and Polymer Limited

Annual Report **2011-2012**





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.

Mission

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.



Board of Directors



Shri B C Tripathi
Chairman



Shri P. N. Prasad
Managing Director
(w.e.f. 11-01-12)



Shri Rakesh Kumar
Director (Finance)
(upto 22-05-12)



Ms Neel Kamal Darbari



Shri Manu Srivastava
(upto 06-03-12)



Dr. Neeraj Mittal
(w.e.f. 06-03-12)



Shri P. C. Sharma
(w.e.f. 16-12-11)



Shri R K Dutta



Shri Jatinderbir Singh
(upto 22-05-12)



Shri R. T. Jindal
(w.e.f. 22-05-12)



Shri Dipak Chakravarty



Shri T K Ananth Kumar



Shri S L Raina



Shri S Venkatraman



Shri P K Jain



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Registered Office

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

Project Site Office

Lepetkata
P.O. - Barbaruah
District-Dibrugarh
Assam-786007

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 fifth Annual General Meeting of the Company will be held on Monday, the 27th day of August, 2012 at 3.00 p.m. at the registered office at Hotel Brahmputra 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, 2012, 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 Mrs Neel Kamal Darbari, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri T K Ananth Kumar, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S L Raina, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S Venkatraman, 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 2012-13 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 2012-2013."*

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, Shri Prafulla Chandra Sharma, who was appointed as an Additional Director w.e.f. 16.12.2011 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 an Ordinary Resolution:



“RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri P N Prasad, who was appointed as an Additional Director w.e.f. 07.01.2012 be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

9. 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, Dr Neeraj Mittal, who was appointed as an Additional Director w.e.f. 06.03.2012 be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

10. 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 authorised by the Board be and is hereby authorised 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 ₹ 1269 crore (Rupees One thousand two hundred sixty-nine crore only) including the shares already allotted to the following promoters in the ratio mentioned against each:

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

“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.”

11. 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, Shri R T Jindal, who was appointed as an Additional Director w.e.f. 22.05.2012 be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

25th July 2012
Guwahati

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

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

Shri Prafulla Chandra Sharma was appointed on the Board of Directors as a Non-official Director by the Government of India vide Ministry of Chemicals & Fertilizers letter no. 45012/22/2010-PC.I dated 25th November, 2011. He was accordingly appointed as an Additional Director w.e.f. 16th December, 2011 till the conclusion of this Annual General Meeting. The Board recommends his 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 Shri Prafulla Chandra Sharma as Director of the company. A brief profile of Shri Prafulla Chandra Sharma is provided in the Corporate Governance Report.

Your Directors recommend the resolution for approval of the shareholders. None of the Directors except Shri Prafulla Chandra Sharma is interested in this resolution.

Agenda No. 8

Shri Prabhu Nath Prasad was appointed by the Government of India vide Ministry of Chemicals & Fertilizers letter no. 45012/4/2011-PC.I dated 30th December, 2011 as Managing Director of the company. He was accordingly inducted as an Additional Director w.e.f. 07th January, 2012 till the conclusion of this Annual General Meeting and as Managing Director with effect from the date of assumption of charge of the post, i.e., 11th January, 2012. The Board recommends his appointment as Director not 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 Shri Prabhu Nath Prasad as a Director of the Company. A brief profile of Shri Prabhu Nath Prasad is provided in the Corporate Governance Report.

Your Directors recommend the resolution for approval of the shareholders. None of the Directors except Shri Prabhu Nath Prasad is interested in this resolution.

Agenda No. 9

Dr Neeraj Mittal, Joint Secretary, Ministry of Petroleum & Natural Gas was nominated by MoP&NG vide letter no. L-12018/6/2010-GP-II dated 24th January, 2012 as Director on the Board of Directors of the company in place of Shri Manu Srivastava. He was inducted as an Additional Director w.e.f. 6th March, 2012 till the conclusion of this Annual General Meeting. The Board recommends his 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 Dr Neeraj Mittal as a Director of the Company. A brief profile of Dr Neeraj Mittal is provided in the Corporate Governance Report.

Your Directors recommend the resolution for approval of the shareholders. None of the Directors except Dr Neeraj Mittal is interested in this resolution.

Agenda No. 10

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



₹ 2000,00,00,000 (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 ₹ 861,55,02,600/- (Rupees Eight hundred sixty one crore, fifty five lakh, two thousand six hundred only).

As per revised project cost approved by the Cabinet Committee on Economic Affairs on 16.11.2011, the equity component has been increased from ₹ 1040 crores (Rupees One thousand forty crores only) to ₹ 1269 crore (Rupees One thousand two hundred sixty nine crore 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 17.07.2010 had authorized the Board to issue, offer, allot shares from time to time, up to an aggregate amount of ₹ 1040 crores.

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, which would result in issue of further equity shares of the Company.

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.

Agenda No. 11

Shri R T Jindal, Principal Secretary to the Government of Assam, Industries & Commerce Department was nominated by the Government of Assam vide letter no. CI. MI. 11/2010/105 dated 22nd May, 2012 as Director on the Board of Directors of the Company in place of Shri Jatinderbir Singh. He was inducted as an Additional Director w.e.f. 22nd May, 2012 till the conclusion of this Annual General Meeting. The Board recommends his 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 Shri R T Jindal as a Director of the Company. A brief profile of Shri R T Jindal is provided in the Corporate Governance Report.

Your Directors recommend the resolution for approval of the shareholders. None of the Directors except Shri R T Jindal is interested in this resolution.

The LLDPE/HDPE Unit



Glimpses of Progress



Polypropylene Unit with four Pellet Blending Silos

The Captive Power Plant



The Ethylene Cracker Unit





Message from the Chairman

Dear Member,

It is my privilege to communicate with you through this 5th Annual Report of your Company. I am pleased to share with you that after a long and arduous journey, the completion of the much-awaited Assam Gas Cracker Project is now within sight. I am sure that with the support of all stakeholders we would be able to complete the project as scheduled.

The Cabinet Committee on Economic Affairs approved the revised cost estimate of ₹ 8920 Crore for the project in November 2011 along with a revised schedule with mechanical completion by July 2013 and commissioning by December 2013. With this development there has been a renewed enthusiasm in Team BCPL. As I present this Annual Report of your Company for the year 2011-12, I am happy to inform that there has been a marked improvement in performance and the overall physical progress at the end of 2011-12 was 67.6%, of which around 32% has been achieved during the present fiscal. The efforts of Team BCPL which have been instrumental in driving this performance are indeed commendable.

Looking ahead with optimism, I am hopeful that we will achieve our goals while meeting our commitment of contributing to the all-round socio-economic development of the North-Eastern region. It is truly gratifying that this project will provide significant employment opportunities, both direct and indirect in the region. It is also expected to drive growth in downstream industries, which in turn would create opportunities in engineering, construction and service sectors. To realize the same, we continue to count upon unwavering support of the Central Government and of the joint venture promoters namely, GAIL (India) Ltd., the Government of Assam, Numaligarh Refinery Ltd. and Oil India Ltd.

The future bodes well for your Company as the Indian petrochemical industry is one of the fastest growing in the world. At present, the per capita consumption of

plastics in India is about 1/4th of the global average. The per capita consumption in North East is much lower than even the national average and this gap points towards future growth potential. Our product slate is optimally placed to tap the growth being witnessed in Polyethylene and Polypropylene markets. The initiative taken by the Government of Assam for the establishment of a Plastic cum Industrial Park for future development of polymer and associated industries in Assam and nearby areas will result in higher demand and higher per capita consumption of polymers in the North Eastern region. Your Company will also benefit from the marketing arrangement with its co-promoter, GAIL (India) Ltd., in terms of marketing expertise and network besides savings in creation of new infrastructure.

Our employees are our greatest assets and the brand ambassadors of the Company. It has therefore been our constant endeavour to attract and retain human talent and provide a congenial working environment with the right motivation, without compromising on organizational needs.

Your company is also keenly conscious of its social responsibilities and has initiated steps in this direction despite still being in the project implementation stage. Health care, hygiene, education, infrastructure development and environment are the thrust areas of its CSR policy. The management of your Company is also committed to demonstrating the highest standards of Corporate Governance to meet the interests of all stakeholders. A report on Corporate Governance forms a part of this Annual Report.

I once again assure you of our continued commitment in successfully completing this project and I seek your continued support in accomplishing the same.

B C Tripathi
Chairman



Directors' Report

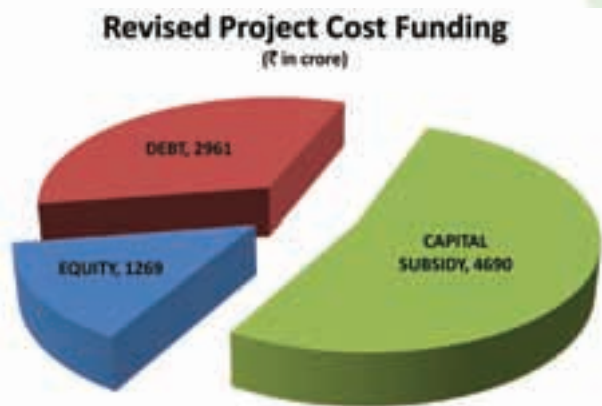
Dear Shareholders,

Your Directors take pleasure in presenting the fifth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2012.

Project Progress

Well into its 5th year of project execution, your company has achieved an overall physical progress of 67.6 % against the cumulative target schedule of 69.1 % during the year under review.

Revised Project Cost and Schedule



The Cabinet Committee on Economic Affairs (CCEA) approved a revised project cost of ₹ 8920 Cr on 16th November, 2011 against the original cost of ₹ 5460.61 crores. The CCEA also approved a revised schedule as per which mechanical completion is anticipated by July 2013 as against the original schedule of

January, 2012 and the project is expected to go into commercial production by December, 2013.

Highlights

- All the long lead/critical items have been awarded.
- Out of a total of 114 work contracts 102 have been awarded and the remaining shall be awarded progressively as per project completion schedule.
- 98 % of material & equipment ordering including critical and long lead orders have been completed and the balance shall be completed as per project completion schedule.
- Out of a total of 1039 equipment 375 have been erected at site.
- Civil works at all major process units are nearing completion and mechanical, electrical and instrumentation works are gaining momentum.
- On an average about 7000-8000 labourers are available at site every day against the requirement of 9000 -10000. More than 93 % of the labourers are from Assam.



Arrival of Propylene Fractionator No. 2 sections, the tallest equipment in the plant



Financial Progress

With the Project gaining impetus, firm financial commitments have increased to over ₹ 7790.98 crores and financial progress of 50.57% was achieved till the end of the financial year under review.

The total expenditure incurred during the year was ₹ 2334.62 crores out of a cumulative expenditure of ₹ 4510.51 crores. During the year under review the authorized share capital of your Company has been increased from ₹ 1200 crores to ₹ 2000 crores and the paid up capital has gone up from ₹ 324.66 Crores to ₹ 861.55 crores. Capital subsidy amounting to ₹ 882.56 crores 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 ₹ 7.12 crores, which has been added to capital subsidy for the period 2011-12. A total amount of ₹ 2145.12 crores has been received as capital subsidy from the Government of India, till the end of the year under review. Out of this, the unutilized capital subsidy is ₹ 1,93,291. Secured loans of ₹ 644 crores were also drawn during the year from OIDB and the consortium of lenders and the total secured loans as on 31.03.2012 was ₹ 977 crores.

Business Plan 2011-12

The Business Plan for the year was ₹ 2736.46 crores (revised), against which the actual expenditure was ₹ 2334.62 crores. The major expenditure heads of the capex include Plant & Machinery (₹ 1622.92 crores), Engineering Cost (₹ 102.2 crores), site related facilities (₹ 530.98 crores), infrastructure cost to OIL & ONGC (₹ 22.11 crores).

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

Being 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 ₹ 460.83 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, 2012.

Human Resource

Your company considers its human resource as the fundamental strength on which all strategies are based and utilizes them as a means for ensuring sustained growth. The main focus

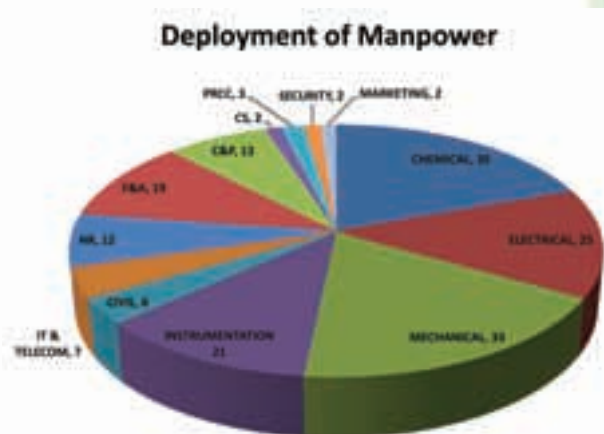


BCPL Foundation Day, 2012 celebrations



of the HR Department is to attract, retain and develop employees from diverse backgrounds, talents and experience and to ensure that the best possible skill and talent is available to formulate, implement and evaluate the strategies for achieving organizational objectives. The employees are exhibiting exemplary team spirit for faster execution of the project.

The manpower strength of your company as on 31st March, 2012 was 147 out of which 70% are from the North East Region. In addition 34 executives are on secondment/deputation from the promoter companies and 1 from the Government of Assam. The process of recruiting the additional human capital required for construction, commissioning and operations & maintenance phases have been



initiated. Adequate representation is being given to female employees and minorities who account for more than 20 % and 7% 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 approximately 7000-8000 contract labourers are engaged at the project site at Lepetkata. Though there were some labour issues in the recent past, this was effectively handled



Republic Day 2012

with the joint effort of the district administration and the management. At present the situation is absolutely normal and industrial tranquility is being well maintained at site.

A Grievance Redressal Committee consisting of senior officers including the Advisor-Coordination and Officer On Special Duties has been constituted to handle day to day labour grievances in coordination with the contractors' representative and the contractors' workers for prompt disposal and for maintenance of a harmonious work environment.

Changes in the Board of Directors

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

- (i) Shri Dipak Chakravarty, Managing Director, Numaligarh Refinery Ltd. (NRL) nominated by NRL as a Director of the company was appointed w.e.f. 01.04.2011 in place of Dr. B K Das.
- (ii) Shri Jatinderbir Singh, Principal Secretary to the Government of Assam, Industries & Commerce Department, nominated by GoA as a Director of the company was appointed w.e.f. 02.07.2011 in place of Shri



Ravi Capoor. Subsequently, Shri R T Jindal, Principal Secretary to the Government of Assam, Industries & Commerce Department was nominated as a Director of the company in place of Shri Jatindbir Singh and he was appointed as an Additional Director w.e.f. 22.05.2012.

(iii) Shri Prafulla Chandra Sharma was appointed as an Independent Director w.e.f. 16.12.2011.

(iv) Shri Prabhu Nath Prasad was appointed as a Director of the company w.e.f. 07.01.2012 and assumed charge as Managing Director w.e.f. 11.01.2012.

(v) Dr Neeraj Mittal, Joint Secretary, Ministry of Petroleum & Natural Gas nominated by MoP&NG as a Director of the company was appointed w.e.f. 06.03.2012 in place of Shri Manu Srivastava.

Corporate Social Responsibility

Your company came up as a part of the historical Assam Accord signed in 1985 with the objective of overall socio-economic development of the region especially to create employment opportunities through downstream industries. Despite being only in the construction phase, your company has been conscious of its social obligations and decided to implement CSR activities with an endeavour to develop the surrounding areas and also to create awareness about the objective of setting up the Assam Gas Cracker Project.

The CSR policy of your company was formulated and implemented, effective from the financial year 2010-11 considering the sentiments and expectations of the local populace attached to this project. The CSR initiatives are identified and taken up in consultation with Dibrugarh

District Administration. An internal committee reviews and recommends the proposals for implementation.

During the year under review the following CSR initiatives have been taken:

1. Construction of Part I of 2.30 km road for Kakoti Gaon which is a Project Affected Village. The executing agency is PWD Rural Road Division, Dibrugarh, Government of Assam. The remaining part of the road will be constructed by the Company in 2012-13.
2. Construction of a Crematorium for Kakoti Gaon, for which the executing agency is Barbaruah Block Development, Dibrugarh, Government of Assam.
3. Construction of 5 seated Sulabh Toilet Complex at the office of the Deputy Commissioner, Dibrugarh.

An MoU shall be signed between the Company and the Dibrugarh District Administration for implementation of the CSR programmes during the financial year 2012-13.

Right to Information Act, 2005

The Company adheres to Government instructions issued in pursuance of Right to Information Act, 2005, and has designated a Public Information Officer and Appellate Authority under the Act. During the year, 14 queries, mostly related to recruitment and CSR activities 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.



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, 2012 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.



Monitoring Committee Meeting chaired by Shri K. Jose Cyriac, Secretary, MoCF

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.



Project Review : Shri K. Jose Cyriac, Secretary, MoCF seen with Shri B C Tripathi, Chairman, BCPL and others.

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 express their sincere appreciation of the guidance and support from the Ministry of Chemicals and Fertilizers, the Ministry of Petroleum and Natural Gas and the Ministry of Environment and Forests. Your Directors also acknowledge the support and continued

patronage received 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 acknowledge the valuable advice and co-operation received from the Statutory Auditors and the officials of the Comptroller & Auditor General of India during the audit of accounts for the year under review.

Last but not the least, your Directors wish to acknowledge the dedication and responsibility exhibited by the employees despite all odds, in their efforts to complete the project and build an effective and fully functional organization.

Sd/-

Dated: 21st June, 2012

(B.C. Tripathi)

Place: New Delhi

Chairman



Management Discussion and Analysis Report

Industry Structure and Developments

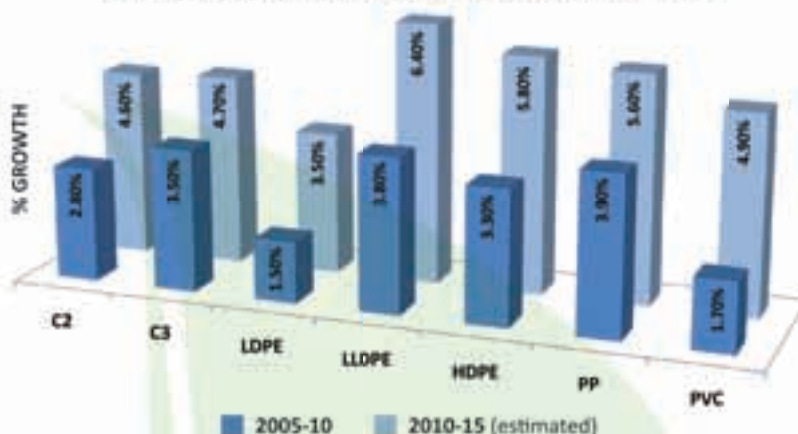
Broadly categorized into building blocks, plastics, synthetic rubbers, synthetic fibers, fiber intermediates and basic chemicals, Petrochemicals play a vital role in the economic growth with the global petrochemical industry currently growing at 1.2 to 1.3 times the global GDP growth. This growth is primarily being driven by the emerging economies currently.

Ethylene and Propylene are the two major building blocks or monomers. While Ethylene is derived from Naphtha or Gas Crackers, Propylene is derived as a co-product from Naphtha Cracker and from Refinery FCC streams. A wide range of plastics raw materials are produced from Petrochemicals to cater to the different sectors of the economy including packaging, agriculture,

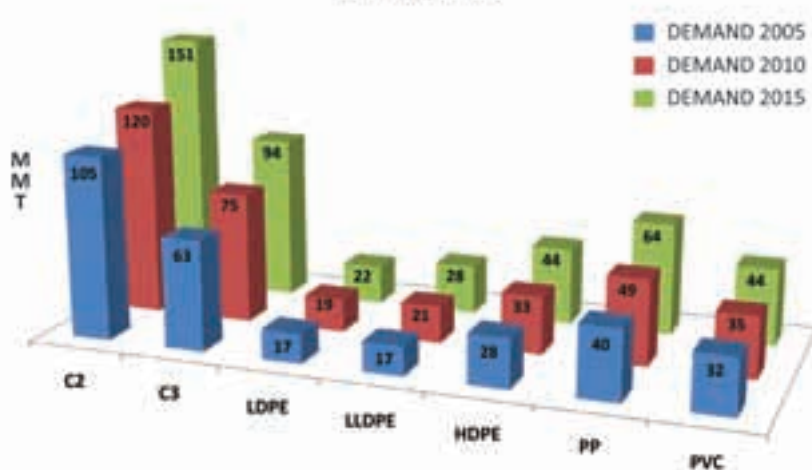
infrastructure, healthcare, textiles and consumer goods. Petrochemicals are rightly termed “the enablers” for growth of other sectors of the economy. The polymers Polypropylene (PP), Linear Low Density Polyethylene (LLDPE) and High Density Polyethylene (HDPE), the primary products of the company are essentially used in the manufacture of plastic products.

The major plastic materials like PE and PP are derived from the olefins, Ethylene and Propylene. 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 plastic raw-material used by the industry while PP today is the second largest and fastest growing plastic.

Global Compounded Annual Growth Rate

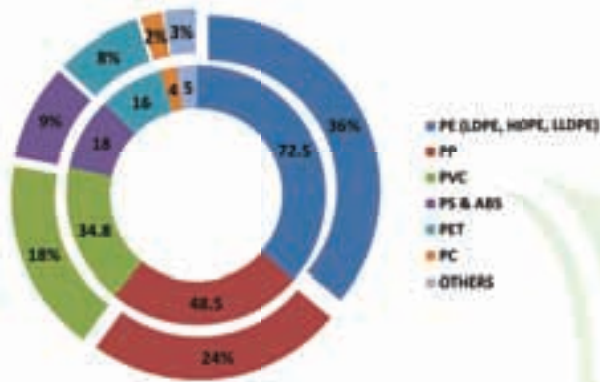


Global Demand Growth
Demand in MMT





Global Polymer Consumption
MT & % Share



With a humble beginning in the mid-sixties, the Petrochemical industry in India today has global sized plants catering not only to local demand but also to the international markets. Ethylene and Propylene capacities in India have reached significant levels. In the year 2011-12, Ethylene had a demand of 3785 KTA against the installed capacity of 3867 KTA, while Propylene had a demand of 3700 KTA against the installed capacity of 4117 KTA.

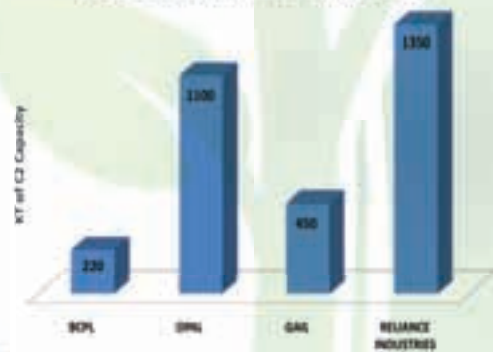
Demand in India (KT)



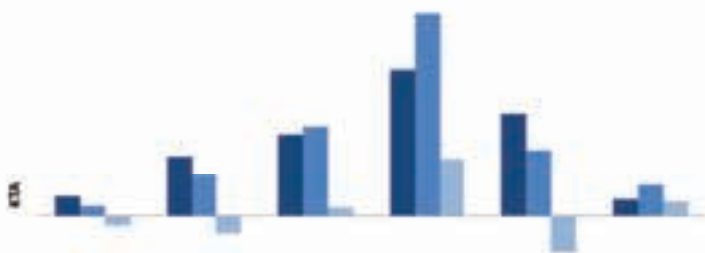
Echoing the global trend, in India too PE continues to be the largest commodity with LLDPE experiencing the fastest growth. PP has been the fastest growing polymer amongst commodity plastics.

Naphtha and natural gas fractions (C2/C3) are the two main sources of feedstock for the petrochemical industry. 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

Start Up of New Cracker Units (2012-16)



Polymers Demand Supply Gap in India



	LDPE	LLDPE	HDPE	PP	PVS	PS & EPS
DEMAND	405	1198	2657	2993	2087	340
CAPACITY	205	895	2825	4140	3330	640
GAP	-200	-303	168	1147	-757	300

own are expected to start up by 2015.

So far India has worked towards self-sufficiency in petrochemicals, which has been achieved. Time has come to look at export of finished products and



create export oriented petrochemical capacities. Though one of the fastest growing industries in the country, there is a waning of interest in this sector due to recent adverse investment climate including low import duties on petrochemical products, high energy cost coupled with high internal transaction costs and the establishment of large scale capacity in the Middle East backed by subsidized feedstock.

Strengths and Weaknesses

Adoption of the 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. This reduces dependence on a single feedstock. Feedstock will not be a constraint and there is sufficient domestic demand.

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

With considerable experience and expertise in the hydrocarbons sector, the promoters have been backing the project at every stage since inception. Manpower requirement has been supplemented by the promoters on secondment/deputation basis, thus providing the requisite expertise in construction, commissioning, operation and maintenance of petrochemical and gas processing units. The wide and varied experience of EIL, the Project Management Consultants has been a major support in the erection and construction activities.

Another major strength is the marketing tie-up with GAIL, which has been in the field of petrochemicals for more than a decade. Further,

there is adequate potential for development of downstream projects in the state of Assam and the state government is extending full support in this respect. A Plastic Park has been set up in Tinsukia by the Government of Assam, towards this end. Market prospects in neighbouring countries including Myanmar and Bangladesh are also bright.

One of the major weaknesses of the project, which is highly capital intensive, is its reliance on capital and feedstock subsidies. The possibility of cessation of government support in these respects in future would be a cause for concern. Moreover, India having a very high import duty of 5% on Naphtha has resulted in nil duty differential between feedstock and finished products (polymers) and this does not bode well for financial viability in the manufacture of polymer from Naphtha. In this respect, the upside, however, is the dual feed technology adopted by the company.

Logistical disadvantages due to its location coupled with inadequate infrastructure in the region are a serious setback both in terms of transporting equipment to the project site and in future, the despatch of materials from the plant. Prolonged and heavy rains and climatic conditions have caused major disruption in construction activities. Insufficient availability of quality power and the high cost of energy will remain areas of concern. The location of the project has also been a deterrent in attracting and retaining quality manpower. However, with the introduction of better facilities and benefits, the prospects are now much brighter.

Opportunities and Threats

Plastics today find widespread use in all major sectors and its demand is perceived as an indicator of industrial growth and development.



Over the last thirty years, global polymer demand, i.e. demand for commodity plastics has grown almost 5 fold from 36 MMT in 1980 to 169 MMT in 2010. Diverse factors including favourable demographics, rising disposable income, development of rural marketing, growth of organized retailing, development in agriculture, automobile, telecommunication and health care signify immense promise for future growth in the sector. At present, the per capita consumption of plastics in India is about 7 kg as against the global average of 28 kg. This gap is an indication of the growth potential in the industry.

Availability of relatively cheaper labour as compared to developed markets of the world provides an opportunity to expand capacities. The northeastern region in particular has large availability of labour at relatively cheaper wages.

The northeastern region has one of the lowest per capita consumption of polymers and plastics in India. In the absence of any major competitor in the region, your company can take advantage of the growing demand. Downstream industries are expected to emerge.

Cost of feedstock constitutes the single largest component of the cost of production. 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 has to be ensured to withstand the threat from cheaper imports under the open market regime. Dumping of cheaper products by low cost producers is a cause for concern in this sector.

Growing environmental concerns and the negative perception over the use and disposal of plastics is seen as 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.

Despite growing demand, the possibility of decline in rate of growth in domestic demand due to high inflationary pressures cannot be ruled out. Prices in the petrochemical industry are also highly volatile with the industry passing through 6 to 8 year cycles of peaks and lows.

Segment wise or Product wise Performance

The company is still in the project execution stage.

Outlook

The last global economic meltdown had dampened the growth prospects of the industry. The process of economic recovery and improvement in market sentiment over the last few years brought in its wake sporadic investments in the petrochemicals sector. The business environment and outlook in the petrochemicals sector have improved and some of the planned projects like the IOC petrochemicals complex, HPCL- Mittal Energy Limited, expansions by GAIL and HPL, have materialized. Though some greenfield investments including PCPIRs are being pursued, adequate government support would be called for without which the full growth potential in the sector cannot be realized.

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

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. Commodity polymers are enjoying a rate of growth above the GDP growth and the trend is expected to continue. All polymers are expected to grow at approximately 10% CARG during the 12th plan period and substantial increase in capacities of LDPE, LLDPE, HDPE are expected along with small increase in capacities of PP and PVC. However, growth in demand will outpace the growth in capacities.

So far as your Company is concerned, the plant is expected to be commissioned and go into commercial production in December, 2013.

Risks and Concerns

A major concern has been delay in scheduled project implementation and resultant cost escalation. However, persistent efforts are on to complete the project as per revised schedule and no further delay is expected. Project progress has improved in the recent past and the overall physical progress was 67.6% as on 31st March, 2012.

Though feedstock availability concerns are mitigated due to firm arrangements ensured by the Government of India for 15 years of plant operation, the long term availability, particularly of Natural Gas is to be ensured. Cost of feedstock is the biggest component in the cost of production of petrochemicals and future feedstock pricing is an area of concern 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. Further, the possibility of cessation of government support in the form of subsidies in the future would remain a concern.

As the Company is in its construction phase it 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 subject to review by the Board of Directors.

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. The company is following the systems and policies of its holding company till its own policies are defined and in place. A risk management policy is already in place. Periodic internal audit is being conducted presently by the Internal Audit team of the holding company and remedial measures are adopted whenever called for. In all cases involving financial implication, various limits and authorities are specified.

The Company's progress and activities are being continuously monitored and reviewed by 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 the recruitment and retention of quality human capital by adhering to an effective recruitment policy, training programmes aimed at performance improvement and development of core competencies along with steady introduction of attractive compensation and benefits, all the time maintaining a balance between individual and organizational needs. Recognizing the importance of its human resources as the greatest asset, 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, the Company has considerably increased in own human capital base with adequate care 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 present human strength of the company is 182, out of which 33 are on secondment from GAIL, 1 each on deputation from NRL & the Government of Assam and 147 are the company's regular employees.

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



Planting of sapling by Shri P N Prasad, Managing Director on Republic Day

The Company is keenly aware of the environmental concerns over a petrochemical plant and its responsibilities towards this end. 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. 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

Despite being in its construction phase, the company has initiated CSR activities to contribute to the society in the areas of health care, hygiene, education, infrastructure development & environment.

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.*



Report on Corporate Governance

Company's Philosophy

The Company strongly believes that the adoption of ethical and transparent corporate governance practices is an indispensable tool to garner stakeholders' confidence and to enable the Company to effectively and successfully prosper in the long run.

The Board of Directors in the exercise of its fiduciary responsibilities is conscious of the need to act with integrity and accountability in order to earn and retain the confidence and trust of all the stakeholders. It shall be the unfailing endeavour of the management to instill a culture of ethical and honest conduct in this nascent organization from the very beginning.

Board of Directors

As on 31st March, 2012, the Board of Directors of your Company consisted of thirteen Directors including an ex-officio Chairman nominated by GAIL, its major promoter, two Government Nominees (representing MoC&F and MoP&NG), and two Whole Time Directors i.e Managing Director and Director (Finance). Shri P C Sharma has been appointed as an Independent Director by Government of India and appointment of another Independent Director is under consideration of the Department of Public Enterprises. The Nominee Directors are appointed in accordance with the Joint Venture Agreement and the Articles of Association of the Company.

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

	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		
Functional Directors								
1	Shri P N Prasad <i>(Director w.e.f. 07.01.2012 & Managing Director w.e.f. 11.01.2012)</i>	Managing Director	-	-	-	-	1	Yes
2	Shri Rakesh Kumar	Director (Finance)	-	-	-	-	5	Yes
Promoter Directors								
3	Shri B.C. Tripathi <i>Chairman & Managing Director GAIL (India) Ltd.</i>	Chairman	3	1	-	1	5	Yes



	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		
4	Shri R. K. Dutta Advisor Government of Assam	Director	-	2	-	-	4	Yes
5	Shri Ravi Capoor Principal Secretary to the Government of Assam, Industries & Commerce Department <i>(upto 13.05.2011)</i>	Director	1	9	-	-	1	No
	Shri Jatinderbir Singh Principal Secretary to the Government of Assam, Industries & Commerce Department <i>(w.e.f. 02.07.2011)</i>	Director	2	8	-	-	3	Yes
6	Shri Dipak Chakravarty Managing Director Numaligarh Refinery Ltd.	Director	-	1	-	-	3	Yes
7	Shri T.K. Ananth Kumar Director (Finance) Oil India Limited	Director	-	1	-	1	3	Yes
8	Shri S L Raina Director (HR) GAIL (India) Ltd.	Director	-	3	-	3	4	Yes
9	Shri S Venkatraman Director (BD) GAIL (India) Ltd.	Director	4	5	-	1	5	Yes
10	Shri P K Jain Director (Finance) GAIL (India) Ltd.	Director	-	5	1	-	5	Yes
Government Directors								
11	Ms Neel Kamal Darbari Joint Secretary, Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals	Director	-	1	-	-	4	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		
12	Shri Manu Srivastava Director Ministry of Petroleum & Natural Gas (upto 06.03.2012)	Director	-	1	-	-	-	No
	Dr. Neeraj Mittal Joint Secretary Ministry of Petroleum & Natural Gas (w.e.f.06.03.2012)	Director	-	2	-	-	-	No
Independent Director								
13	Shri Prafulla Chandra Sharma (w.e.f. 16.12.2011)	Director		2		2	1	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 2011-12.

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

No. of the Board Meeting	Date	Board Strength	No. of Directors Present
31 st	05.05.2011	11	8
32 nd	29.07.2011	11	9
33 rd	17.10.2011	11	7
34 th	16.12.2011	12	9
35 th	06.03.2012	13	11

Profile of Directors being appointed / reappointed

Ms. Neel Kamal Darbari, Director retires by rotation at the ensuing annual general meeting pursuant to section 256 of the Companies Act, 1956 and being eligible offers herself for reappointment.

Ms. Darbari joined the Indian Administrative Service in 1987. She is a Post Graduate in English Literature, has undergone various training programmes in India and abroad and has also taken academic breaks to study for an MBA degree from Australia and M.Phil degree from University of Punjab, with a view to reconnect with evolving concepts of management and public policy.



As Joint Secretary in the Directorate of Chemicals & Petrochemicals since September 2008, her main charge in the department includes matters relating to CIPET, Assam Gas Cracker Project, PCPIR, etc.

Shri T K Ananth Kumar, 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 T.K. Ananth Kumar is the Director (Finance) of Oil India Limited since 18.01.2007 and holds a Bachelor's degree in Commerce from Osmania University. He is also a Fellow member of the Institute of Chartered Accountants of India. He has 31 years of experience in the Oil and Petroleum Industry. Prior to joining OIL, he was the Director (Finance) of NRL for over three years and before that, he worked with HPCL for 23 years. He joined the BCPL Board as Promoter Director on 24.12.2008.

Shri S L Raina, 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 S L Raina is an MBA from University of Hull, London, an LLB, a Master in Public Administration. He has a career spanning more than three decades in Hydrocarbon and Textile industries and has a very rich experience in human resource management as also marketing and legal at senior level.

Prior to becoming Director (HR) in GAIL, he headed various human resource departments of the company; he also spearheaded various CSR programmes. As Head of Legal Department, Shri Raina represented GAIL in various judicial, arbitral and administrative proceedings. He joined the BCPL Board as Promoter Director on 19.08.2009.

Shri S Venkatraman, 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.

He presently holds a position of Director (Business Development) in GAIL and is in-charge of GAIL's Business Development, Project Development, Petrochemical operations, Exploration & Production and global ventures of the Company. He joined GAIL as Manager in December 1990 and served at various levels across different departments including Business Development, Marketing and Projects. He was part of the core team that worked on the development and implementation of GAIL's first gas based petrochemical complex right from its conceptualization to commissioning. Shri S. Venkatraman has done B.Sc. (Physics) from University of Madras, Madras in 1973. In 1976, he completed Diploma in Instrumentation from Madras Institute of Technology, and thereafter Diploma in Management from All India Management Association, New Delhi in 1989. He started his career in 1976 with Instrumentation Ltd., Kota and worked there at various levels till December 1990. He joined the BCPL Board as Promoter Director on 11.10.2010.

Dr. Neeraj Mittal, Joint Secretary, Ministry of Petroleum and Natural Gas was appointed as an Additional Director w.e.f. 06.03.2012. He is an IAS Officer from Tamil Nadu Cadre (1992). He is an electrical engineering graduate from IIT, Kanpur, holds an MBA degree from Cranfield University, UK and is a PhD (MIS) from Ohio State University, USA.

During his IAS career spanning over two decades, he has served in various departments/offices of the state and the centre including Land & Revenue, Mines and Minerals, Transport, Telecommunication, Commerce and is presently serving as a Joint Secretary in the Ministry of Petroleum and Natural Gas.



Shri P N Prasad, Managing Director, was appointed as an Additional Director w.e.f. 07.01.2012. Prior to his appointment as Managing Director he was heading the project as Chief Operating Officer of the Company since 22.02.2011. Shri Prasad is a Mechanical Engineer with an MBA in HR. He has a long association with GAIL since 1987. For several years in the past decade he was associated with the GAIL petrochemicals plant at Pata. Earlier in 2009, Shri Prasad had headed the BCPL Project as the Chief Operating Officer. Over the past 25 years Shri Prasad has gained varied experience and competence in the areas related to Operations & Maintenance, Project Management, and Contracts Management etc.

Shri P C Sharma, Part Time Non Official Director (Independent Director) was appointed as an Additional Director w.e.f. 16.12.2011. As an IAS officer, Shri Sharma retired as the Chief Secretary, Government of Assam. He is also an M Sc. (Chemistry) and a Law Graduate. Prior to his appointment as Independent Director in the Company he was on the Board of the Directors of the Company representing Government of Assam since the inception of the project up to March 2010. He has a wide and varied experience and long association with the Government of Assam in several important posts. Shri Sharma is a member on the Board of Directors of National Aluminium Company Ltd. and of Garden Reach Shipbuilders & Engineers Ltd.

Shri R T Jindal, Principal Secretary to the Government of Assam, Industries & Commerce Department was appointed as an Additional Director w.e.f. 22.05.2012. He is a 1983 batch IAS Officer from the Assam-Meghalaya cadre and has served at various levels in different departments of the Government of Assam. He has also worked in the Government of Punjab on inter cadre deputation from 1994 to 1999. He has been on central deputation with the Ministry of HRD/Tourism & Culture from 1996 to 2008. He is a Science graduate from Punjab University, Patiala and post graduate in Chemistry from Punjab Agriculture University, Ludhiana.

Audit Committee

The Audit Committee presently comprises of five members and Shri P C Sharma, a Non-official (Independent) Director is the Chairman thereof. 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 05.05.2011, 29.07.2011, 23.11.2011 and 06.03.2012 and the details of attendance by the members during 2011-12 are given below:

Name of Directors	No of meetings attended
Shri P C Sharma, Chairman (w.e.f. 06.03.2012)	1
Shri R.K. Dutta	3
Shri Dipak Chakravarty	4
Shri T.K. Ananth Kumar	2
Shri P K Jain	4



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 : Member

During the year under review four meetings of the Committee were held on 27.06.2011, 12.09.2011, 08.10.2011 and 07.02.2012. 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.

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 2011-12 are as below:

Name	Date of Appointment	Salary & Allowances (₹)	Contribution to PF, Gratuity and Other Funds (₹)	Other Benefits and Perquisites (₹)	Performance Linked Incentives (₹)	Total (₹)
Sh. P N Prasad (Managing Director)	11.01.2012	4,82,470	41,067	1,48,416	--	6,71,953
Sh. Rakesh Kumar Director (Finance)	04.01.2010	20,28,347	1,56,161	7,86,958	--	29,71,466

The Part-time Non-official Director is not being paid any remuneration other than sitting fee, which amounted to ₹ 40,000 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
2 nd	09.09.2009	04:30 PM	Hotel Brahmputra Ashok, M.G.Road, Guwahati	None



No. of the AGM	Date	Time	Venue	Any Special Resolution Passed
3 rd	17.07.2010	10:30 AM	Hotel Brahmaputra Ashok, M.G. Road, Guwahati	Yes (Authorization for further issue of shares pursuant to Section 81)
4 th	29.07.2011	4:00 p.m.	Hotel Brahmaputra Ashok, M.G. Road, Guwahati	None

During the year under review an Extraordinary General Meeting was held on 16th December, 2011 and special resolutions were passed thereat for approving the following agenda:

- (i) To increase the authorized share capital from ₹ 1200 crores to ₹ 2000 crores.
- (ii) To enhance the borrowing powers of the Board of Directors u/s 293(1)(d) of the Companies Act, 1956 from ₹ 2,800 crores to ₹ 4,000 crores.

5th Annual General Meeting

Date : Monday, 27th August, 2012

Time : 3.00 p.m.

Venue : Registered Office
Hotel Brahmaputra Ashok
M G Road, Guwahati 781 001



Annual General Meeting 2010-11

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. An Independent Director was appointed by the Government of India during the year under review and the appointment of another is in process with the Government.
- (iii) The Company now 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 5th 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 2012.



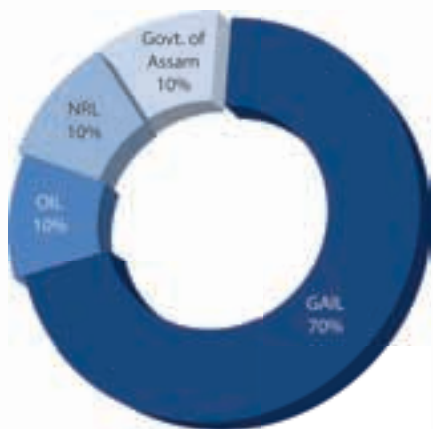
Means of Communication

The company now has a website 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.



Shri B C Tripathi, Chairman with Shri K. Jose Cyriac, Secretary, MoCF and Mrs Neelkamal Darbari, Joint Secretary, MoCF at a Press Conference

Shareholding Pattern



Corporate Governance Compliance Certificate

A certificate from a Company Secretary in practice regarding compliance of conditions of corporate governance during 2011-12, 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, 2012.

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.



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 Brahmaputra Ashok
M.G. Road, Guwahati - 781 001

We have examined the registers, records, books and papers of **Brahmaputra Cracker and Polymer Ltd.** (the Company) for the period 1.4.2011 to 31.03.2012 according to the provisions of:

The Companies Act, 1956 and the Rules made there under; and

Guidelines on Corporate Governance for Central Public Sector Enterprises as issued by the Department of Public Enterprises, 2010 (DPE) of the Ministry of Heavy Industries and Public Enterprises, Government of India ("the DPE Guidelines on Corporate Governance").

1. Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, 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 and the 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) The 4th Annual General Meeting held on 29th July 2011;
- (g) The Extra Ordinary General meeting held on 16th December 2011;
- (h) Minutes of proceedings of General Meeting and meetings of Board and its committees.
- (i) Constitution of Board of Directors and appointment, retirement and re-appointment of Directors;
- (j) Appointment of Chairman and Managing Director, Whole Time Directors and non-executive Directors and their remuneration;
- (k) Transfers and transmissions of the Company's shares, issue and allotment of shares and issue of original and duplicate certificates of shares;



- (l) Appointment and remuneration of Auditors;
- (m) Borrowings and registration, modification and satisfaction of charges;
- (n) Board's Report;
- (o) Alteration of Memorandum & Articles of Association for increase in authorized share capital;
- (p) Contracts, common seal, registered office and publication of name of the Company; and
- (q) 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(1)(g) of the Act are not applicable to the Company;
- (b) The Company has where required, obtained all the necessary approvals of Directors, Shareholders and other authorities as required under the Act;
- (c) 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 offences under the Act;
- (d) 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 been remain unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are not applicable to Company;
- (e) The amount borrowed by the Company from public financial institutions, banks and others during the financial year ending **31st March 2012**, 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;
- (f) 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 it is a subsidiary of a 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 and the constitution of Audit Committee with two-thirds of its members as Independent Directors, has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines on Corporate Governance.

Place: Guwahati

Date: 26th April 2012

For **Narayan Sharma & Associates**
Company Secretaries

Sd/-

(NARAYAN SHARMA)

Proprietor

C. P. No. 3844



Corporate Governance Compliance Certificate

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 Members of
Brahmaputra Cracker & Polymer Limited
Regd. Office: Hotel Brahmaputra Ashok
M. G. Road, Guwahati -781001

We have examined the compliance of conditions of Corporate Governance by **Brahmaputra Cracker & Polymer Limited** (hereinafter referred as "the Company") for the year ended **31st March 2012**, as stipulated in the DPE Guidelines on Corporate Governance. The Company not being 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 composition of the Board with required number of Independent Directors, the maximum number of Nominee Directors to be appointed by Government/ other CPSEs and the constitution of Audit Committee with two-thirds of its members as Independent Directors, 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 2012

For **Narayan Sharma & Associates**
Company Secretaries

Sd/-

(NARAYAN SHARMA)

Proprietor

C. P. No. 3844

Membership No. FCS 5117



Auditors' Report to the Shareholders

Das & Sharma
Chartered Accountants



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

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

Date : 18-05-2012

AUDITORS' REPORT

We have audited the attached Balance Sheet of Brahmputra Cracker and Polymer Limited, Guwahati, Assam as at 31st March, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 issued by the Ministry of Finance, Central Government of India in exercise of the powers conferred by sub-section (4A) of section 227 of the Companies Act, 1956, we enclose, as an annexure a statement on the matters specified in paragraphs 4 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been maintained by the Company so far as appears from our examination of those books.
3. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of accounts maintained.



4. In our opinion, the Balance Sheet, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. The provision of clause (g) of Sub-Section (l) of Section 274 of the Companies Act, 1956, are not applicable to the Company.
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with notes thereon give the information required by the Companies Act, 1956, 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 31st March, 2012, and,
 - 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 of the company during the year under audit.

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

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



Annexure to the Auditor's Report of Brahmputra Cracker &
Polymer Limited for the period ended 31st March, 2012
(Referred to in para 3 of our Audit Report)

As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government, and on the basis of such checks we considered appropriate, and according to the information and explanations given to us, we further report that:

1. The Company has maintained proper records showing full particulars including quantitative details of Fixed Assets, as well as the situation of these Fixed Assets.
2. It has been represented to us that a physical verification covering a section of Fixed Assets has been carried out during the year under audit. It has also been represented to us that a scheme for verification of the entire assets every three years has been put in place. No material discrepancies had been noticed during the verification.
3. Substantial portion of the Fixed Assets of the Company have *not* been disposed off during the year.
4. 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.
5. The company has not taken or granted any loans from related parties in respect of whom entries are warranted in a register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of construction materials and fixed assets.
7. 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.
8. The Company has not accepted any deposits from the public.
9. In our opinion, the company has a system of internal audit which is commensurate with the size and nature of its activities.
10. 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.
11. The company has been regular 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.
12. As the company is yet to start its operation, the question of accumulated loss does not arise.



13. Based on out checks, and information given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any bank or financial institution. The company has no debenture holders.
14. No loans or advances have been granted by the Company by way of pledge of shares, debentures or other securities.
15. Contents of Paragraph 4(xiii) of the Order (first part) are not relevant to the Company.
16. Contents of Paragraph 4(xiii), (second part) of the Order are not relevant to the Company.
17. The Company is not dealing or trading in any shares, securities, debentures or other investments.
18. The Company has not given any guarantees for loans taken by others from banks and financial institutions.
19. The Term Loans obtained by the Company are being utilized for the purpose for they have been sanctioned.
20. Funds raised for Long Term uses have been utilized for long term purposes only.
21. No preferential allotment of shares has been made by the Company.
22. No debentures have been issued by the Company.
23. The Company has not raised money through public issues.
24. According to the information and explanations given to us, no fraud has been noticed or reported during the year under audit.

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

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



Balance Sheet

as at 31st March 2012

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
		Amount (₹)	Amount (₹)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	8,615,502,600	3,246,572,600
(b) Reserves and surplus	2	21,451,288,223	12,625,633,494
2 Share Application money pending allotment	3	2,666,098,720	2,397,698,721
3 Non-current liabilities			
(a) Long-term borrowings	4	9,770,000,000	3,330,000,000
(b) Deferred tax liabilities (net)			
(c) Other long-term liabilities	5	3,537,509	3,084,230
(d) Long-term provisions	6	1,579,150	799,037
4 Current liabilities			
(a) Short-term borrowings			
(b) Trade payables			
(c) Other current liabilities	7	3,431,975,117	2,908,908,202
(d) Short-term provisions	8	1,878,548,277	29,843,560
TOTAL		47,818,529,596	24,542,539,844
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,602,532,160	1,288,159,254
(ii) Intangible assets	9	78,803,385	67,889,492
(iii) Capital work-in-progress	10	35,103,549,719	17,288,315,524
(vi) Fixed assets held for sale			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	11	7,045,664,738	2,116,411,262
(e) Other non-current assets	12	2,154,126,865	988,551,283



Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
		Amount (₹)	Amount (₹)
2 Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	13	-	-
(d) Cash and cash equivalents	14	1,394,485,716	2,246,036,082
(e) Short-term loans and advances	15	103,572,623	542,328,840
(f) Other current assets	16	335,794,390	4,848,107
TOTAL		47,818,529,596	24,542,539,844
3 Additional information	17		

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

Sd/-
(Rakesh Kumar)
Director (Finance)

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 : 18.05.2012



Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
I. Revenue From Operations		Nil	Nil
In respect of a company other than a finance company:			
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			
Total expenses		Nil	Nil
V. Profit before exceptional and extraordinary items and tax (III-IV)		Nil	Nil
VI. Exceptional items		Nil	Nil
VII. Profit before extraordinary items and tax (V - VI)		Nil	Nil
VIII. Extraordinary Items		Nil	Nil
IX. Profit before tax (VII- VIII)		Nil	Nil
X Tax expense:		Nil	Nil
(1) Current tax			
(2) Deferred tax			
XI Profit (Loss) for the period from continuing operations (VII-VIII)		Nil	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)		Nil	Nil
XVI Earnings per equity share:			
(1) Basic		Nil	Nil
(2) Diluted		Nil	Nil

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

Sd/-
(Rakesh Kumar)
Director (Finance)

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 : 18.05.2012



Notes forming part of the Balance Sheet

Note:1: Share capital

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
(a) Authorised				
Equity Shares of ₹ 10/- each	2,000,000,000	20,000,000,000	1,200,000,000	12,000,000,000
(b) Issued				
Equity Shares of ₹ 10/- each	1,269,000,000	12,690,000,000	564,500,000	5,645,000,000
(c) Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	861,550,260	8,615,502,600	324,657,260	3,246,572,600
(d) Subscribed but not fully paid up				
Equity Shares of ₹ 10/- each	Nil	Nil	Nil	Nil
Total	861,550,260	8,615,502,600	324,657,260	3,246,572,600

Note :1 (a): Share capital Reconciliation

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
Equity shares								
Year ended 31 March 2012								
- Number of shares	324657260	536893000						861550260
- Amount (₹)	3246572600	5368930000						8615502600
Year ended 31 March 2011								
- Number of shares	263371560	61285700						324657260
- Amount (₹)	2633715600	612857000						3246572600



Note :1 (b): Share capital other details

Particulars				
(i) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March 2012		As at 31 March 2011	
	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	603085133	70	227260033	70
Oil India Limited	86155019	10	32465719	10
Numaligarh Refinery Limited	86155019	10	32465719	10
Govt. of Assam	86155019	10	32465719	10
Shareholder 2				

(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:

Particulars	Aggregate number of shares	
	As at 31 March 2012	As at 31 March 2011
Equity shares with voting rights Fully paid up pursuant to contract(s) without payment being received in cash Fully paid up by way of bonus shares Shares bought back	66155019	32465719
Equity shares with differential voting rights Fully paid up pursuant to contract(s) without payment being received in cash Fully paid up by way of bonus shares Shares bought back	Nil	Nil

(iii) Details of calls unpaid

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Equity shares with voting rights Aggregate of calls unpaid - by directors - by officers - by others	140839938	1408399380	5890000	58900000

(iv) Details of forfeited shares : Nil

(v) Disclosure pursuant to Note no. 6G of Part I of Schedule VI to the Companies Act, 1956



Share application money not exceeding the issued capital and to the extent not refundable is to be disclosed under this line item.

Terms and conditions :As per J V Agreement between the promoters and CCEA approval

Number of shares proposed to be issued : **2397698721**

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:2: Reserves and surplus

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
(a) Capital reserve		
Opening balance	12,625,633,494	453,736,900
Add:Fund received during the year	8,754,400,000	12,050,932,100
Interest received on STDR	71,254,729	120,964,494
	21,451,288,223	12,625,633,494

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

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
Details of government grants		
Government grants received by the Company during the year towards	8754400000	7967300000
- Subsidies (recognised under Capital Reserves)		
Interest on parking of Capital subsidy net of taxes added back	71254729	120964494
Total	8825654729	8088264494

1. The Capital Subsidy of ₹ 875,44,00,000/- (Previous Year ₹ 7,96,73,00,000/-) 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 & no repayment is stipulated then it 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 (Net of Taxes). As such interest income has been accounted net of TDS of ₹ 712,54,729/- (previous year ₹ 12,09,64,494/-) as part of capital subsidy.

Note:3: Share Application money pending allotment

JV Partner	2007-2008	2008-2009	2009-2010	2010-2011	2011-12	Total	Equity Allotted till 31-03-12	Share App Money Pending allotment as on 31-03-12	Equity Allotted till 31-03-11	Share App Money Pending allotment as on 31-03-11
Oil India Limited	41,970,000	282,800,000	-	228,800,000	715,430,000	1,269,000,000	861,550,190	407,449,810	324,657,190	228,912,810
Numaligarh Refinery Limited	41,950,000	282,800,000	-	228,800,000	487,500,000	1,041,050,000	861,550,190	179,499,810	324,657,190	228,892,810
Govt Of Assam	570,058,226	41,938,791	49,553,173	-	379,900,000	1,041,450,190	861,550,190	179,900,000	324,657,190	336,893,000
GAIL (India) Limited	101,384,378	292,216,052	1,450,000,000	2,032,000,000	4,054,500,000	7,930,100,430	6,030,851,330	1,899,249,100	2,272,600,330	1,603,000,101
Directors	700	-	-	-	-	700	700	-	700	-
	755,363,304	899,754,843	1,499,553,173	2,489,600,000	5,637,330,000	11,281,601,320	8,615,502,600	2,666,098,720	3,246,572,600	2,397,698,721



Note 4: Long-term borrowings details

Long Term Borrowings	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
Secured		
(a) Bonds/debentures	Nil	Nil
(b) Term loans		
From Banks		
Allahabad Bank	612,500,000	47,000,000
Andhra Bank	742,500,000	57,000,000
Bank of Baroda	962,000,000	74,000,000
Bank of India	962,000,000	74,000,000
Corporation Bank	481,000,000	37,000,000
Jammu & Kashmir Bank	481,000,000	37,000,000
PNB	1,856,000,000	143,000,000
State Bank of Travancore	403,000,000	31,000,000
Total-(A)	6,500,000,000	500,000,000

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

***Terms of Repayment :** 16 half yearly installment 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 % for 2011-12, linked with the base rate of PNB, the lead Bank of the consortium.

(c) Other loans and advances Total-(B)	3,270,000,000	2,830,000,000
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Oil Industries Development Board

(Secured by 1 st charge on all fixed assets both movable and immovable, present and future ranking paripasu with all terms of 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 OIIB has been secured by corporate gurantee is given by GAIL,OIL,NRL)

***Terms of Repayment :** 8 yearly installment after moratorium of 2 years from the date of drawal. 1st installment due on 30.04.2013.

Rate of interest on loan will depend on the month in which loan instalment is drawn by BCPL

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
Total (A + B)	9,770,000,000	3,330,000,000

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

Particulars	Amount (₹)	As at 31 March 2012	As at 31 March 2011
		Amount (₹)	Amount (₹)
(a) Trade Payables:		Nil	Nil
(i) Acceptances			
(ii) Other than Acceptances			
(b) Others:			
(i) PRS Contractors	3,084,230	3,537,509	3,084,230
(ii) Retention Money Contractors	453,279		
Total		3,537,509	3,084,230

Note 6: Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

Long Term Provisions	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
(a) Provision for employee benefits		
Gratuity	1,242,845	340,463
Leave Encashment	336,305	458,574
(b) Others (Specify nature)	Nil	Nil
Total	1,579,150	799,037

1) During the year company has provided for gratuity liability of ₹ 9,12,543 (Previous year ₹ 3,44,296) 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 ₹ 2,65,293 (Previous year ₹ 4,65,426) has been provided in the Accounts during the year.



Note 7: Other current liabilities

Particulars		As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)	Amount (₹)
(A) Other payables		1,327,930,166	709,575,026
Employees	701,086		
Tax (Vat & WCT for the month of March-12)	59,385,442		
Security Deposit	77,965,317		
Earnest Money Deposit	8,713,820		
Price Reduction Schedule	577,698,812		
Retention	568,622,731		
Others	34,842,958		
(B) Creditors:		2,104,044,951	2,199,333,176
Suppliers (Indegenous)	779,782,384		
Suppliers (Foreign)	615,455,586		
Contractors	708,806,981		
Total		3,431,975,117	2,908,908,202

Note 8: Short-term provisions

Particulars		As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)	Amount (₹)
(a) Provision for employee benefits:			
(i) Provision for gratuity		13,994	3,833
(ii) Provision for other employee benefits (Leave salary)		5,025	6,852
(b) Provision - Others:		1,878,529,258	29,832,875
(i) Provision for income Tax	163,342,657		
(ii) Provision for Liability (Contractors)	1,608,646,439		
(iii) Suppliers	102,809		
(iv) Others	6,020,424		
(v) MCE premium	100,416,929		
Total		1,878,548,277	29,843,560

Provision for employee benefits represent the short term liabilities, with the long term liabilities finding place in note 6



Note 9: Tangible & Intangible Assets

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block			
	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2011	WDV as on 31.03.2012
Tangible Assets:(A)										
Land Lease Hold	806,610,760	11,828,100	-	818,438,860	65,281,575	25,998,573	-	91,280,148	741,329,185	727,158,712
Building - Other than factory building	285,775,045	366,730,133	(7,937,006)	644,568,172	13,626,572	16,829,945	617,166	29,839,351	272,149,123	614,728,821
F& F and Other Equip	43,509,450	13,244,891	(298,828)	56,455,509	11,293,713	8,255,241	15,729	19,533,225	32,215,737	36,922,284
Electrical	287,211,163	15,201,261	(155,742)	302,256,682	52,165,931	32,708,140	32,496	84,841,575	235,044,479	217,415,107
EDP	12,534,572	2,707,018	-	15,241,590	5,791,070	3,645,103	-	9,436,173	6,743,602	5,805,417
Motor Cars/ Jeeps	1,232,869	-	-	1,232,869	555,741	175,308	-	731,050	677,128	501,819
Total : (A)	1,436,873,856	409,711,403	(8,391,576)	1,838,193,683	148,714,602	87,612,311	665,391	235,661,522	1,288,159,254	1,602,532,160
Intangible Assets: (B)										
Software/Licenses	2,453,768	1,954,546	-	4,408,314	979,912	952,883	-	1,932,793	1,473,856	2,475,521
Right of Use (Perpetual)	65,625,684	10,000,000	-	75,625,684	-	-	-	-	65,625,684	75,625,684
Right of Use (Limited useful life)	877,725	-	-	877,725	87,773	87,773	-	175,545	789,952	702,180
Total : (B)	68,957,177	11,954,546	-	80,911,723	1,067,684	1,040,655	-	2,108,338	67,889,492	78,803,385
Current Years Totals:2011-12	1,505,831,033	421,665,949	(8,391,576)	1,919,105,406	149,782,286	88,652,967	665,391	237,769,861	1,356,048,747	1,681,335,545
Previous Years Totals:2010-11	918909376	586921659	-	1505831033	50324529	99457757	-	149782286	868564848	1356048747



NOTE : 10 : Capital Work in Progress

(Amount in ₹)

Sl. No.		As at 31 March 2012	As at 31 March 2011
A	CWIP-Capital jobs	16,674,477,770	7,623,334,646
B	CWIP-Intangible assets pending amortisation (import of technical knowhow)	1,438,403,278	1,438,403,278
C	CWIP-Enablling Assets	1,446,048,434	843,008,355
D	Loss on foreign exchange fluctuations	10,150,920	-
E	CWIP-Construction stock :	-	-
1	Material at site-Inland supplies	6,438,305,580	2,219,657,459
2	Material at site-Foreign supplies	721,825,631	1,652,245
3	Material in-transit inland supplies	1,727,294,739	191,771,429
4	Material in-transit froeign supplies	1,034,081,751	2,110,658,365
6	Material pending for inspection	4,755,409,273	671,870,699
7	Material Handling services	43,369,900	22,275,569
8	PMC fees for project related activities	3,393,556,235	2,417,646,629
9	Charges paid for opening of foreign letter of credit	4,809,693	4,601,130
10	Interest on mobilization advance	(79,554,114)	(30,664,699)
11	Entry tax recoverable from GoA	-	(1,339,054)
12	WCT recoverable from GoA	(506,371,468)	(224,560,527)
13	Cenvat Adjustment Account	(1,998,257,905)	-
		35,103,549,719	17,288,315,524

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****Note 1: Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956**

Long Term Loans and Advances	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
a. Capital Advances		
Secured, considered good		
-Advance for capital Job	2,363,582,708	1,801,970,953
-Material Advance	2,271,903,700	314,440,309
Unsecured, considered good	Nil	Nil
Doubtful	Nil	Nil
	4,635,486,408	2,116,411,262
b. Security Deposits		
Secured, considered good	Nil	Nil
c. Loans and advances to related parties (refer note 2 below)		
	Nil	Nil
Secured, considered good		
d. Other loans and advances		
	-	-
Secured, considered good	2,410,178,330	
Cenvat		-
	2,410,178,330	
		-
	7,045,664,738	2,116,411,262

Note 2: Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
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 w.e.f January 2012 whereas accounting of cenvat credit up to December 2011 has been made to the tune of ₹ 1,99,82,57,904, being estimated provisional cenvat credit on capital items up to December 2011. The adjustment with respective assets /CWIP /inventory has been done in the year 2011-12.Total cenvat credit upto 31.03.2012 of ₹ 241,01,78,330 has been shown under long term current assets.



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.

Particulars		As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)	Amount (₹)
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)		153,127	153,127
Others: Misc		189,803,318	2,222,665
Deferred revenue expenditure	10783150		-
Preliminary Expenditure	20074400	-	-
Assets Written off	13027	-	-
Secured advance to contractor	2222667	-	-
Deposits with Govt. & Other authorities (ASEB,CISF,GAIL & Others)	156710074	-	-
c. Incidental Expenses during Construction, as per Sub Schedule, to be allocated to Fixed Assets on Capitalisation		1,964,170,420	986,175,491
Total		2,154,126,865	988,551,283

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

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
Trade receivables outstanding for a period less than six months from the date they are due for payment	Nil	Nil
Total	-	-

Trade Receivable stated above include debts due by:

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
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 14: Cash and Bank Balances****Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956**

Cash and cash equivalents	As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)
a. Balances with banks	-	-
This includes:		
Balances in current Account	318,425,135	345,986,082
b. Cheques, drafts on hand	Nil	Nil
c. Cash on hand	Nil	Nil
d. Others (specify nature)	-	-
Escrow account	666,010,581	Nil
Term deposits having remaining maturity period of 12 months or less	410,050,000	1,900,050,000
	1,394,485,716	2,246,036,082

Note 15: Short-term loans and advances

Particulars		As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)	Amount (₹)
(a) Loans and advances to employees			
Secured, considered good		1,582,376	2,252,522
Unsecured, considered good		Nil	Nil
Doubtful		Nil	Nil
(b) Prepaid expenses - (Insurance)		32,037,893	27,748,363
(c) Others		69,952,354	512,327,955
Advance income tax	27,664,215		
Custom	9,291,432		
EIL revolving fund	300,000		
Advance TDS	32,555,707		
Advance to others	141,000		
Total		103,572,623	542,328,840



Note 16: Other current assets

Particulars		As at 31 March 2012	As at 31 March 2011
	Amount (₹)	Amount (₹)	Amount (₹)
(a) Unbilled revenue		Nil	Nil
(b) Unamortised expenses		Nil	Nil
(c) Accruals			
(i) Interest accrued on STDR		2,134,214	3,454,508
(ii) Interest accrued on mobilization advance		2,267,327	1,393,599
(d) Others :		331,392,849	
Insurance	371,568		
Govt. of Assam (WCT)	326,874,001		
Contractors	22,463		
Employee	73,716		
Recovery of Crane hire charges	4,051,101		
Total		335,794,390	4,848,107

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.



Notes to Accounts

as at 31-03-2012

NOTE 17: 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 schedule of completion from April 2012 to December 2013. Accordingly necessary approval from CCEA has been communicated by the Ministry of Chemicals and Fertilizer, Govt. of India 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

The company is in construction stage and no commercial activities have been started from the date of incorporation i.e. 08.01.2007 to 31.03.2012. Keeping in view the requirement of revised schedule VI and Companies Act 1956, a "NIL" profit and loss account has been prepared. It is also relevant to note that incidental expenditure during construction pending allocation to Fixed Assets on capitalization has been treated under "Other Non Current Assets".

3. Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Details of claim as under

Opening Claim as on 01.04.2011 (FY-2008-09,2009-10 & 2010-11)		23,98,24,950
Claim lodged for the financial year	2011-12	29,56,37,759
Total Claim Lodged:		53,54,62,709
Less: Received during the year		20,85,88,708
Receivables as at 31.03.2012		32,68,74,001

5. Taxation of Interest Earned on Capital Subsidy

As per directives from MOCF gross interest earned from 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 in the hands of BCPL. 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	<u>1,09,90,510</u>
Total	<u>5,72,12,722</u>



The refund of ₹ 3,17,60,830/- for the year 2008-09, was released in the summary assessment accounted under current liabilities as in the scrutiny assessment the demand has been raised for ₹ 3,19,22,530/- which is under appeal with CIT(Appeal) Shillong. However, the Assessing Officer has directed to make a payment of ₹ 1.89 Cr pending disposal of appeal.

6. Entry Tax Exemption on Project

The claim of Entry Tax till 31st March 2012 for ₹ 15,84,26,241/=has been lodged with the Sales Tax Authority of Assam for refund to BCPL. Further necessary clarification/modification to notification no FTX58/2008/71 Dated 20.10.2009 with a retrospective effect has been sought from GOA for availing the exemption from the payment of entry tax for including all capital goods under AVAT Act'2003.

7. Lease Hold Land

Leases hold Land of ₹ 81,84,38,860/- in respect of which lease deed has been executed for a period of 30 years. As the modus operandi of leasing out land rests on the assumption that all lands belongs to Govt. of Assam, freehold land of value of ₹ 25,68,747/-in the financial year 2010-11 not treated as leasehold land and has been accounted for as per AS-19.

8. Rehabilitation cost on Land

The cost of land includes ₹ 1,17,25,053(previous year ₹ 1,17,25,053) paid for cost of rehabilitation land on which the company is not having the title deeds as leased hold owner or otherwise. The ownership of rehabilitation land of 52 bighas has been registered in the name of land dispensed beneficiaries. The amount has been capitalized as part of land as the cost of rehabilitation land paid under the land acquisition scheme.

9. Provision of Income Tax

Income tax provision to the tune of ₹ 1,17,96,132 (Previous Year ₹ 1,19,49,817) has been recognized in the book of accounts during the year. The provision for Income Tax is on account of interest earned on STDRs kept by investing surplus funds. No Provision has been made on income earned by parking capital subsidy in STDRs as the same has not been considered as income of BCPL and the same is being treated as part of the capital subsidy as per directives of the Ministry of Chemicals and Fertilizer, Government of India vide letter no45013/1/2005-PC-1(Part) dt:15.02.2012..

10. Deferred Tax Liability

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

11. 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 ₹ 7,55,83,519/- (Previous year ₹ 6,56,25,684/-) acquired by the company, but 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) for having useful life of 10 years is being amortized over the life of ROU.

12. Deferred Revenue Expenditure

An amount of ₹ 3,08,70,557/- (Previous year ₹ 3,00,99,714/-) up to 31.03.2012 has been recognized as deferred revenue expenditure towards Incorporation expenses, CSR activities, Advertisement for development of public relation etc. of the Company to be amortized equally over period of five years from the year the plant is ready for commercial production. In view of the requirement of Revised Schedule VI



deferred expenditure is to be amortized after more than 12 months from the reporting date and hence classified as non-current.

13. Term Deposit with Public Works Department

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

14. Auditors Fees

The fees for the statutory auditors for the financial year 2011-12 has been fixed at ₹ 75,000/- (exclusive of service tax) plus out of pocket expenses. (Previous year ₹ 75,000/- plus out of pocket expenses).

15. Insurance

Insurance claim of ₹ 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.

Subsequent to the increase of project cost from ₹ 5,460.61 Cr to ₹ 8,920 Cr. the proper coverage on enhanced sum insured is under process and liability on account of additional premium of ₹ 10.04 Cr. has been considered.

16. Capitalization

During the year Assets of ₹ 42,16,65,949/- (Previous year ₹ 58,69,21,656/-) has been capitalized in books.

17. Contingent liabilities

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

(b) *Guarantees* : NIL

(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/- (Previous year Nil) 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 not in accordance with the notification issued. Accordingly keeping the present status in consideration, the management is of the opinion that no provision is required.

(ii) There are 12 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 ₹ 69.94Cr in Delhi High court on account of disputed claim on contract due to offloading. 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 amounting to ₹ 4,30,15,12,262 (Previous year ₹ 2,47,63,62,875) during the year.

18. Commitments

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

	2011-12 (₹ in Cr)	2010-11 (₹ in Cr)
Tangible assets	3,374.94	4,722.91
Intangible assets	70.78	70.78
Total:	3,445.72	4,793.69



19. Balance Confirmation

Balances grouped under loans and advances, deposits and sundry creditors are subject to confirmation.

20. Forex Transactions

- (a) Value of import calculated on CIF basis by company during financial year in respect of capital goods is ₹ 3,32,32,69,878 (Previous year ₹ 2,11,23,10,610/-).
- (b) Expenditure in foreign currency includes the followings:-
 Fees for Licensors (Net of TDS) ₹ NIL
 (Previous year ₹ 1, 38, 14,958)
 Others (Net of tax where applicable) ₹ 165, 24, 51,822
 (Previous year ₹ 1, 88, 28, 29,191)
- (c) During the year Gain on foreign currency fluctuation of ₹ 10,74,521 (previous year ₹ 75,37,163/-) and ₹ 2,98,38,975 (Previous year ₹ 3, 78, 98,585/-) has been credited to CWIP - Capital Jobs and CWIP- Construction Stock (Material in Transit-Foreign) respectively. Loss on foreign currency fluctuation of ₹ 11,74,97,774 (previous year ₹ 1,39,35,246/-) has been debited to CWIP - Construction Stock (Material in Transit-Foreign) during 2011-12 and of ₹ 182790 for Capital jobs (previous year NIL)

21. Expenses on secondees

The expenses of ₹ 9,65,74,979 incurred 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 ₹ 5,70,984 has also been incurred on employee deputed from Govt of Assam.

22. Claims due to Micro, Small & Medium enterprises

To the extent information available to the company, amount of ₹ 12,85,594 (previous year ₹ 2,76,171) was due to Micro, Small and Medium Enterprises.

23. 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:

a) Holding Company :		
Sl. No.	Name of the Related Party	
1	GAIL (India) Ltd.	
b) Joint Owners :		
1	Numaligarh Refinery Limited	
2	Oil India Limited	
3	Government of Assam	
c) Key Management Personnel		
1	Mr. P. N. Prasad	Managing Director
2	Mr. Rakesh Kumar	Director (Finance)
3	Mr. A. K. Tiwari	CFO

**Details of Transactions:**

Details	2011-12	2010-11
a) Holding Company :		
Expenditure incurred on Salary of employees on Deputation	9,37,53,690	6,45,77,983
Amount Paid towards purchase of assets	NIL	NIL
Equity Share Contribution	3,75,82,51,000	42,89,99,900
Amount paid towards rental charges	76,50,085	42,09,653
Amount Outstanding in Current Liabilities & Provisions during the year	1,37,00,716	162,09,689
b) Joint Owners :		
Amount paid for infrastructure development for gas supply	34,39,58,456	4,32,09,000
Amount outstanding for infrastructure development for gas supply	38,18,50,000	23,94,89,034
Expenditure incurred on Salary of employees on Deputation	33,92,273	23,62,514
Equity Share Contribution	1,61,06,79,000	18,38,57,100
c) Key Management Personnel:		
Remuneration to Directors	29,15,191	41,37,900
Amount Outstanding(Payable)	Nil	36,210

24. 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.

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

Sd/-
(Rakesh Kumar)
Director (Finance)

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 : 18.05.2012



Cash Flow Statement for the period ended 31-03-2012

Particulars	₹ In Lakhs	₹ In Lakhs
	2011-12	2010-11
A Cash Flow from Investing Activities		
Additions/Purchases of Fixed Assets	(3252.87)	(4874.64)
Capital Work-in-Progress	(156988.23)	(133614.99)
Incidental Expenses During Construction	(11378.52)	(5568.25)
Current Assets Loans and Advances	(69657.32)	(3154.29)
Current Liabilities & Provisions	23730.05	20768.09
Net Cash Outflow from Investing Activities	(217,546.88)	(126,444.08)
B Cash Flow from Financing Activities		
Proceeds from Issue Share Capital	53689.30	6128.57
Proceeds from Loans	64400.00	28300.00
Proceeds from Advance Against Share Capital From Nrl, Oil, Gail (India) Ltd. & Govt. of Assam	2684.00	18767.43
Proceeds from Capital Subsidy from Govt. of India	88256.55	80882.64
Net Cash Inflow from Financing Activities	209,029.85	134,078.64
Net Increase in Cash & Cash Equivalents (A+B)	(8,517.03)	7,634.57
Opening Cash and Cash Equivalents	22461.89	14827.32
Closing Cash and Cash Equivalents	13,944.86	22,461.89
Closing Cash and Cash Equivalents as Per Book Difference	0	0
Note:		
Cash and cash equivalent as per revised schedule VI		
Current account balance	3184.25	3459.86
Restricted Cash:		
Term deposit having maturity more than 12 months		19000.5
Term deposit having remaining maturity having 12 month or less	4100.50	
Escro account balance	6660.11	
Total	13944.86	22460.36

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

Sd/-
(Rakesh Kumar)
Director (Finance)

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 : 18.05.2012



Significant Accounting Policies

as at 31-03-2012

1. Basis of accounting and preparation of Financial Statements

a) Accounting Convention

The financial statements as per Revised Schedules VI are prepared under the historical cost convention, ongoing concern concept, in accordance with the Generally Accepted Accounting Principles, the Provisions of the Companies Act, 1956 and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles. As a landmark change the requirement of Revised Schedule VI for Financial Reporting System are subordinated to the provisions of Companies Act and accounting standards. Schedule VI shall stand modified according to changes in accounting standards. – Disclosures required by ASs and by the law to be made by way of notes, unless required on the face of the financial statements.

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 whichever is lower.
- 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

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 Written Down Value (WDV) on pro-rata basis (Monthly pro-rata for bought out assets).

- i. Assets costing upto ₹ 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 the prospective effect.
- vii. Indirect expenses incurred during the construction period which are not related to the construction activity nor are incidental thereto, will be treated as deferred revenue expenditure and written off to revenue within a period of five years after the commencement of production.

4. Borrowing Costs

Borrowing cost of the funds that are attributable to the acquisition or construction of qualifying assets are 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) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.
- b) All exchange differences are dealt with as per Accounting Standard 11 and Revised schedule VI requirements of the Companies Act'1956.
- c) 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 year end.



- d) 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).
- e) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for.

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 provision has been debited under the head IEDC-Interest on STDRs.
- 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 are amortized equally over period of five years after plant is ready for 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/-
(Rakesh Kumar)
Director (Finance)

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 : 18.05.2012



Incidental Expenses During construction

Particulars	2011-12	2010-11
Interest Charges to Lenders	177,118,233	54,999,997
OIDB Interest Charges	232,588,832	121,531,265
Bank Charges	20,954	4,133
IEDC: Advertisement & Publicity	862,958	1,846,606
IEDC: CISF & Security	46,996,972	23,379,126
IEDC: Communication Expenses	3,315,468	4,351,103
IEDC: Depreciation	87,990,218	99,457,757
IEDC: Insurance	156,537,568	43,138,315
IEDC: Other Infrastructure Expenses	5,110,407	1,895,872
IEDC: Others	25,841,983	21,953,918
IEDC: Payment to Auditors	113,412	82,443
IEDC: Power, Fuel & Water Charges	16,815,161	5,325,277
IEDC: Printing & Stationery	2,484,124	3,377,462
IEDC: Professional & Consultancy Charges	12,043,732	21,470,339
IEDC: Rates & Taxes	13,918,601	13,148,957
IEDC: Recruitment & Training Exp	11,390,535	6,240,899
IEDC: Rent	15,243,562	14,207,513
IEDC: Repair & Maintenance-Others	515,020	346,110
IEDC: Salary, Wages & Staff Costs	193,466,393	131,308,353
IEDC: Survey & Investigation	9,450,187	4,234,210
IEDC: Township & G H Maintenance	4,016,622	3,674,667
IEDC: Travelling Expenses	17,372,422	13,095,467
IEDC: Vehicl Hire & Running Exp	34,320,156	23,930,822
IEDC: Welfare Expenses	355,473	
IEDC Enabling Facility: Other Infrastructure	96,555	2,763,435
Crane Hiring Charges	7,900,200	
Incidental Expenses 07-08 Pending Adjustment	90,962,819	1
Incidental Expenses 08-09 Pending Adjustment	127,835,895	90,962,819
Incidental Expenses 2009-2010 Pending Adjustment	293,497,555	127,977,782
Incidental Expenses 2010-11 Pending Adjustment	472,951,925	292,755,902
Total	2,061,133,943	1,127,460,549
Bank Interest on CLTD	2,832,036	
Bank Interest on STDR's	46,830,810	63,160,918
Miscellaneous Income:IEDC	9,563,842	5,394,703
Misc Income - Electricity	145,089	110,050
Misc. Income-House Rent Recovery	366,078	291,366
Misc Income-Lease Rent Recovery	966,063	
PRS FOR CLOSED PO(INDIGENOUS)	14,272,583	
IEDC Capitalised	21,987,022	72,328,021
Total	96,963,523	141,285,058
Grand Total	1,964,170,420	986,175,491



Balance Sheet Abstract and Company's General Business Profile for the year ended 31-03-2012

I Registration Details

Registration No.	008290	State Code	02
Balance Sheet Date	31.03.2012		

II Capital Raised During the year (₹ in lakhs)

Public Issue	Nil	Right issue	Nil
Bonus issue	Nil	Private Placement	56,373

III Position of Mobilization and Deployment of Funds (₹ in lakhs)

Total Liabilities	478,185	Total assets	478,185
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Sources of funds

Paid-up capital	86,155
Advance against share capital	26,661
Secured Loans	97,700
Deferred tax Liability	Nil

Reserves and surplus	21,451
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Unsecured Loans	Nil
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Application of funds

Net Fixed assets	367,849
Net current assets	(34,767)
Accumulated Loss	Nil

Investment/advance for investment	
Misc. Expenditure	309

IV Performance of the Company

Turnover	Nil
Profit/Loss before tax	Nil
Earnings per Share (₹)	Nil

Total Expenditure	Nil
Profit/Loss after tax	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/-
(Rakesh Kumar)
Director (Finance)

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 : 18.05.2012



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 & Polymer Limited, Guwahati for the year ended 31 March 2012.

The preparation of Financial Statements of Brahmputra Cracker & Polymer Limited, Guwahati for the year ended 31 March 2012 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 18-05-2012.

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 & Polymer Limited, Guwahati for the year ended 31 March 2012. 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.

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

Sd/-

(Nandana Munshi)

Principal Director of Commercial Audit
& Ex-office Member, Audit Board-I, Kolkata

Date: 29th June 2012

Place: Kolkata



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 fifth Annual General Meeting of the Company to be held on
the 27th of August 2012 or at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
Revenue
Stamp
Re.1/-





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