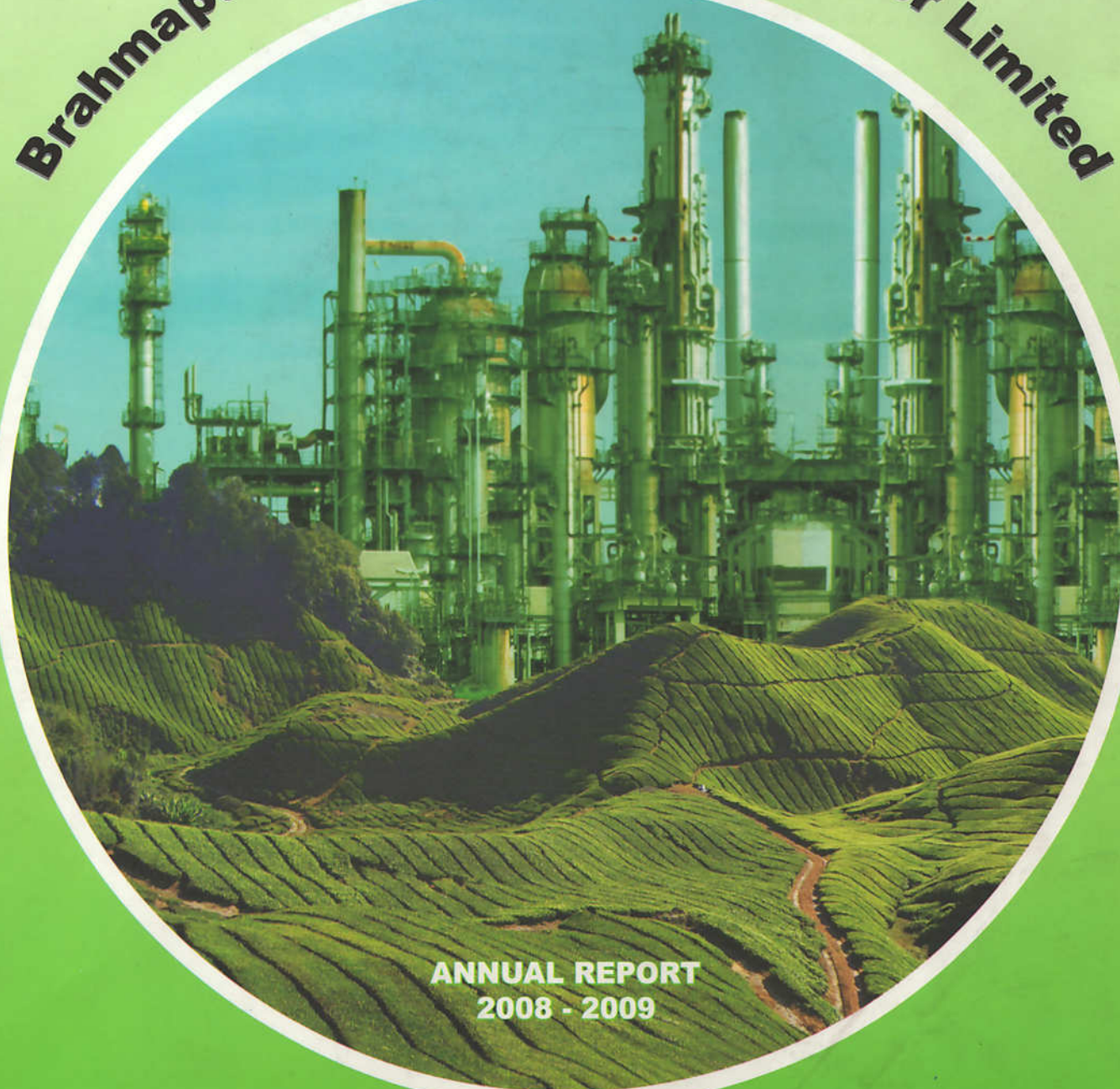


Brahmaputra Cracker and Polymer Limited



**ANNUAL REPORT
2008 - 2009**

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

C O N T E N T S

Board of Directors	02
Notice of the Annual General Meeting	04
Directors' Report	10
Auditors' Report	17
Balance Sheet	21
Schedules Forming Part of the Balance Sheet	23
Statement of Significant Accounting Policies	30
Cash Flow Statement	33
Balance Sheet Abstract and Company's General Profile	34
Comments of the Comptroller and Auditor General of India	35
Form of Proxy	36

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

BOARD OF DIRECTORS

- | | |
|---|------------|
| 1. Shri B.C. Tripathi (w.e.f. 01.08.2009) | - Chairman |
| 2. Dr. U.D.Choubey (upto 31.07.2009) | - Chairman |
| 3. Shri R.K.Goel | - Director |
| 4. Shri A.K.Purwaha | - Director |
| 5. Shri S.L. Raina (w.e.f. 19.08.2009) | - Director |
| 6. Shri M.R.Hingnikar (upto 19.08.2009) | - Director |
| 7. Shri. P.C.Sharma | - Director |
| 8. Shri R.K.Dutta | - Director |
| 9. Dr. B.K.Das | - Director |
| 10. Shri. T.K.Ananth Kumar | - Director |
| 11. Ms. Neel Kamal Darbari | - Director |
| 12. Shri Manu Srivastava | - Director |

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

Registered Office

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

Bankers

State Bank Of India
Thana Charali,
Dibrugarh,
Assam - 786001

Project Site Office

Pushkara House, Natun Gaon,
A.T. Road, P.O. - Mohanaghat,
Dibrugarh,
Assam - 786008

HDFC Bank Ltd.
House No. 126,
G.S. Road,
Bhangagarh,
Assam - 781005

Project Execution Office

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

Statutory Auditor

M/s Sanjoy K. Das & Co.
Jaswant Road, Pan Bazar,
Guwahati,
Assam - 781001

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Second Annual General Meeting** of the Members of **Brahmaputra Cracker and Polymer Limited** will be held on Wednesday, the **9th day of September, 2009** at **4:30 p.m.** at Hotel Brahmaputra Ashok Guwahati, Assam-781001, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, Directors' Report and Auditors' Report and the comments thereupon of Comptroller & Auditor General of India.
2. To appoint a Director in place of **Dr. B. K. Das**, who retires, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri P. C. Sharma**, who retires, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri R. K. Dutta**, who retires, and being eligible, offers himself for re-appointment.
5. To authorize Board of Director of the Company to fix remuneration of the Statutory Auditors of the Company 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 Director of the Company be and is hereby authorized to decide and fix the Remuneration of the Statutory Auditors of the company for the Financial Year 2009-10, as may be deemed fit by the Board"

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as *Ordinary Resolution*:

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Ms. Neel Kamal Darbari, who was appointed as an Additional Director w.e.f. 18/09/2008 be and is hereby appointed as a Director of the Company, liable to retire by Rotation."

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

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Shri T.K. Ananth Kumar, who was appointed as an Additional Director w.e.f. 24/12/2008 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(s), the following resolution as *Ordinary Resolution*:

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Shri B.C. Tripathi, who was appointed as an Additional Director w.e.f. 01/08/2009 be and is hereby appointed as a Director of the Company"

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as *Ordinary Resolution*:

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Shri S.L. Raina, who was appointed as an Additional Director w.e.f. 19/08/2009 be and is hereby appointed as a Director of the Company"

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as *Ordinary Resolution*:

"RESOLVED THAT the Board of Directors, be and is hereby authorized, in accordance with Section 293(1) (d) of the Companies Act, 1956 and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed up to a sum of Rs. 2,300 crore (Rupees Two Thousand Three Hundred crore) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit."

By Order of the Board
For Brahmaputra Cracker and Polymer Limited

Date : 04-09-2009
Place : NOIDA

Sd/-
(P.N. Prasad)
Chief Operating Officer

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

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. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. The documents referred to in the accompanying Notice, are open for inspection by Members, at the Registered Office of the Company during office hours, i.e., between 11:00 a.m. and 1:00 p.m., on all working days, except Saturday, Sunday and holiday(s), upto the date of the Annual General Meeting.
3. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Ms. Neel Kamal Darbari, was nominated by the Ministry of Chemical and Fertilisers (MoCF) vide letter No. 45012/18/2006-PC.I Dated 17/09/2008 as a Director on the Board of Directors of the Company w.e.f. 18/09/2008. She was inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that she may be appointed as Director liable to retire by rotation.

The Company has received a Notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Ms. Neel Kamal Darbari as a Director of the Company.

Your Director recommends the resolution for approval of the shareholders.

Ms. Neel Kamal Darbari is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned /interested in the proposed resolution.

ITEM NO. 7

Shri T.K.Ananth Kumar, was nominated by Oil India Limited vide letter No. SEC/BCPL Dated 23/12/2008 as a Director on the Board of Directors of the Company w.e.f. 24/12/2008. He was inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as Director liable to retire by rotation.

The Company has received a Notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri T.K.Ananth Kumar as Director of the Company.

Your Director recommends the resolution for approval of the shareholders.

Shri T.K.Ananth Kumar is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned /interested in the proposed resolution.

ITEM NO. 8

Shri B.C.Tripathi was nominated by the Ministry of Petroleum and Natural Gas (MoPNG) vide letter No. C-31028/7/2007 –CA dated 02/04/2009 as a Chairman and Managing Director of the GAIL (India) Limited w.e.f.01/08/2009 and ipso facto with reference to Article 122 of Article of Association, he became the ex-officio chairman of the Board of Directors of Brahmaputra Cracker And Polymer Limited . He was inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as Director.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

The Company has received a Notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri B.C.Tripathi as a Director of the Company.

Your Director recommends the resolution for approval of the shareholders.

Shri B.C.Tripathi is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned /interested in the proposed resolution.

ITEM NO.9

Shri S.L. Raina, was nominated by GAIL (India) Ltd. vide letter No.ND/GAIL/SECTT/BCPL/09 Dated 19/08/2009 as a Director on the Board of Directors of the Company w.e.f. 19/08/2009 in place of Shri M.R Hingnikar. He was inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as Director liable to retire by rotation.

The Company has received a Notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri S.L. Raina as Director of the Company.

Your Director recommends the resolution for approval of the shareholders.

Shri S.L. Raina is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned /interested in the proposed resolution.

ITEM NO. 10

In terms of the provisions of Sections 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting, borrow money, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose. Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits.

The Board of Directors accordingly recommends the resolution set out at Item No. 10 of the accompanying Notice for the approval of the Members. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 2nd Annual Report together with the Audited Accounts and the Auditors' Report for the year ended 31st March, 2009.

Operations – Implementation of the Project

Your company is making rapid strides on setting up of Assam Gas Cracker Project and has achieved several key milestones within a short period of 24 month since kick-off.

The Project is being implemented aggressively with basic engineering and major part of detailed engineering already complete. Civil, structural and mechanical works are going on in full swing leading to substantial change in the skyline at the site.

Your Company intends to complete construction and commission the project by April, 2012. Progress made on all aspects of implementation is satisfactory and the project is well on its way towards scheduled completion.

Total estimated cost of project is Rs. 5460.61 Cr. and the funding mix of the project is Debt, Equity and Capital Subsidy, to the tune of Rs. 2083 Cr., Rs. 1040 Cr. and Rs. 2138 Cr. respectively.

Out of the total debt requirement of Rs. 2083 crore, an amount Rs. 327 crore has already been sanctioned by OADB for which necessary guarantees has been given by Promoters viz. GAIL, OIL and NRL. For tying up the balance amount of loan of Rs. 1756 Cr, tendering process for appointment of lead Arranger is in Progress and likely to be completed shortly.

During the Year under review an amount of Rs. 107.43 crore was received from Central Government as Capital Subsidy.

The Company has not commenced revenue operations hence no profit and loss account has been prepared.

1.0 PROJECT PROGRESS:

- 1.1 Land for the Project:** Possession of land with respect to plant site, CISF Township, BCPL Township at Ipetkata and for compressor station at Duliajan has been completed.
- 1.2 Resettlement & Rehabilitation of Families:** 66 Families have been rehabilitated. Rehabilitating programme has been implemented to the full satisfaction of all concerned.
- 1.3 Agreement for Process Technology:** Agreement has been entered into with M/s Lummus Novolen Technology GmbH, Germany for supply of process package for Polypropylene unit, and with M/s INEOS Europe Limited, UK for the Supply of Process Package for LLDPE/HDPE Swing unit. Agreement with M/s Lummus Technology Inc., USA for Cracker unit is also in the final stage of conclusion.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

1.4 Physical Activities at Site: The Construction of site office, Construction power, Plant & Non-plant Building, administrative block building, product warehouse, boundary wall for BCPL Township and Site Grading works are in progress.

2.0 AUDITORS & THEIR REPORT:

The Comptroller and Auditor General of India (C&AG) have appointed M/s Sanjoy K.Das & Co., Chartered Accountants, Guwahati as Statutory Auditors of your Company for the year 2008-09 and they have audited the Accounts for the year 2008-09 and have submitted the Audit Report. Comments of Comptroller & Auditor General of India upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act 1956 is without any adverse remarks.

3.0 CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

3.1 Energy Conservation & Technology Absorption: The Company is presently involved in the construction of the Assam gas cracker Project and there are nil cases of disclosure of the details of conservation of the Energy and Technology absorption in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

3.2 Foreign Exchange Earning and Outgo: There is nil earning of forex in the financial year ended 31st March 2009 as Commercial production has not yet started. Regarding Foreign Exchange outgo, only commitment has been made to respective licensors and actual payment has not been made in the financial year ended on 31st March, 2009. However liability to the tune of Rs. 12.35 Crore is made on account of the payments due to licensors.

4.0 PARTICULARS OF EMPLOYEES:

As there are no such employees who are drawing the specified remuneration, particulars of employees under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2009 are not required to be given.

5.0 CHANGES IN THE BOARD OF DIRECTORS:

After the last Annual General Meeting, the following changes occurred in the Board of Directors:-

- (i) Consequent upon change in the Govt. Nominee on the Board, Shri B.P.Pandey, Govt. Nominee Director ceased to be the Director of the Company w.e.f.18/09/2008 and Ms Neel Kamal Darbari, Jt. Secretary (MoCF) was appointed as an additional Director.
- (ii) Consequent upon change in nominee on the Board from Oil India Limited, Shri T.K.Ananth Kumar, Director (Finance), Oil India Limited was appointed as an additional Director w.e.f.24/12/2008 on the Board in place of Shri N.M.Borah.
- (iii) Consequent upon superannuation of Dr.U.D.Choubey on 31/07/2009, Shri B.C.Tripathi was appointed as an additional Director/Chairman w.e.f. 01/08/2009 on the Board of BCPL.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- (iv) Consequent upon Change in nominee from GAIL(India) Ltd. on the Board, Shri M.R.Hingnikar, ceased to be Director of the Company w.e.f. from 19/08/2009 and Shri S.L.Raina, Director (HR), GAIL (India) Ltd. was appointed as an additional Director w.e.f 19/08/2009 on the Board in Place of Shri M.R.Hingnikar.

6.0 CORPORATE GOVERNANCE:

Good Corporate Governance represents the foundation of all activities performed by the company. It lies upon the principle of transparency, fairness, disclosure, and accountability and can be characterized by the practice of the same, which results in corporate excellence. It helps in ensuring the best management practices and the powers vested there upon are used with sufficient care and responsibility.

Our endeavor is to adopt best governance practice, with an objective to attain the interest of all stakeholders. The company ensures the sharing of various information regarding it's project implementation to maintain transparency in its operation.

BCPL being a non listed company, stipulations as contained in Clause 49 of the Listing Agreement are not mandatory. Yet, as a good corporate governance practice, necessary disclosures are given.

6.1 BOARD OF DIRECTORS:

6.1.1 Details of Directors: The company is being managed by Board of Directors, having wide and varied experience in different disciplines of corporate functioning. Presently, the Board of Directors comprises of the following ten Directors out of which four Directors representing GAIL, two are nominated from Government of Assam, two Directors representing Government of India and two Directors representing each from NRL and Oil India Ltd. respectively.

1.	Shri B.C. Tripathi (w.e.f. 01.08.2009)	-	Chairman
2.	Dr. U.D.Choubey (upto 31.07.2009)	-	Chairman
3.	Shri R.K.Goel	-	Director
4.	Shri A.K.Purwaha	-	Director
5.	Shri S.L. Raina (w.e.f. 19.08.2009)	-	Director
6.	Shri M.R.Hingnikar (upto 19.08.2009)	-	Director
7.	Shri. P.C.Sharma	-	Director
8.	Shri R.K.Dutta	-	Director
9.	Dr. B.K.Das	-	Director
10.	Shri. T.K. Ananth Kumar	-	Director
11.	Ms. Neel Kamal Darbari	-	Director
12.	Shri Manu Srivastava	-	Director

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

6.1.2 Details of Board Meetings, attendance of Directors thereat and Directorship held in other companies: During the year under review, total seven meetings of the Board of Directors of the company were held (On dated 12th May 2008, 03rd July 2008, 12th August 2008, 18th September 2008, 25th October, 2008, 07th January 2009 and 16th March 2009) and the details regarding the attendance of respective Director(s) are as follows:

Name of Directors	Date of Joining	Board meeting held during tenure	Board meeting attended	Directorship held in other companies
Dr. U.D.Choubey*	08/01/2007	7	5	C&MD 1.GAIL Chairman 1. GGL 2. MGL Director 1. PLL 2. Shell
Shri R.K.Goel	08/01/2007	7	6	Chairman 1. GGPL(Singapore) 2. RGPPL 3. GCGGEHL 4. MNGL Director 1. CGHL 2. CUGL 3. GAIL
Shri A.K.Purwaha	08/01/2007	7	7	Director 1. GAIL 2. RGPPL 3. MGL 4. NATGAS 5. GCGGEHL
Shri M.R.Hingnikar**	08/01/2007	7	7	NIL
Shri. P.C.Sharma	08/01/2007	7	4	Director 1. AHECL 2. BRPL 3. AGCL 4. AIDCL
Shri R.K.Dutta	08/01/2007	7	5	C&MD 1. SLIL Director 1. AHECL

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

Shri T.K.Ananth Kumar	24/12/2008	2	2	Director 1. OIL 2. IOL
Ms.Neel Kamal Darbari	18/09/2008	4	4	NIL
Shri Manu Srivastava	18/05/2007	7	5	Director 1. NRL
Shri B.K.Das	08/01/2007	7	5	MD 1. NRL

*Superannuated w.e.f. 31/07/2009

**Ceased from Directorship w.e.f. 19/08/2009

GAIL: GAIL (India) Limited, **RGPP:** Ratnagiri Gas and Power Private Limited, **MGL:** Mahanagar Gas Limited, **NATGAS,** Egypt, **GCGGEHL:** Gail China Gas Global Energy Holding Limited, **SLIL:** Stewards and Llodys of India Limited, **AHECL:** Assam Hydro-Carbon Energy Company Limited, **OIL:** Oil India Limited, **IOL:** Ind-oil Overseas Limited, **NRL:** Numaligarh Refinery Limited, **BRPL:** Bongaigaon Refinery and Petrochemical Limited, **AGCL:** Assam Gas Company Limited. **GGPL:** Gail Global (Singapore) Pte. Limited, **MNGL:** Maharashtra Natural Gas Limited, **CGHL:** China Gas Holding Limited, **CUGL:** Central UP Gas Limited., **PLL:** Petronet LNG Limited, **Shell:** Shell CNG, Egypt, **GGL:** Gail Gas Limited.

6.2 Committees of Board of Directors:

6.2.1 Sub Committee of Board of directors: A Sub-Committee of Board of Directors Consisting of Four Members namely, Shri A.K.Purwaha, Chairman, Shri R.K.Goel, Shri T.K. Ananth Kumar and Shri Manu Srivastava has been duly constituted for expeditious clearances of approvals for the project. Twelve meeting of Sub-Committee were held till the end of Financial Year 2008-09.

S. No.	Name of Directors	Sub-Committee meeting held during tenure	Sub-Committee meeting attend
1.	Shri A.K.Purwaha, Chairman	12	12
2.	Shri R.K. Goel	12	11
3.	Shri T.K. Ananth Kumar	04	03
4.	Shri Manu Srivastava	12	11
5.	Shri N.M.Borah (upto 24/12/2008)	08	02

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

6.2.2 Audit Committee: Pursuant to section 292 (A) of the Companies Act, 1956, an "Audit Committee" has been duly constituted consisting of the four members namely, Shri R.K.Goel, Chairman, Shri R.K.Dutta, Shri T.K. Ananth Kumar and Dr. B.K.Das.

S. No.	Name of Directors	Audit Committee meeting held during the FY 2008-09	Audit Committee meeting attended
1.	Shri R.K.Goel, Chairman	2	2
2.	Shri R.K.Dutta	2	2
3.	Dr. B.K.Das	2	1
4.	Shri T.K. Ananth Kumar	2	2

7.0 CORPORATE SOCIAL RESPONSIBILITY:

Your Company being in the nascent stage of implementation of Project is committed to meaningfully contribute towards social welfare activities in the region and have undertaken the developmental activities in the region through CSR Initiative of GAIL (India) Ltd- the major stake holder of the company. Further the matter has also been taken up by DC, Dibrugarh to identify the thrust area for more social development programmes in the region.

8.0 HUMAN CAPITAL:

Humans are one of the most critical resources in the business and your company is not an exception to this. Though your company initially started project with manpower support on secondment basis from GAIL India Ltd. The appointment process of 60 GETs/ ETs is in full swing. Whereas recruitment process of 20 Experience Executive is at advance stage.

9.0 RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

Section 217(2AA) of the Companies Act, 1956 requires the Board of Directors of the Company to prepare accounts for each financial year giving a true and fair view of the state of affairs of the company and the profit and loss of the company for that period. The Directors to the best of their knowledge and explanation state that:

- (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 and of the profit of the company for the year under review;

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- (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.

10. ACKNOWLEDGEMENT:

Your Directors wish to acknowledge the support and guidance received from the various Ministries of the Government of India, more particularly from Government of Assam, Ministry of Chemicals and Fertilizers, and Ministry of Petroleum & Natural gas.

The Board also wishes to place on record their appreciation of the continued cooperation and assistance received from the entire team of consultants, Bankers and financial institutions and the various intermediaries to expedite the project Development Process.

Your Directors would like to place on record its appreciation to the hard work, dedication, and unstinting efforts put in by manpower deployed in the Company at all levels.

For and on behalf of the Board of Directors

Place : GUWAHATI

Date : 09-09-2009

Sd/-
(B.C.Tripathi)
Chairman

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO THE MEMBERS OF BRAHMAPUTRA CRACKER AND POLYMER LIMITED

We have audited the attached Balance Sheet of Brahmaputra Cracker and Polymer Limited, Guwahati, -781001, Assam as at 31st March, 2009 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 misstatement. 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 the management, as well as evaluating the overall financial statements 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 Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.

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

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examinations of those books.
- c. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- d. In our opinion the Balance Sheet and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and Notes on Accounts 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.
 - i) In so far as it related to the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2009 and
 - ii) in the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF BRAHMAPUTRA CRACKER AND POLYMER LIMITED, GUWAHATI, ASSAM FOR THE YEAR ENDED 31ST MARCH, 2009.

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. It has been represented to us that a physical verification of fixed assets has been carried out by the Management at reasonable intervals during the year and such verification has not revealed any discrepancies.
3. No substantial part of fixed assets have been disposed off during the year.
4. In our opinion, the question of valuation and the physical verification of in respect of finished goods, stores, spares and raw materials is not applicable to the company since the company has no stock of finished goods, stores, spares and raw materials.
5. In our opinion, the question of procedure of physical verification of stocks followed by the Management is not applicable to the Company.
6. In our opinion the requirement of maintaining proper records of inventory, the reconciliation of discrepancies noticed between the physical stocks as verified and book records are not applicable to the Company for the year under audit.
7. The Company has not granted or taken any Secured or Unsecured Loans during the year, from any companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
8. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control procedures commensurate with the size and nature of business of the company relating to purchase of inventory and fixed assets and for the sale of goods.
9. In our opinion & as per the Information & Explanations given to us, the company has not made transactions in respect of any party during the financial year under audit that needs to be entered in the Register in pursuance of section 301 of the Company's Act 1956.
10. In our opinion and according to information and explanations given to us, the company has not accepted any deposit from public. (u/s 58A & 58AA).
11. In our opinion, the company has an adequate internal audit system commensurate, with the size and nature of its business.
12. We have broadly reviewed in the books of account maintained by the company pursuant to the order made by

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

the Central Government for the maintenance of cost records prescribed under section 209(1)(d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examinations of this records.

13. (a) In our opinion and according to information and explanations produced before us, the company is regular in depositing undisputed statutory dues including provident fund, income tax, wealth tax, sales tax, customs duty, excise duty and any other statutory dues with the appropriate authorities.
(b) There are no undisputed statutory dues outstanding as at 31st March 2009 for the period of more than six months from the date they become payable.
14. As the Company is yet to start its operation the question of accumulated losses does not arise.
15. Company has no dues to any financial institution or bank. There are no debenture holders of the company.
16. Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
17. The provision of any special statute are not applicable to this company.
18. The Company has not invested any amount in share or securities during the year.
19. The company has not given any guarantee or loans taken by others from banks and financial institution.
20. Company has not obtained any Term Loan from Financial Institute during the financial year.
21. Company has not used any funds raised on short term basis for long term investment and vice versa.
22. Company has not made any preferential allotment of shares during the year.
23. Company is not having any debentures.
24. Company has not raised any money through public issue during the year.
25. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
BALANCE SHEET AS AT 31ST MARCH 2009

BALANCE SHEET

		AS AT 31 ST MARCH 2009		AS AT 31 ST MARCH 2008	
	Schedule No.	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
SOURCES OF FUNDS					
a) Share Capital	1		5,00,700		5,00,700
b) Advance against Equity	2		1,65,46,17,447		75,48,62,604
c) Capital Subsidy	3		1,37,42,69,000		30,00,00,000
LOAN FUNDS					
- Secured Loans			-		-
- Unsecured Loans			-		-
TOTAL SOURCES OF FUNDS			3,02,93,87,147		1,05,53,63,304
APPLICATION OF FUNDS					
FIXED ASSETS					
	4				
- Gross Block		76,90,58,547		71,45,81,992	
- Less : Depreciation		<u>1,81,55,151</u>		<u>2,47,470</u>	
- Net Block			75,09,03,396		71,43,34,522
- Capital Work in progress	5		1,16,12,57,731		26,11,95,231
- IEDC	6		16,40,09,228		8,84,75,532
CURRENT ASSETS, LOANS & ADVANCES					
- Cash & Bank Balances	7	1,23,72,55,493		22,24,84,497	
- Other Current Assets	8	17,99,002		5,42,065	
- Loans & Advances	9	<u>24,74,89,716</u>		<u>4,84,370</u>	
		1,48,65,44,211		22,35,10,932	
Less : CURRENT LIABILITIES & PROVISIONS					
	10				
- Current Liabilities		52,11,82,658		25,20,55,584	
- Provisions		<u>3,22,19,161</u>		<u>1,71,729</u>	
NET CURRENT ASSETS			93,31,42,392		(2,87,16,381)

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

MISCELLENOUS EXPENDITURE	11	2,00,74,400	2,00,74,400
TOTAL APPLICATION OF FUNDS		<u>3,02,93,87,147</u>	<u>1,05,53,63,304</u>

Notes on Accounts : 12

Schedule '1' to '12' and Accounting Policies form Integral part of Accounts.

RAKESH KUMAR
CFO

JK SINGH TEOTIA
COO

PC SHARMA
DIRECTOR

R K GOEL
DIRECTOR

As per our Report of even date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE-1 SHARE CAPITAL

	AS AT 31ST MARCH 2009 Amount (Rs.)	AS AT 31ST MARCH 2008 Amount (Rs.)
A. AUTHORISED 1200000000 Equity Shares of Rs. 10/- each	12,00,00,00,000	12,00,00,00,000
TOTAL	12,00,00,00,000	12,00,00,00,000
B. ISSUED, SUBSCRIBED AND PAID UP 50070 Equity Shares of Rs 10/- each fully paid up	5,00,700	5,00,700
TOTAL	5,00,700	5,00,700

SCHEDULE-2 ADVANCE AGAINST SHARE CAPITAL

A. In the form of consideration in Cash from N.R.L. and O.I.L.	64,94,20,000	8,38,20,000
B. In the form of consideration of Land/Other adjustable amounts from Govt of Assam and GAIL(India)Ltd	1,00,51,97,447	67,10,42,604
TOTAL	1,65,46,17,447	75,48,62,604

SCHEDULE-3 CAPITAL RESERVE

A. Capital Subsidy from Govt of India	1,37,42,69,000	30,00,00,000
TOTAL	1,37,42,69,000	30,00,00,000

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-4 FIXED ASSETS

(Rounded in Rs.)

Description	Gross Block (At Cost)					Depreciation		Net Block		
	As at 01.04.2008	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2009	Upto 31.03.2008	For the year	Adjustments during the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Tangible Assets (A)										
Land: Leasehold	71,25,50,049	4,19,38,791	-	75,44,88,840	-	1,59,28,098	-	1,59,28,098	73,85,60,742	71,25,50,049
Furniture, Fixtures & Other Office Equipment	20,20,503	57,76,706	-	77,97,209	2,41,750	11,05,908	-	13,47,658	64,49,551	17,78,753
EDP	11,440	44,27,749	-	44,39,189	5,720	7,99,689	-	8,05,409	36,33,781	5,720
Transport Equipments/ Vehicles	-	12,32,869	-	12,32,869	-	-	-	-	12,32,869	-
Total (A)	71,45,81,992	5,33,76,115	-	76,79,58,107	2,47,470	1,78,33,694	-	1,80,81,164	74,98,76,943	71,43,34,522
Intangible Assets (B)										
Software/Licenses	-	11,00,440	-	11,00,440	-	73,987	-	73,987	10,26,453	-
TOTAL (B)	-	11,00,440	-	11,00,440	-	73,987	-	73,987	10,26,453	-
TOTAL (A+B)	71,45,81,992	5,44,76,555	-	76,90,58,547	2,47,470	1,79,07,681	-	1,81,55,151	75,09,03,396	71,43,34,522
Previous Period	-	71,45,81,992	-	71,45,81,992	-	2,47,470	-	2,47,470	71,43,34,522	-

SCHEDULE-5 CAPITAL WORK IN PROGRESS

	AS AT 31ST MARCH 2009 Amount (Rs.)	AS AT 31ST MARCH 2008 Amount (Rs.)
A. PMC Fees for project related services	79,12,30,710	3,30,37,231
B. CWIP-Enabling Assets	37,00,27,021	22,81,58,000
TOTAL	1,16,12,57,731	26,11,95,231

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-6

	AS AT 31ST MARCH 2009 Amount (Rs.)	AS AT 31ST MARCH 2008 Amount (Rs.)
INCIDENTAL EXPENDITURE DURING CONSTRUCTION		
Manpower Cost	6,02,48,508	2,24,75,439
Rent	1,07,11,524	17,27,953
Rates and Taxes	3,22,35,081	7,47,939
Repair and Maintenance :		
Building	14,97,609	12,36,608
Others	1,38,898	78,629
Communication Expenses	6,29,982	2,47,885
Printing and Stationery	12,40,849	1,38,198
Travel Expenses	70,43,749	21,10,435
Advertisement and Publicity	19,89,608	8,28,439
Remuneration to Auditors	50,000	56,180
Recruitment and Training Expenses	4,71,180	41,190
Vehicle Hiring & Running Expenses	55,76,228	13,59,107
Survey and Investigation Expenses	1,30,51,652	69,83,000
Professional and Consultancy Charges	22,31,535	3,50,74,628
CSR Expenditure	30,000	-
CISF	71,40,987	-
Inaugural Expenses	-	1,59,92,252
Miscellaneous Expenses	64,98,782	18,90,121
Depreciation	1,79,07,681	2,47,470
Bank Charges	13,339	3,155
IEDC (2007-08 pending adjustment)	8,84,75,532	-
Coin Adjustment	4	-
GROSS	25,71,82,728	9,12,38,628
Less : Interest from Banks	9,27,89,040	27,63,096
Less : Misc Income	3,84,460	-
NET	16,40,09,228	8,84,75,532

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE-7 CASH AND BANK BALANCES

	AS AT 31ST MARCH 2009 Amount (Rs.)	AS AT 31ST MARCH 2008 Amount (Rs.)
Bank balance with Scheduled Banks :	66,38,465	57,63,603
Term Deposit Accounts	1,23,06,17,028	21,67,20,894
TOTAL	<u>1,23,72,55,493</u>	<u>22,24,84,497</u>

SCHEDULE-8 OTHER CURRENT ASSETS

Interest Accrued on Bank Term Deposits	17,99,002	5,42,065
TOTAL	<u>17,99,002</u>	<u>5,42,065</u>

SCHEDULE-9 LOANS AND ADVANCES-CONSIDERED GOOD

Unsecured considered Good		
Deposit with Authorities	24,68,89,716	4,84,370
Other Advances	6,00,000	-
TOTAL	<u>24,74,89,716</u>	<u>4,84,370</u>

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-10 CURRENT LIABILITIES & PROVISIONS

	AS AT 31ST MARCH 2009 Amount (Rs.)	AS AT 31ST MARCH 2008 Amount (Rs.)
A Current Liabilities		
Sundry Creditors For Assets	44,86,48,231	24,80,07,634
Sundry Creditors For Expenses	6,78,91,953	29,29,950
Deposit /Retention Money	46,42,474	11,18,000
TOTAL	52,11,82,658	25,20,55,584
B Provisions		
Provision for Income tax (Net of TDS)	3,15,38,747	1,71,729
Provision for FBT	6,80,414	-
TOTAL	3,22,19,161	1,71,729
TOTAL CURRENT LIABILITIES & PROVISIONS	55,34,01,819	25,22,27,313

SCHEDULE-11 MISCELLANEOUS EXPENDITURE (To The Extent of Not Written Off or Adjusted)

Preliminary Expenses		
ROC Registration Fees	2,00,05,600	2,00,05,600
Professional Fees For Formation of Company	35,000	35,000
Other Expenses	33,800	33,800
TOTAL	2,00,74,400	2,00,74,400

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-12

NOTES TO ACCOUNTS AS AT 31-03-09

1. The Estimated amounts of contracts valuing Rs 10,73,53,08,595/- (Prev. Period Rs 50,04,048/-) are remaining to be executed on Capital Accounts and not provided for.
2. There are Nil cases of contingent liabilities as at 31-3-09 (Prev Yr Nil).
3. Income tax provision to the tune of Rs 3,15,38,747 (Prev Period Rs 1,71,729/-) and FBT to the tune of Rs 6,80,414/- (Prev Period Nil) has been kept in the books of accounts. The provision for Income Tax is on account of interest earned on Short Term Deposits kept by investing surplus funds.
4. No deferred tax liability has been recognized since the project is in the construction stage.
5. The tax exemptions on account of WCT, Entry Tax and VAT from Government of Assam as envisaged at the time of approval of the project by CCEA have been applied by the company. The exemption notifications in respect of the same are still awaited.
6. The financial statements include amount valuing at Rs 61,19,47,017/- (Prev. Period Rs. 57,00,08,226/-) towards leasehold land provided by the Govt. of Assam to the project which is counted towards their advance towards subscription to the equity share capital.
7. The Leasehold Land of Rs 75,44,88,840/- (Prev. Period Rs 71,25,50,049/-) acquired for the project are capitalised on provisional basis based upon the awards under relevant Land Acquisition Act. The title deed to the land is yet to be registered in the name of the Company.
8. The employees of the company are on secondment terms and conditions from GAIL (India) Ltd. Expenses have been accounted under IEDC Head on the basis of the debit advices from GAIL (India) Ltd.
9. To the extent information available with the company, 'Nil' amount (Prev Period Nil) were due to small scale Industry (SSI).
10. Balances grouped under Loans and Advances, Deposits and Sundry Creditors are subject to confirmation.
11. There are 'Nil' cases of imports during the year and therefore the disclosure of the CIF Value of the imports does not become applicable. An amount of Rs 12,35,32,157/- (Prev. Period Nil) has been accounted as expenditure in foreign currency in respect of liability on account of import of technical knowhow which is valued at BC Selling rate and TT Buying rate as on 31.03.09 for liability and withholding tax payable respectively.
12. The Equity shares of Rs 5,00,700 to the subscribers to the Memorandum and Articles of Association has been considered as deemed allotment.
13. During the year, the equity calls amounting to Rs 2,54,52,00,000/- (Rs 1,97,96,00,000/- from GAIL, Rs 28,28,00,000/- each from NRL and OIL) were made. Amount received (Cash and consideration other than Cash during the year 2008-09 were Rs 28,28,00,000/- each from NRL & OIL and Rs 29,22,16,052/- from GAIL (India) Ltd and Rs 4,19,38,791/- from GoA. Allotment of Shares in respect of Advance received from all the promoters is yet to be made.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

14. The Capital Grant of Rs 1,37,42,69,000/- (Prev. Period Rs 30,00,00,000/-) which is received from the Govt. of India till 31st March 2009 by way of contribution towards the total capital outlay and no repayments are ordinarily expected are recognized in the financial statements as capital reserve.
15. An amount of Rs 2,00,74,400/- was incurred during the period 2007-08 towards incorporation expenses of the Company which is deferred revenue expenditure to be amortised equally over period of five years from the year the plant is ready for commercial production.
16. The work for the Project Management Consultancy services for the project has been awarded to M/s Engineers India Ltd as per the agreed schedule of reimbursable cost and fees.
17. The Company was incorporated on 8th Jan 2007 and accordingly the previous figures are for the period from 8th Jan 2007 to 31st Mar 2008 and hence are not comparable.
18. During the year, License Agreements for import of technology for LLDPE/HDPE Unit with M/s Ineos Europe Limited, UK and for PP Unit with M/s Lummus Novolen Technology GmbH, Germany have been finalized at an estimated value of Rs 95,35,74,055/- and Rs 46,85,16,045/- respectively.
19. The fees for Statutory Auditor for the financial year 2008-09 has been fixed at Rs 50,000/- plus Service tax and out of pocket expenses (Prev Period Rs 50,000 plus Service tax and out of pocket expenses).
20. The Company has not prepared the Profit and Loss Account since it is in the construction stage of Assam Gas Cracker Project and yet to be ready for commercial production. However the requisite details as required under Statute have been disclosed in the Statement of 'Incidental Expenditure during Construction' forming part of Financial Statements.
21. The previous year figures have been regrouped and rearranged wherever necessary.

RAKESH KUMAR
CFO

JK SINGH TEOTIA
COO

PC SHARMA
DIRECTOR

R K GOEL
DIRECTOR

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
AS AT 31ST MARCH 2009.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BALANCE SHEET

1. FIXED ASSETS

Fixed Assets are valued at historical cost on consistent basis. 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.

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

2. 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.

3. 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.

4. BORROWING COSTS

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, will be capitalized upto the date when the asset is ready for use, after netting off any income earned on temporary investment of such funds.

5. EXPENSES 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.

6. DEPRECIATION & AMORTISATION

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)

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- a) Assets costing upto Rs 5,000 are depreciated fully in the year of capitalization.
- b) Bunk Houses are depreciated on assumption of five years life.
- c) Cost of the leasehold land not exceeding 99 years is amortised over the lease period.
- d) 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 or five years, whichever ever is less from the date from which they are put into use.
- e) Intangible assets will be amortized equally over period of five years from the date of recognition.
- f) 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.
- g) 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.

7. FOREIGN CURRENCY TRANSACTION

- a) Transactions in foreign currency are accounted at the exchange rates prevailing on the transaction date.
- b) Monetary items (such as Cash, Receivables, Loans, Payables etc) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling rate for Payables and TT buying rate for Receivables) prevailing at year end.
- c) Non monetary items (such as Investments, Fixed Assets etc) denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- d) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for.

8. CAPITAL GRANTS

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

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. PROVISIONS, CONTINGENT LIABILITIES AND 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 Rs 0.10 Lakhs.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- c) Contingent liabilities are disclosed in each case above Rs 5 lacs.
- d) Show cause notices issued by various Govt Authorities when converted into demand are only considered as Contingent Liabilities.
- e) Commitments made on capital account and not provided for, are recognized in each case exceeding Rs 5 Lacs.

11. 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) No deferred tax liability has been recognized during the construction period.
- c) On commissioning, the company will be eligible for tax incentives under section 80IE of the Income-tax Act, 1961, and will be liable to Minimum Alternative Tax only under section 115JB of the said Act.

12. GENERAL

- a) Prepaid expenses and prior period expenses/income upto Rs1 lac 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 capitalisation of the assets are charged to revenue, if below Rs 50 lacs 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.

RAKESH KUMAR
CFO

JK SINGH TEOTIA
COO

PC SHARMA
DIRECTOR

R K GOEL
DIRECTOR

As per our separate Report of even date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
CASH FLOW STATEMENT FOR THE YEAR
ENDED 31-03-2009

CASH FLOW STATEMENT

	2008-09	(Rs. In Lacs) 2007-08
A. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASES OF FIXED ASSETS	(125.38)	(1,445.73)
CAPITAL WORK-IN-PROGRESS	(9,000.63)	(2,611.95)
CHANGES IN WORKING CAPITAL		
INCIDENTAL EXPENSES DURING CONSTRUCTION	(755.34)	(884.75)
ADD : INTEREST RECEIVED	927.89	-
LESS : DEPRECIATION	179.08	2.47
	(1,504.15)	(882.28)
MISC. EXPENDITURE	-	(200.74)
CURRENT ASSETS LOANS AND ADVANCES	(2,482.62)	(10.27)
INTEREST RECEIVED	927.89	-
CURRENT LIABILITIES & PROVISIONS	3,011.75	2,522.27
NET CASH FROM INVESTING ACTIVITIES	(9,173.14)	(2,628.70)
B. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE SHARE CAPITAL	-	5.00
PROCEEDS FROM ADVANCE AGAINST SHARE CAPITAL FROM NRL, OIL, GAIL (INDIA) LTD & GOVT OF ASSAM	8,578.16	1,848.54
PROCEEDS FROM CAPITAL SUBSIDY FROM GOVT OF INDIA	10,742.69	3,000.00
NET CASH FROM FINANCING ACTIVITIES	19,320.85	4,848.54
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B)	10,147.71	2,219.84
OPENING CASH AND CASH EQUIVALENTS	2,224.84	-
CLOSING CASH AND CASH EQUIVALENTS	12,372.55	2,224.84

RAKESH KUMAR
CFO

JK SINGH TEOTIA
COO

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DIRECTOR

R K GOEL
DIRECTOR

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
FOR THE YEAR ENDED 31-03-2009

BALANCE SHEET
ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	008290
Balance Sheet Date	31.03.2009

State Code	02
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II Capital raised during the year (Rs. in Lakhs)

Public Issue	Nil
Bonus Issue	Nil

Right Issue	Nil
Private Placement	Nil

III Position of Mobilisation and Deployment of Funds : (Rs. in Lakhs)

Total Liabilities	30293.87
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Total Assets	30293.87
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Sources of Funds

Paid up capital	5.01
Advance against share capital	16546.17
Secured Loans	Nil
Deferred Tax Liability	Nil

Reserve & Surplus	13742.69
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Unsecured Loan	Nil
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Application of Funds

Net Fixed Assets	20761.71
Net Current Assets	9331.42
Accumulated Losses	Nil

Investment/Advance for investment	
Misc. Expenditure	200.74

IV Performance of the Company (Rs. in Lakhs)

Turnover	Nil
Profit/Loss before Tax	Nil
Earning Per share (In Rs.)	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

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COO

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DIRECTOR

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 19-05-2009

Sd/-
Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

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 BRAHMAPUTRA CRACKER & POLYMER LIMITED, GUWAHATI FOR THE YEAR ENDED 31 MARCH 2009.

The preparation of financial statement of Brahmaputra Cracker & polymer Limited, Guwahati for the year ended 31 March 2009 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 this 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 19-05-2009.

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 statement of Brahmaputra Cracker & polymer Limited, Guwahati for the year ended 31 March 2009. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and Company Personnel and 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/-

(A. Roychoudhury)

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

Place : Kolkata

Date: 20-07-2009

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 **Second Annual
General Meeting** of the Company to be held on the _____
day of, **2009** at _____ **p.m.** at _____, and at
any adjournment thereof.

Signed _____ day of _____ 2009

Affix Revenue Stamp Re.1/-

Signature

