



BRAHMAPUTRA CRACKER AND POLYMER LIMITED

ANNUAL REPORT
2009 - 2010





BOARD OF DIRECTORS

Non - Executive Directors



Shri B.C. Tripathi
Chairman



Shri R.K. Goel
Director



Shri R.D. Goyal
Director



Shri S.L. Raina
Director



Ms. Neel Kamal Darbari
Director



Shri Manu Srivastava
Director



Shri Ravi Capoor
Director



Shri R.K. Dutta
Director



Shri T.K. Ananth Kumar
Director



Dr. B.K. Das
Director

Executive Directors



Shri J.K. Singh Teotia
Managing Director



Shri Rakesh Kumar
Director (Finance)



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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

Panjab National Bank
Goenka Market, Jhalukpara,
Dibrugarh, Assam.

Statutory Auditor

M/S Sanjoy K. Das & Co.
Flat No-D-1, Chandralaya Apartments,
Lamb Road, Ambari (Behind IDIA Show Room),
Guwahati, Assam



NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the company will be held on Saturday, the 17th day of July, 2010 at 11.00 a.m. at the registered office at Hotel Brahmaputra 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, 2010, the Directors' Report, the Statutory Auditors' Report and the comments of Comptroller & Auditor General of India thereon.
2. To appoint a Director in place of **Shri R. K. Goel**, who retires by rotation, and being eligible, offers himself 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 authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors for the year 2010-11 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 2010-2011."

AS SPECIAL BUSINESS:

6. 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.D.Goyal, who was appointed as an Additional Director w.e.f. 12/10/2009 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, 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 J.K.Singh Teotia, who was appointed as an Additional Director w.e.f. 09/12/2009 be and is hereby appointed as a Director of the Company."

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 provision, if any, of the Companies Act, 1956, Shri Rakesh Kumar, who was appointed as an additional Director w.e.f. 04/01/2010 be and is hereby appointed as a Director of the Company.”

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, Shri Ravi Kapoor, who was appointed as an Additional Director w.e.f. 19/04/2010 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 an *Ordinary Resolution*:

“RESOLVED THAT in supersession of earlier resolution passed by the shareholders, pursuant to section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, any sum or sums of money, which, together with the moneys already borrowed, if any, by the Company (apart from temporary loans obtained from the company's bankers in ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserve, that is to say, reserves not set apart for any specific purpose, provided that the moneys borrowed and to be so borrowed and outstanding at any point of time shall not exceed Rs. 2800 crore (Two thousand eight hundred crore).”

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

“RESOLVED THAT in accordance with Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company, 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 Rs.10/- each at par, whether or not such allottee(s) are members of the Company, up to an aggregate amount of Rs. 1041 crore including the shares already allotted.”



“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.”

By Order of the Board

Dated: 13th July, 2010
Guwahati

Sd/-
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. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT 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

ITEM NO. 6

Shri R.D.Goyal was nominated by the GAIL (India) Limited vide letter No. ND/GAIL/SECTT/BCPL/09 dated 12th October, 2009 as a Director on the Board of Directors of the Company in place of Shri A.K.Purwaha, w.e.f 12/10/2009. 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 R.D.Goyal as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Shri R.D.Goyal is interested in this resolution.

ITEM NO. 7

Shri J.K.Singh Teotia, was appointed by the Govt. of India vide letter No. 45012/29/207-PC.I(Vol.II) dated 26th November, 2009 as a Managing Director on the Board of Directors of the Company with effect from the date of the assumption of the charge of the post.

In order to give effect the presidential order, he was inducted as an Additional Director and Managing Director on the Board of the Company, from the date of assumption of the charge i.e. 09/12/2009, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as a Director.

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 J.K.Singh Teotia as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Shri J.K.Singh Teotia is interested in this resolution.

ITEM NO. 8

Shri Rakesh Kumar, was appointed by the Govt. of India vide letter No. 45012/29/207-PC.I(Vol.II) dated 10/12/2009 as a Director (Finance) on the Board of Directors of the Company with effect from the date of the assumption of charge of the post.

In order to give effect to the presidential order, he was inducted as an Additional Director and Director (Finance) on the Board of the Company from the date of the assumption of charge of the post i.e. 04/01/2010, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as a Director.

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 Rakesh Kumar as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Shri Rakesh Kumar is interested in this resolution.

ITEM NO. 9

Shri Ravi Capoor, was nominated as a Director in place of Shri P.C.Sharma, by the Govt. of Assam vide letter No.MI.II/2010/13 dated 19th April, 2010 on the Board of Directors of the Company.

He was inducted as an Additional Director on the Board of the Company with effect from 19/04/2010, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as Director.

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 Ravi Capoor as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Shri Ravi Capoor is interested in this resolution.

ITEM NO. 10

As per Section 293(1)(d) of the Companies Act, 1956, borrowing powers of the Company in excess of the paid up capital and free reserves is to be approved by the shareholders.

The shareholders in the last AGM held on 09.09.2009 had approved the borrowing powers of Board of Directors in excess of the paid up capital and free reserves up to a limit not exceeding Rs. 2300.00 Crores (including non fund based facilities) from banks/financial institutions in accordance with section 293(1)(d) of the Companies Act 1956.

In view of additional fund requirement it was felt by the Board that this limit of Rs. 2300 Crores will not be sufficient to meet the future business requirement and the limit should be enhanced to Rs. 2800 Crores. Accordingly, the total borrowing limit will be required to be enhanced from Rs. 2300 Crores to Rs. 2800 Crores.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is concerned /interested in the proposed resolution.

ITEM NO. 11

The present Authorised Share Capital of the Company is Rs. 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 Rs. 10/- (Ten) each.

The present issued and paid up share capital of the Company is Rs. 2,63,37,15,600 (Rupees Two hundred sixty three crore thirty seven lakh fifteen thousand six hundred only).

Act, 1956, proposing the candidature of Shri Rakesh Kumar as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Shri Rakesh Kumar is interested in this resolution.

ITEM NO. 9

Shri Ravi Capoor, was nominated as a Director in place of Shri P.C.Sharma, by the Govt. of Assam vide letter No.MI.II/2010/13 dated 19th April, 2010 on the Board of Directors of the Company.

He was inducted as an Additional Director on the Board of the Company with effect from 19/04/2010, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as Director.

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 Ravi Capoor as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Shri Ravi Capoor is interested in this resolution.

ITEM NO. 10

As per Section 293(1)(d) of the Companies Act, 1956, borrowing powers of the Company in excess of the paid up capital and free reserves is to be approved by the shareholders.

The shareholders in the last AGM held on 09.09.2009 had approved the borrowing powers of Board of Directors in excess of the paid up capital and free reserves up to a limit not exceeding Rs. 2300.00 Crores (including non fund based facilities) from banks/financial institutions in accordance with section 293(1)(d) of the Companies Act 1956.

In view of additional fund requirement it was felt by the Board that this limit of Rs. 2300 Crores will not be sufficient to meet the future business requirement and the limit should be enhanced to Rs. 2800 Crores. Accordingly, the total borrowing limit will be required to be enhanced from Rs. 2300 Crores to Rs. 2800 Crores.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is concerned /interested in the proposed resolution.

ITEM NO. 11

The present Authorised Share Capital of the Company is Rs. 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 Rs. 10/- (Ten) each.

The present issued and paid up share capital of the Company is Rs. 2,63,37,15,600 (Rupees Two hundred sixty three crore thirty seven lakh fifteen thousand six hundred only).



As per the JV Agreement, subscribed capital of the company is required to be allotted at any point of time in the following proportion.

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

In the Detailed Feasibility Report (DFR) there is a provision for the total equity contribution from the promoters to the tune of Rs. 1041 Cr, which is to be phased year wise as approved by the Board from time to time. The calls are being made to the promoters as per the envisaged ratio of contribution and in line with approved business plan. Total contribution made by way of equity is Rs. 3,58,31,70,620 out of which Rs. 2,63,37,15,600 has been allotted.

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.

Consent of the shareholders is being sought pursuant to the provisions of the 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.

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.

Your directors recommend the resolution for approval of shareholders.

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

CHAIRMAN'S SPEECH

Shradhyo Raiz, Shubho Prabhat,
(Good Morning, Ladies and Gentlemen.)

On behalf of the Board of Directors of BCPL, I warmly- welcome you to the third Annual General Meeting of the company. I trust that by now you would have had the opportunity to review our performance reflected in the Directors' Report and the Audited Accounts for the period ended 31st March, 2010 and are updated on the same.

India Petrochemical Market Outlook

Polymers are basic materials that support myriad activities in every walk of life. With our focus on inclusive growth, the demand for polymers in India would be driven by the needs of 'bottom of the pyramid' populace which is striving for a better life. The GDP is expected to grow by over 9% in 2010 and the economy is poised for even higher growth in the future.

India's Petrochemical industry grew at a rate of 12% in 2009-10. India is at a threshold of growth in consumption of petrochemicals due to strong domestic demand, buoyant industrial growth, growing middle class, a nascent retail sector and focus on creation of infrastructure. The per capita consumption of polymers in India is, however, around 5.7 Kg which is fairly low compared to international levels. The Indian polymer market is expected to grow steadily at around 10% in the next few years.

The consumption in the North East region has been about 0.45 Kg per capita which has a tremendous potential for growth. Once the BCPL plant is commissioned, it is expected that the consumption in the region is estimated to grow at more than 25% in the first two years itself and it will grow exponentially in the subsequent years due to availability of material from BCPL.

Project Progress

Let me now highlight the progress of the Company in the year gone by.

The Company has entered into the fourth year of execution of the prestigious Assam Gas Cracker Project and is making all efforts to complete the construction targets so as to enable commissioning of the project by April, 2012.

I am happy to share with you that important milestones such as financial closure for the project, acquisition of entire land, environment clearance from centre and state authorities, selection of Process technology licensors, receipt of basic design and engineering packages, have already been achieved. Feedstock supply Agreements



have been signed with ONGC, OIL and NRL. Engineers India Limited are the project management consultants for the project. Majority of the critical orders and contracts have been awarded and the remaining few shall be awarded by August 2010. Order for two schedule critical packages, namely Captive power plant for Lepetkata and Gas Turbine driven Centrifugal Compressor for Duliajan compressor stations, have also been awarded. As of now, a total financial commitment of over Rs. 4,343 crore, which is over 75% of project cost has been made and procurement orders and contracts of a value of over Rs. 3540 crore, have been placed. Your company has been granted exemption from Entry Tax on Capital Goods, Works Contract Tax and Sales Tax/VAT on Feed & Product for 15 years.

The overall progress of project execution as on 15th July, 2010 is 18.2% against the cumulative schedule target of 37.6%. Efforts are being made to make up for the delays to maintain the project completion schedule of April 2012 as originally planned. On account of certain factors which are beyond control at the Company's end, such as - late receipt of licensor packages, prolonged monsoon, local insurgencies, bandhs/strikes etc, there is a delay of about six months against target schedule, but we are hopeful of covering this gap over the balance available period.

Let me now share with you some of the major physical activities at site.

At present, 30 contractors are working at site and 64 buildings & infrastructure facilities are under construction. Land filling & site grading jobs have been completed in process area and the work is under progress in other areas. Construction of roads, drainage systems, culverts, boundary walls, piling jobs etc. is in progress. Development of Brahmaputra Cracker Polymer Limited & CISF townships including boundary walls, Bachelor & Guest House accommodation, administration building, Canteen, Laboratory and CISF Barracks & Armory is at an advanced stage of construction and is likely to be completed by August 2010. Civil & structural works for installation of process units namely – Cracker, Poly Propylene, Poly Ethylene, C2+ and Gas processing units, Compressor station etc. are under execution. The Pipeline laying work has started.

Employment opportunities in the downstream units are set to increase manifold as more than 500 industries will be benefited out of this venture. This plant is set to benefit the local aspirations by way of creating direct and indirect employment of the people. Here, I would like to share with you that a total of 77 engineers & executives have so far been recruited in BCPL out of which 50 are from the North-East. Further, recruitment of additional 29 experienced engineers & executives is in underway. BCPL is financing the training of 3000 local youths during the current year. Nevertheless, one of the inadequacy that we are facing in execution of the project is paucity of required manpower.

To realize the full potential of the project, all possible support and co-operation from Government of Assam is required to create downstream market for the products. This will help increase margins of your

Company as creation of local downstream industry will enable selling the products in the North & Northeast part of the country. The per capita consumption of Polymers in Northeast region is currently negligible as compared to other states. Once your Company begins commercial operations, the per capita consumption in North East region would increase through creation of awareness in the area regarding polymers and their applications.

I am happy to inform you that your company has been conscious of its social responsibilities, more specifically, to the community living around the project site. In order to address the concerns of the populace around the project site, several welfare-centric works have been undertaken by the company as part of its Corporate Social Responsibility initiatives. In a pro-active effort, your company has also formulated a special Corporate Social Responsibility Policy for implementation of socially useful programmes, in consultation with the district administration, thus formalizing & lending a structure to its commitment towards the society, even during the construction phase of the project.

Despite being in the initial stages of construction, your Company is taking steps to conform to the Guidelines on Corporate Governance 2010 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises and you have noticed that the Corporate Governance Report forms a part of this Annual Report.

Market Development and Future Plan

Your co-promoter, GAIL (India) Ltd., has planned to develop the market in the Northeast region by supplying its products. Such supplies have already started to the customers. GAIL is assisting in the establishment of Plastic cum Industrial Park for future development of the Polymer and associated industry in Assam and nearby areas. A related development recently was the plastic exhibition at Guwahati during May-2010 which was the first ever plastic exhibition in Assam and had been a grand success. It offered opportunities to the small & medium entrepreneurs dealing in plastic raw material, machinery, finished product and allied sectors to explore and collaborate to take their business to the next level.

Project reports for facilitating entrepreneurs in the downstream industry have been prepared and a training module is being planned to encourage the same. For interactions with the existing and potential customers besides entrepreneurs, a customer meet is under planning at Guwahati. Marketing network is also being setup at Guwahati along with a product display centre. These are activities planned for market preparedness and further activities will be planned in a phasewise manner.

I would like to once again assure you that on its part, the Company is making all efforts to complete the project by April 2012 as planned. We are closely monitoring the project activities for timely execution of the project and the progress is being reviewed regularly at the highest levels.



Acknowledgement

On behalf of my colleagues on the Board and on my own behalf, I gratefully acknowledge the assistance and support extended to your Company by the various Ministries under the Government of India, particularly, Ministry of Chemicals and Fertilizers and Ministry of Petroleum and Natural Gas. I also wish to place on record my sincere gratitude to the Government of Assam, to GAIL (India) Limited, Oil India Limited and Numaligarh Refinery Limited, for their continued support.

I take this opportunity to specially thank all my colleagues on the Board for their unanimous support and encouragement.

While concluding, I express my personal gratitude to each one of you for the confidence that you have reposed in the Company and its Directors. I earnestly hope that you will continue to extend your whole hearted support so that the team BCPL could take your Company to new heights.

[Aji eeyat homobeto (Everyone gathered here today) hokolu (all) honsalok (Directors) aru raizoloi (shareholders/public) kritogyota jonalu. (I express my gratitude to all of you present)]

Dhanyabaad and Shubho din!



The Hon'ble Union Minister for Commerce and Industry, Shri Anand Sharma and the Hon'ble Chief Minister Assam, Shri Tarun Gogoi with the Managing Director, Shri J K Singh Teotia at the inauguration of NE Plasto Fair -2010



The Secretary, Ministry of Chemicals & Fertilizers, Shri Bijoy Chatterjee and the Chief Secretary, Government of Assam, Shri P C Sharma seen with the Chairman, BCPL, Shri B C Tripathi at a press conference in Dibrugarh



DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 3rd Annual Report together with the audited statement of accounts for the year ended 31st March, 2010.

Operations – Implementation of Project

Your company has a mandate for setting up the Assam Gas Cracker Project within a schedule of 60 months. The company is rapidly striding towards this goal and has achieved several key milestones within a span of 36 months.

Financial closure has been achieved by arranging its resources through equity, capital subsidy, loan from OIDB & consortium of scheduled banks.

The Project is being executed aggressively with Engineers India Ltd. being project management consultant. The majority of orders for long lead critical equipments and works contracts has been awarded and is under execution. The agreements have been signed with ONGC, OIL and NRL for supply of requisite feedstock of natural gas and naphtha for the plant. Your company has been granted exemption from Entry Tax in respect of Plant and Machinery required in setting up the project upto commencement of commercial production and VAT for a period of 15 years from the date of commencement of production in respect of finished goods. In addition, the Government of Assam has agreed to refund the WCT on yearly basis.

Project activities are being closely monitored and controlled for its timely execution which is regularly reviewed by GAIL, State & Central Govt. authorities and overall physical progress of project achieved as at the end of the financial year is 12.9%. As of now there is a delay of few months due to late receipt of licensor packages, prolonged monsoon & local labour problems etc. However, efforts are being made to augment the progress to bring back to its original schedule.



The Hon'ble Chief Minister, Assam Shri Tarun Gogoi being briefed during the site visit at Dibrugarh



Signing of the Performance MoU with
Secretary Ministry of Chemicals and Fertilizers at Delhi

During the year under review the Managing Director and the Director (Finance) have been appointed by the Government of India.

The company has signed a Performance MoU with the Ministry of Chemicals & Fertilizers (MoC&F) for the year 2010-11.

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

1.0 PROJECT PROGRESS:

Entire land for the Project has been acquired and possession taken over. Selection of technology licensors for Polypropylene unit, HDPE/LLDPE swing unit and ethylene Cracker has been completed and License agreements with licensors have been signed. Basic Design & Engineering Packages have been received from the Licensors and accordingly, material requisition and ordering of equipments are in progress.

Initial works for the project like site grading, earth filling, construction of roads, drainage, culverts, boundary wall etc are at an advanced stage of completion. Work for barbed wire fencing, topographical & geo technical surveys, pipeline & hydrological route survey, construction power and construction of site office has been completed. About 64 buildings and facilities are under various phases of construction and many of them are on the verge of completion by the twenty two dedicated Contractors currently working at site. Civil & structural works for the main process units namely Ethylene cracker unit,



Piling work in progress at site



Polyethylene unit (HDPE/LLDPE), Polypropylene unit, C2+ extraction unit, Gas de-hydration unit and Gas sweetening unit have commenced. Piling jobs and BCPL & CISF townships are under construction in which Bachelors Hostel, Guest House and CISF barracks have reached near completion. Next phase of construction of township and Bachelors Hostel for BCPL executives & CISF personnel has also been initiated.

Majority of the critical orders & the contracts have been awarded and are under execution. With the award of two major packages namely Captive power plant for Lepetkata & Gas turbine driven compressor for Duliajan station of the total order value of about Rs. 1200 Crores and with the award of critical & long delivery items, the project progress has gained substantial momentum. The shortfall in the project completion is under close review and efforts are being made to make up the same in the current financial year.

Supply orders for line pipes have been executed. Coating work is in an advanced stage of completion and pre construction activities for laying of pipeline through various routes to project site is going on at rapid pace.

1.1 Project Financials: The Project is gaining momentum with firm financial commitments being increased to over Rs. 3,787.29 Cr. Most of the long lead/critical items being project schedule critical have been awarded during the year and the value of the contracts & purchase orders released is Rs. 3,147.17 Cr. During the year, total expenditure has been made to the tune of Rs. 532.95 Cr. out of cumulative expenditure of Rs. 754.02 Cr.

During the year under review the paid up Capital of your company has been increased from Rs. 5,00,700 to Rs. 2,63,37,15,600. Capital subsidy to the tune of Rs. 3,16,31,00,000 has been received during the year from the Government of India. The total amount of Capital Subsidy received till 31st March 2010 from Government of India now stands at Rs. 4,53,73,69,000. Secured loans to the tune of Rs. 50,00,00,000 were also drawn during the year from a consortium of scheduled banks.

2.0 AUDITORS & THEIR REPORT:

The Comptroller and Auditor General of India has appointed M/s Sanjoy K. Das & Co., Chartered Accountants, Guwahati as Statutory Auditors of your company for the year 2009-10 and the Statutory Auditors' Report forms a part of the Annual Report. The comments of the Comptroller & Auditor General on the accounts for the year 2009-10 also form part of the Annual Report. You will be pleased to know that there are no adverse comments of the C&AG upon or supplement to the Auditors' Report under Section 619(4) of the companies Act, 1956.



3.0 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

3.1 Energy Conservation & Technology Absorption: The Company is presently involved in the construction of the Assam Gas Cracker Project and there are no cases of disclosure of details on 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: The Company does not have any foreign exchange earnings so far as the company is in the construction phase of the project. However, a total foreign exchange expenditure mainly on account of technical know how to the tune of Rs.1,42,45,88,321 has been incurred.

4.0 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, 2010.

5.0 CHANGES IN THE BOARD OF DIRECTORS:

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

- (i) Shri A.K.Purwaha, ceased to be Director of the Company consequent upon relinquishment of office of Director, BCPL / Director (BD), GAIL and Shri R.D.Goyal, Director (Projects), GAIL (India) Ltd. was appointed as an Additional Director w.e.f 12.10.2009 on the Board in place of Shri A.K.Purwaha.
- (ii) Shri J.K.Singh Teotia, was appointed by the Govt. of India vide letter No. 45012/29/2007-PC.I(Vol.II) dated 26.11.2009 as Managing Director on the Board of Directors of the company with effect from the date of the assumption of charge of the post i.e. 09.12.2009.
- (iii) Rakesh Kumar, was appointed by the Govt. of India vide letter No. 45012/29/2007-PC.I(Vol.II) dated 10.12.2009 as Director (Finance) on the Board of Directors of the Company with effect from the date of the assumption of charge of the post i.e. 04.01.2010.
- (iv) Shri P.C.Sharma, ex Chief Secretary to the Govt. of Assam ceased to be Director of the Company consequent to his superannuation on 31/03/2010. Shri Ravi Capoor, Commissioner & Secretary to the Government of Assam, Industries and Commerce Department was appointed as an Additional Director w.e.f 19.04.2010 on the Board as a nominee of Government of Assam in place of Shri P.C.Sharma.



6.0 CORPORATE GOVERNANCE:

Although your company is in the construction phase of the prestigious Assam Gas Cracker Project, in compliance with the DPE Guidelines on corporate governance necessary disclosures in a separate statement on corporate governance is enclosed as a part of Directors' Report as annexure-I. The Management Discussion and Analysis Report is also enclosed as annexure-II to this report.

7.0 CORPORATE SOCIAL RESPONSIBILITY:



Interacting with the local people
at the Namghar in Gorudhoriya Patra Gaon and at Kakotigaon

In spite of being in the construction phase, your company is conscious of its social responsibilities more specifically to the community living around the project site. In order to address the concerns of the habitat around the project site several works under the aegis of CSR have been undertaken by the company through its major promoter company. Your company has also formulated a special CSR policy in consultation with the district administration, laying down in a formal manner its commitment towards society during the construction phase of the project.

8.0 RIGHT TO INFORMATION ACT, 2005

The Company adheres to Government instructions issued in pursuance of Right to Information Act, 2005, and has designated Public Information Officer and Appellate Authority under the Act.

9.0 HUMAN CAPITAL:

Human capital is arguably the most valuable asset held by an organisation and your company is not an exception to this. Your company initially started the project with manpower support from the promoter



companies on secondment basis. During the year, your company initiated the process to build-up its own human capital by induction of 77 engineers and executives. Presently, the total manpower of BCPL is 123 including secondees from the promoter organisations. Due preference is being given in recruitment leading to major representation of the locals. Priority is being given to engage local people through contractors working at site. Most of the skilled/semi-skilled/unskilled workers engaged in the construction work are from North East. Recruitment process for another 20 experienced executives and for 22 GET/ET through campus has been completed. Moreover, advertisement has been issued for another lot of experienced executives.

10.0 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.
- (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.

11.0 ACKNOWLEDGEMENT:

Your Directors wish to acknowledge the unstinted support and guidance received from the various Ministries of the Government of India, more particularly from Ministry of Chemicals and Fertilizers, and Ministry of Petroleum & Natural Gas and also from the promoters, viz., GAIL India Ltd., Government of Assam, Oil India Limited and Numaligarh Refinery Limited.

Your Directors also wish to place on record their appreciation of the continued cooperation and assistance received from the entire team of EIL, bankers, consultants, suppliers, lenders and financial institutions and the various intermediaries to expedite the project Development Process.



Last but not the least, your Directors would like to place on record their appreciation of the hard work, dedication, and unstinted efforts put in by the BCPL team deployed in the Company at all levels.

Dated: 16th July, 2010
Guwahati

Sd/-
(B.C.Tripathi)
Chairman

REPORT ON CORPORATE GOVERNANCE

ANNEXURE-I

1.0 Company's Philosophy

Your company prides itself on being a responsible corporate citizen which is committed to implement the project in the best possible manner while being completely transparent, complying with all rules and regulations and contributing to society at large.

2.0 Board of Directors

Your company is managed by a Board of Directors having wide and varied experience in different disciplines of corporate functioning. Presently, the Board of Directors comprises of the following twelve Directors including two whole-time directors, out of which four Directors represent GAIL and two Directors each have been nominated by the Government of India, the Government of Assam, Numaligarh Refinery Limited and Oil India Ltd. respectively.

The composition of the Board as on 31st March, 2010 is as under:

Name of the Director	Business Relationship	Category of Directorship	No. of other Directorship	No. of other Committee* Memberships	
				Chairman	Member
Shri B.C.Tripathi	Chairman	Promoter Non Independent Non Executive	4	-	-
Shri R. K.Goel	Director	Promoter Non Independent Non Executive	4	-	1
Shri R.D.Goyal	Director	Promoter Non Independent Non Executive	4	-	-
Shri S.L.Raina	Director	Promoter Non Independent Non Executive	3	-	1
Shri P.C.Sharma	Director	Promoter Non Independent Non Executive	1	-	-
Shri R.K.Dutta	Director	Promoter Non Independent Non Executive	1	-	-
Ms.Neel Kamal Darbari	Director	Govt. Nominee	NIL	-	-
Shri Manu Srivastava	Director	Govt. Nominee	1	-	-
Shri T.K.Ananth Kumar	Director	Promoter Non Independent Non Executive	1	-	-
Dr. B. K. Das	Director	Promoter Non Independent Non Executive	1	-	-
Shri J.K.Singh Teotia	Managing Director	Executive/whole time	NIL	-	-
Shri Rakesh Kumar	Director (Finance)	Executive/whole time	NIL	-	-

*Membership/Chairmanship in Committee is reckoned pertaining to Audit Committee and Shareholders Grievance Committee.



2.1 Details of Board Meetings, attendance at Board Meetings & previous Annual General Meetings

2.1.1 Details of Board Meetings held during the year 2009-10

No. of the Board Meeting	Date	Board Strength	No. of Directors Present
13 th	11.05.2009	10	6
14 th	16.06.2009	10	6
15 th	20.07.2009	10	6
16 th	09.09.2009	10	8
17 th	01.10.2009	10	4
18 th	09.11.2009	10	5
19 th	29.12.2009	11	9
20 th	16.02.2010	12	10
21 st	19.03.2010	12	8
22 nd	29.03.2010	12	9

2.1.2 Attendance of Directors at Board Meeting during the year 2009-10 and Annual General Meeting (AGM)

Name of the Director	No. of Board Meeting held during the tenure of the Director	No. of Board Meeting attended by the Director	Attendance in the last AGM held
Shri B.C.Tripathi, Chairman (w.e.f. 01/08/2009)	7	7	YES
Dr. U.D.Choubey, Chairman (upto 31/07/2009)	3	3	-
Shri R.K.Goel	10	6	YES
Shri A.K.Purwaha (upto 01/10/2009)	5	3	YES
Shri M.R.Hingnikar (upto 19/08/2009)	3	1	YES
Shri P.C.Sharma	10	7	YES
Ms. Neel Kamal Darbari	10	4	YES
Shri R.K.Dutta	10	9	YES
Shri T.K.Ananth Kumar	10	4	NO
Shri Manu Srivastava	10	6	NO
Dr. B.K.Das	10	2	YES
Shri R.D.Goyal (w.e.f. 12/10/2009)	5	5	-

Shri S.L.Raina (w.e.f. 19/08/2009)	7	6	YES
Shri J.K.Singh Teotia (w.e.f. 09/12/2009)	4	4	-
Shri Rakesh Kumar (w.e.f. 04/01/2010)	3	3	-

3.0 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.

During the year the Company has adopted the terms of reference for the Audit Committee in spite of being voluntary in nature which interalia includes the following areas:

- Reviewing with the management, the annual financial statements before submission to the board for Approval.
- Recommending to the board the fixation of fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
- Discussion with internal auditors and /or auditors any significant findings and follow up thereon.
- To review the follow up action on the audit observations of the C&AG audit.
- Review all related party transactions in the company.

The composition of the Audit Committee and the details of meetings attended by the members are given below:

S. No.	Name of Directors	Category	Audit Committee meeting held during the FY 2009-10	Audit Committee meeting attended
1.	Shri R.K.Goel, Chairman	Non Independent Non Executive	2	2
2.	Shri R.K.Dutta	Non Independent Non Executive	2	2
3.	Dr. B.K.Das	Non Independent Non Executive	2	Nil
4.	Shri T.K. Ananth Kumar	Non Independent Non Executive	2	1

4.0 Remuneration Committee

A Remuneration Committee shall be constituted on appointment of independent directors.



4.1 Remuneration to Whole Time Directors: The details of remuneration paid to the Whole-time Directors of the Company for the financial year 2009-10 or the part of the year, are as below:

Name of the Director	Date of Appointment	Salary & Allowances (in Rs.)	Contribution to PF, Gratuity and Other Funds	Other Benefits and Perquisites	Performance Linked Incentives	Total
Shri J.K.Singh Teotia (Managing Director)	09/12/2009	4,29,904	43,989	—	—	4,73,893
Shri Rakesh Kumar Director (Finance)	04/01/2010	2,89,481	29,949	—	—	3,19,430

5.0 Sub-Committee (Ecpc) of Board of Directors

A Sub-Committee of the Board of Directors for expeditious clearances of approvals for the project comprising of five members namely, Shri R.K.Goel, Chairman, Shri R.D.Goyal, Shri T.K.Ananth Kumar, Shri Manu Srivastava and Shri J.K.Singh Teotia is in place. During the year, Shri R.D.Goyal has been appointed in place of Shri A.K.Purwaha and Shri J.K.Singh Teotia, has been inducted as the fifth member after his appointment as Managing Director of the company. Fourteen meetings of Sub-Committee were held in all till the end of Financial Year 2009-10.

Details regarding the attendance of the respective Director(s) are as follows:

Name of Directors	Sub-Committee meeting held during tenure	Sub-Committee meeting attended
Shri A.K.Purwaha, chairman (upto 30/09/2009)	05	05
Shri R.K.Goel, Chairman (w.e.f. 01/10/2009)	14	09
Shri R.D.Goyal	09	08
Shri T.K. Ananth Kumar	14	11
Shri Manu Srivastava	14	14
Shri J.K.Singh Teotia (w.e.f 09/12/2010)	04	04

6.0 General Body Meetings

The location, time and details of special resolutions passed in the last three AGMs are as follows:

No. of the AGM	Date	Time	Venue	Any Special Resolution Passed
1 st	03/07/2008	11:30 AM	Hotel Brahmaputra Ashok, M.G.Road, Guwahati	None
2 nd	09/09/2009	04:30 PM	Hotel Brahmaputra Ashok, M.G.Road, Guwahati	None



7.0 Disclosures

- (i) There are no significant related party transactions during the year of material nature, with its promoters, the directors or the management or their subsidiaries or relative etc. potentially conflicting with company's interest at large. The related party transactions are disclosed in the notes to account forming part of the annual report.
- (ii) There were no instances of noncompliance on any matter relating to any guidelines issued by the Government, during the last three years.
- (iii) Presently, the company does not have a Whistle Blower Policy.

8.0 Audit Qualifications

The company has ensured to remain in the regime of unqualified statement.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE-II

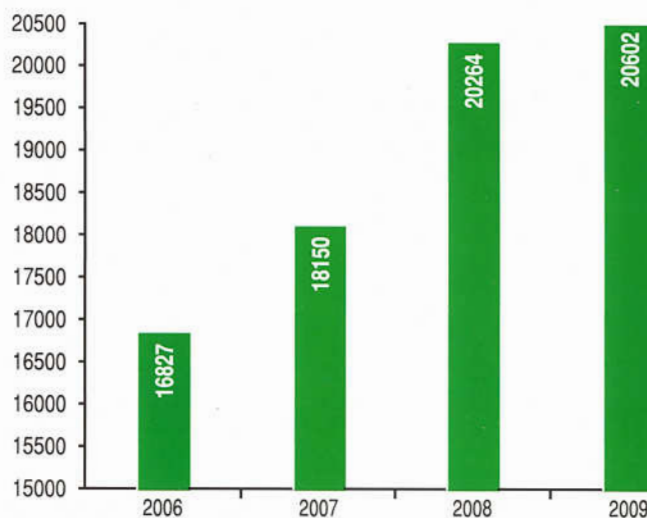
1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The petrochemical industry has been one of the fastest growing industries in the Indian economy; it provides the foundation for manufacturing industries such as pharmaceuticals, construction, agriculture, packaging industry, textiles, automotive, etc. The petrochemical industry in India is oligopolistic with four main players dominating the market, namely Reliance Industries Ltd. (RIL) along with Indian Petrochemical Ltd. (IPCL), GAIL(India)Ltd (GAIL), and Haldia Petrochemicals Ltd. (HPL).

Currently, India has three naphtha- and three gas -based cracker complexes with a combined ethylene annual capacity of over 2.5 MMTPA. Besides, there are four aromatic complexes also with a combined Xylenes capacity of 2.9 MMTPA. Polymers account for more than 60 percent of total petrochemical production. As shown in the figure below, the industry has been stagnant in terms of capacity addition. Combining the demand for all the key segments in the petrochemical industry, aggregate demand for the entire petrochemical sector in India was around 20 MMTPA in 2008.

Company	Location	Capacity (KTA)	Start Up Date
Reliance	Baroda	130	1978
Reliance	Gandhar	300	2000
Reliance	Hazira	750	1996
Reliance	Nagochase	400	1992
Reliance	Mumbai	75	1968
GAIL	Auraiya	400	1999
Haldia Petrochemicals	Haldia	520	2000
Total		2575	

Ethylene Capacity in India



Aggregate Petrochemical Demand Combining All the Key Segment (KT)

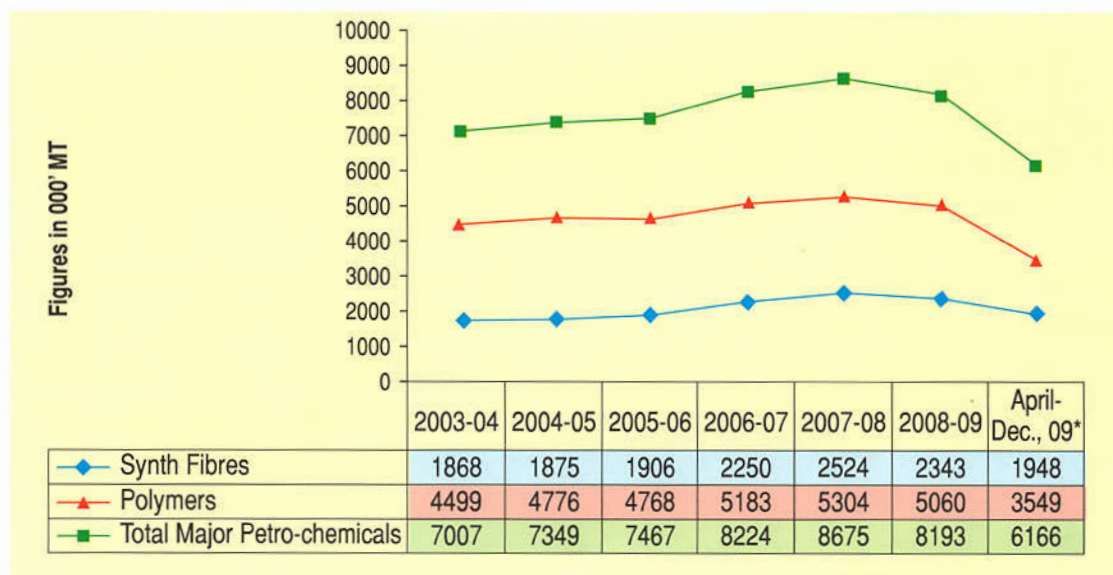
The major driver for the growth of petrochemical industry in India is its (India's) ongoing economic development. With the Government announcing an infrastructure development program of over INR 500 Billion, coupled with growth in key end-use sectors like auto, personal / lifestyle products, and retail (packaging), a boost is expected in the demand

for petrochemical products in India. The Government has set in place policies to promote investment in the petrochemical sector, and several key domestic companies have unveiled ambitious expansion plans for the next few years. Two major elements in this support are the decision to allow 100 percent foreign direct investment projects in this sector, and establishment of a series of special economic zones (SEZs) and a number of petroleum, chemicals, and petrochemical investment regions (PCPIRs).

The refining capacity in India is expected to rise from 135 MMTPA in 2006-07 to 210-225 MMTPA in 2011-12, translating into increased availability of 8-10 MMTPA of naphtha. This additional availability of naphtha has already prompted petrochemical majors to announce major downstream expansions in naphtha crackers. The olefin-based capacity is expected to increase from 5 MMTPA to 10 MMTPA and aromatics based capacity is expected to increase from 3 MMTPA to 6 MMTPA.

The production of Polymers accounted for about 62% of the total production of major petrochemicals during 2008-09. The actual production of major petrochemicals during the years 2003-04 to 2008-09 and upto December 09 for the year 2009-10 is exhibited below.

Production of Selected Major Petrochemicals



2. FINANCIAL STRUCTURE OF THE COMPANY:

Project is at a threshold of progressing fast, with firm financial commitments having increased to over Rs. 3847 Crores, value of the contracts & purchase orders released till 30.04.2010 being of Rs. 3147.17 Crores and most of



the long lead/critical items being critical to project schedule have been awarded. The financial structure and fund mix of the project is mentioned below:

Project Cost	: Rs. 5460 Crores
Additional IDC	: Rs. 198 Crores
Net Project Cost (To be funded)	: Rs. 5262 Crores
Equity	: Rs. 1041 Crores
Equity partners	: GAIL(70%), OIL(10%), NRL(10%) & Govt of Assam (10%)
Capital Subsidy	: Rs. 2138 Crores
Debt	: Rs. 2083 Crores
Debt Equity ratio	: 2 : 1
Recurring Feedstock Subsidy	: Rs. 909 Crores

3. SWOT ANALYSIS:

Strength:

- Fully supported prestigious project of Govt. of India
- Reputed background of promoters
- Strong back up of Govt. of Assam
- Marketing tie up with GAIL has been made during 2010-11
- EIL as a consultant having wide and varied experience in erection, construction and commissioning of plant.

Weakness:

- Climatic condition of North East
- Manpower constraint
- Socio-economic condition of the area
- Non availability of adequate infrastructure facilities in and around the project site

Opportunity:

- Lowest per capita consumption of plastics in North East states
- Huge demand for the polymer by growth of sunrise industries
- Low consumption of polymer in India in comparison to global consumption
- World trade in plastics

Threats:

- Rising prices of the feedstock
- Threats of polymer import from middle east
- Environmental concern with plastics packaging
- Growing competition from the upcoming plants in country
- Delays in project implementation

4. RISKS AND CONCERNS:

Risk taking is intrinsic to business growth. All business organizations face risks either from internal operation or from external environment. The base of any business is healthy appetite for risk. This is why one of the greatest and most important challenges for an organization is to define the optimal risk level for its business to ensure that its activities produce risk adjusted returns.

The risk to which the Company is exposed and the initiatives taken by the Company to mitigate such risks are given below:

- **Hazard risks** are related to natural hazards arising out of nature of product/operation, accidents, fire, earthquake or cyclone etc.

Risk associated with protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the govt. authorities and company is formulating its own guideline in this regard. Risk arising out of accidents, fire etc is protected through insurance policies and limited through contractual agreements wherever possible.

- **Financial Risks** are concerned with volatility in interest and exchange rate, credit, asset-liability mismatch. The total debt component of Rs 2083 Cr for the project has been tied up with OADB to the extent of Rs. 327 Cr which will be fixed based on the rate applicable during the month of drawl of the loan and Consortium of eight lenders (lead lender being Punjab National Bank) to the extent of Rs. 1,756 Cr with a floating rate of interest which is subject to change on yearly basis. To this extent the company is subject to risk of volatility in interest rates. The project cost of Rs. 5,460.61 Cr also comprises of foreign exchange component of Rs 868.74 Cr Out of which an amount of Rs 129.17 Cr has been paid primarily on account of import of technical know-how. Foreign Exchange outflow for the balance component which will mainly be on account of imports, shall depend upon the finalization of orders in foreign exchange and payment thereof. Since, the company is in the construction phase of the project, the company is presently not subject to the credit risk. Funding of the project activities is taking place as per the requirement and hence, asset-liability mismatch may not have significant bearing except to the extent of foreign exchange component as mentioned above.

- **Operational risks** are associated with systems, processes and people and cover areas such as succession planning, attrition and retention of people, operational failure or interruption, disruption in supply chain, failure of research& development facilities, and faulty application of information technology and non-compliance of regulatory provisions.

As the company is in construction phase of project it is not exposed to all such operational risks. However, the policies and process framework of the company supported by the proactive approach of management mitigate operational risks to great extent. The companies' legal compliances are being reviewed by the Board of Directors.



5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company is committed to ensuring a comprehensive internal control structure across its operations to ensure that all assets are adequately safeguarded and protected against loss from unauthorized use or disposition. The company is following processes and policies of its parent company till the establishment of its well defined written policies. In all cases where monetary decision is involved, various limits and authorities are in place.

The Company's progress is being monitored and reviewed at various levels by GAIL, state and central govt. authorities and also monitored at the highest level.

The Company's internal audit is being done with the assistance of its holding company's internal audit department.

6. HUMAN RESOURCES:

The key to the success of the Company lies in its people whose skills, expertise and talent help the Company to achieve and sustain its market position. It is the people's commitment, technical knowhow, innovative ability and performance driven mindset that enables our Company to react swiftly and creatively to the evolving customer and market needs. During the year under review, Company started to increase its own human capital base and adequate care is being taken in recruitment resulting in major representations of the locals. Most of the skilled / semi-skilled / unskilled workers engaged in the construction work are from North-East.

7. ENVIRONMENTAL PROTECTION AND CONSERVATION:

Environment protection and its preservation is today a matter of concern for all citizens including corporate. The environment as it exists today is an example of how human activities are correlated with nature and human beings cannot remain aloof after causing damage to the environment. Being a corporate citizen the Company recognizes its responsibility and its commitment towards Corporate Responsibility of Environment Protection and is fully complying with the norms set relating to effluent treatment, water consumption, solid waste consumption. The Company is setting up its effluent treatment plant for proper effluent discharge within the limit prescribed by the authorities.

8. OUTLOOK:

The company's outlook appears to be very bright and will achieve breakeven very soon once the plant is commissioned and production is stabilized. It will generate sufficient revenue for the growth and development of the company vis-à-vis employment opportunities to the local inhabitants.



AUDITORS' REPORT

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

On the basis of the observations made by the Comptroller & Auditor General of India, this revised audit report has been prepared in lieu of the earlier report dated 30.04.2010, where the fact regarding obtaining of term loan and its utilisation for the intended purpose as required under Companies (Auditor's Report) Order, 2003 was inadvertently omitted in the report which has now been complied with (Sl. No. 20 of Annexure to the Auditors' Report).

We have audited the attached Balance Sheet of **BRAHMAPUTRA CRACKER AND POLYMER LIMITED**, Guwahati - 781001, Assam as at 31st March, 2010 and the Cash Flow Statement of the Company for the year ended on that date annexed hereto. These financial statements are the responsibility of 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 requires 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 227(4A) 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 it 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.
- 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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 significant Accounting Policies and Notes on Accounts thereon, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) In so far as it related to the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010 and
 - ii) In so far as it related to the Cash Flow statement, of the Company for the year ended on that date.

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 22-05-2010

Sd/-
Proprietor
Membership No 050691

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF BRAHMAPUTRA CRACKER AND POLYMER LIMITED, GUWAHATI-781001, ASSAM FOR THE YEAR ENDED 31ST MARCH, 2010.

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 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 into a 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. The maintenance of cost records prescribed under section 209(1) (d) of the Companies Act, 1956 is not applicable to the company as the company is in construction phase of the project.



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, 2010 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 is 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 or financial institution.
20. Company has obtained term loan for funding the activities of the project amounting to Rs. 5000 lacs from consortium of bankers with Punjab National Bank being the lead bank during the year. The same has been utilized for the purpose for which the loans were obtained.
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 : 22-05-2010

Sd/-
Proprietor
Membership No 050691



BALANCE SHEET AS AT 31ST MARCH 2010

BALANCE SHEET

	Schedule No.	AS AT 31 ST MARCH 2010 Amount (Rs)	AS AT 31 ST MARCH 2009 Amount (Rs)	AS AT 31 ST MARCH 2009 Amount (Rs)
SOURCES OF FUNDS				
SHAREHOLDERS' FUND				
a) Share Capital	1	2,63,37,15,600		5,00,700
b) Advance against Equity	2	52,09,55,721		1,65,46,17,447
c) Capital Subsidy	3	<u>4,53,73,69,000</u>	7,69,20,40,321	<u>1,37,42,69,000</u>
				3,02,93,87,147
LOAN FUNDS				
- Secured Loans	4	50,00,00,000		
- Unsecured Loans		-		-
- Total Loan Funds		-	50,00,00,000	-
TOTAL SOURCES OF FUNDS			<u>8,19,20,40,321</u>	<u>3,02,93,87,147</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
- Gross Block	5	91,89,09,377		76,90,58,547
- Less : Depreciation		<u>5,03,24,528</u>		<u>1,81,55,151</u>
- Net Block			86,85,84,849	75,09,03,396
- Capital Work in progress	6		5,64,02,46,722	1,16,12,57,731
- IEDC	7		40,14,52,724	16,40,09,228
CURRENT ASSETS, LOANS & ADVANCES				
- Cash & Bank Balances	8	1,48,27,32,286		1,23,72,55,493
- Other Current Assets	9	45,71,850		17,99,002
- Loans & Advances	10	64,02,03,385		24,74,89,716
		<u>2,12,75,07,521</u>		<u>1,48,65,44,211</u>
Less : CURRENT LIABILITIES				
- Current Liabilities	11	84,95,48,402		52,11,82,658
- Provisions		1,62,77,493	1,26,16,81,626	3,22,19,161
				93,31,42,392



MISCELLANEOUS EXPENDITURE	12	2,00,74,400	2,00,74,400	2,00,74,400
TOTAL APPLICATION OF FUNDS		<u>8,19,20,40,321</u>		<u>3,02,93,87,147</u>

Notes to Accounts & Accounting Policies 13 & 14

Schedule '1' to '14' form Integral part of Accounts.

(J.K. SINGH TEOTIA)
MANAGING DIRECTOR

(RAKESH KUMAR)
DIRECTOR(F)

(MANISH MANOHAR)
COMPANY SECRETARY

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 30.04.2010

Sd/-
Proprietor
Membership No 050691



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE-1 SHARE CAPITAL

	AS AT 31 ST MARCH 2010 Amount (Rs.)	AS AT 31 ST MARCH 2009 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 263371560 (Previous Year 50070) Equity Shares of Rs 10/- each fully paid up	2,63,37,15,600	5,00,700
TOTAL	2,63,37,15,600	5,00,700

SCHEDULE-2 ADVANCE AGAINST SHARE CAPITAL

A. In form of consideration in Cash from N.R.L. and O.I.L.	12,27,77,020	64,94,20,000
B. In form of consideration of Land/Other adjustable amounts from Govt. of Assam and GAIL(India)Ltd	39,81,78,701	1,00,51,97,447
TOTAL	52,09,55,721	1,65,46,17,447

SCHEDULE-3 CAPITAL RESERVE

A. Capital Subsidy from Govt. of India	4,53,73,69,000	1,37,42,69,000
TOTAL	4,53,73,69,000	1,37,42,69,000

SCHEDULE-4 SECURED LOANS

Bankers

A. Allahabad Bank	4,70,00,000	-
B. Andhra Bank	5,70,00,000	-
C. Bank of Baroda	7,40,00,000	-
D. Bank of India	7,40,00,000	-



	AS AT 31 ST MARCH 2010 Amount (Rs.)	AS AT 31 ST MARCH 2009 Amount (Rs.)
E. Corporation Bank	3,70,00,000	-
F. Jammu & Kashmir Bank	3,70,00,000	-
G. PNB	14,30,00,000	-
H. State Bank Of Travancore	3,10,00,000	-
TOTAL	50,00,00,000	-

SCHEDULE-5 FIXED ASSETS

(Rounded in Rs.)

Description	Gross Block (At Cost)					Depreciation		Net Block		
Tangible Assets (A)	As at 01.04.2009	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2010	Upto 31.03.2009	For the year	Adjustments during the year	As at 31.03.2010	As at 01.04.2009	As at 31.03.2010
Land: Leasehold	75,44,88,840	4,95,53,173	-	80,40,42,013	1,59,28,098	2,38,92,147	-	3,98,20,245	73,85,60,742	76,42,21,768
Building : Other Than Factory Building	-	8,53,33,665	-	8,53,33,665	-	34,88,231	-	34,88,231	-	8,18,45,434
Furniture, Fixtures & Other Office Equipment	77,97,209	1,08,96,294	27,383	1,86,66,121	13,47,658	23,03,439	8,193	36,42,904	64,49,551	1,50,23,217
Electrical	-	27,48,332	-	27,48,332	-	4,14,540	-	4,14,540	-	23,33,792
EDP	44,39,189	10,93,955	2,000	55,31,144	8,05,409	15,42,769	776	23,47,402	36,33,781	31,83,742
Transport Equipments/ Vehicles	12,32,869	-	-	12,32,869	-	3,19,190	-	3,19,190	12,32,869	9,13,679
Total (A)	76,79,58,107	14,96,25,419	29,383	91,75,54,144	1,80,81,164	3,19,60,316	8,968	5,00,32,512	74,98,76,943	86,75,21,632
Intangible Assets (B)										
Software/Licenses	11,00,440	2,54,793	-	13,55,233	73,987	2,18,030	-	2,92,017	10,26,453	10,63,216
TOTAL (B)	11,00,440	2,54,793	-	13,55,233	73,987	2,18,030	-	2,92,017	10,26,453	10,63,216
TOTAL (A+B)	76,90,58,547	14,98,80,212	29,383	91,89,09,377	1,81,55,151	3,21,78,346	8,968	5,03,24,528	75,09,03,397	86,85,84,848
Previous Year	71,45,81,992	5,44,76,555	-	76,90,58,547	2,47,470	1,79,07,681	-	1,81,55,151	71,43,34,522	75,09,03,396

SCHEDULE-6 CAPITAL WORK IN PROGRESS

	AS AT 31 ST MARCH 2010 Amount (Rs.)	AS AT 31 ST MARCH 2009 Amount (Rs.)
A. PMC Fees for project related services	1,90,00,91,642	79,12,30,710
B. CWIP-Enabling Assets	3,83,95,98,477	37,00,27,021
C. WCT Receivable	(9,94,43,397)	-
TOTAL	5,64,02,46,722	1,16,12,57,731

SCHEDULE-7

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

	AS AT 31 ST MARCH 2010	AS AT 31 ST MARCH 2009
	Amount (Rs.)	Amount (Rs.)
Advertisement & Publicity	54,97,242	19,89,608
Communication Expenses	17,86,313	6,29,982
Depreciation & Amortisation	3,21,78,346	1,79,07,681
Payment to Auditors	82,725	50,000
Printing & Stationery	20,27,009	12,40,849
Professional and Consultancy Charges	10,63,46,986	22,31,535
Rates & Taxes	1,95,40,911	3,22,35,081
Recruitment & Training Expenses	89,20,231	4,71,180
Rent	1,25,38,334	10,71,15,24
Repairs- Buildings	1,24,472	14,97,609
Repairs- Others	-	1,38,898
Salary, Wages & Staff Costs	-	-
Survey and Investigation Expenses	52,11,755	1,30,51,652
Travel Expenses	53,80,633	70,43,749
Vehicle Hiring & Running Expenses	1,35,67,318	55,76,228
Bank Charges	17,601	13,339
Manpower Cost	6,48,56,328	6,02,48,508
Incidental Expenses 07-08 Pending Adjustment	8,84,75,532	8,84,75,532
Incidental Expenses 08-09 Pending Adjustment	7,55,33,697	-
C I S F	68,07,319	71,40,987
CSR Expenditure	-	30,000
Miscellaneous Expenses	1,42,11,492	64,98,782
Coin Adjustment	3	4
GROSS	46,31,04,247	25,71,82,728
Less : Interest from Banks	4,78,89,063	9,27,89,040
Less : Misc Income	44,65,852	3,84,460
Less : IEDC Capitalised	92,96,608	-
NET	40,14,52,724	16,40,09,228

**CURRENT ASSETS, LOANS AND ADVANCES****SCHEDULE-8
CASH AND BANK BALANCES**

	AS AT 31 ST MARCH 2010 Amount (Rs.)	AS AT 31 ST MARCH 2009 Amount (Rs.)
Bank balance with Scheduled Banks	1,77,32,286	66,38,465
Short Term Deposits	1,46,50,00,000	1,23,06,17,028
TOTAL	1,48,27,32,286	1,23,72,55,493

**SCHEDULE-9
OTHER CURRENT ASSETS**

Interest Accrued on Bank Term Deposits	45,45,076	17,99,002
Interest Accrued on Mobilisation Adv.	26,774	-
TOTAL	45,71,850	17,99,002

**SCHEDULE-10
LOANS AND ADVANCES-CONSIDERED GOOD**

Unsecured considered Good		
Deposit with Authorities	11,58,46,104	24,68,89,716
Other Advances	52,43,57,281	6,00,000
TOTAL	64,02,03,385	24,74,89,716



CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE-11

CURRENT LIABILITIES & PROVISIONS

	AS AT 31 ST MARCH 2010 Amount (Rs.)	AS AT 31 ST MARCH 2009 Amount (Rs.)
A Current Liabilities		
Sundry Creditors For Assets	57,10,81,372	44,86,48,231
Sundry Creditors For Expenses	18,93,38,352	6,78,91,953
Deposit / Retention Money	8,91,28,678	46,42,474
TOTAL	84,95,48,402	52,11,82,658
B Provisions		
Provision for Income tax (Net of TDS)	1,62,77,493	3,15,38,747
Provision for FBT	-	6,80,414
TOTAL	1,62,77,493	3,22,19,161

SCHEDULE-12

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



SCHEDULE-13

NOTES TO ACCOUNTS AS AT 31-03-10

1. The Estimated amounts of contracts valuing Rs. 27,90,69,20,638/- (Previous Year Rs. 10,73,53,08,595/-) are remaining to be executed on Capital Accounts and not provided for.
2. Contingent Liabilities: The company has issued Foreign Letter of Credits amounting to Rs. 26,59,74,699.60/- (Previous Year Nil) during the year.
3. The valuation of land is provisionally done on the basis of declaration received from the Government of Assam.
4. Income tax provision to the tune of Rs. 1,62,77,493/- (Previous Year Rs. 3,15,38,747/-) has been kept in the book of accounts. The provision for Income Tax is on account of interest earned on STDRs kept by investing surplus funds.
5. During the year, Advance Fringe Benefit Tax of Rs. 1,12,000/- has been adjusted against Income Tax.
6. No deferred tax liability has been recognized since the project is in the construction stage.
7. Notification in respect of tax exemptions on account of WCT, Entry Tax and VAT from Government of Assam has been issued. Giving effect to the said notification, total WCT of Rs. 9,71,10,240/- paid till 31st March' 2010, stands recoverable from Government of Assam. Further, clarifications /modifications have been sought in the notification and the same are awaited.
8. The Leasehold Land of Rs. 80,40,42,013/- (Previous Year Rs. 75,44,88,840/-) acquired for the project is 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. During the year, leasehold land of Rs. 4,95,53,173/- received from Government of Assam, was capitalized on provisional basis. The amount has been accounted as advance against equity share capital on provisional basis.
9. The employees of the company are on secondment terms and conditions from GAIL (India) Ltd. and Numaligarh Refinery Limited. Expenses have been accounted under IEDC Head on the basis of the debit advices/information available from the respective companies.
10. To the extent information available with the company, 'Nil' amount (Previous Year Nil) was due to Micro, Small and Medium Enterprises).
11. Balances grouped under Loans and Advances, Deposits and Sundry Creditors are subject to confirmation.
12. During the year the company has paid an amount of Rs. 1,42,45,88,321/- (Previous Year Nil) on account of import of Technical Knowhow. Further an amount of Rs. 13,28,44,017/- (Previous Year Rs. 12,35,32,157/-) has been accounted as expenditure in foreign currency in respect of liability on account of import of technical knowhow and has been accounted as Capital Work in Progress.
13. In accordance with the approval of the Board of Directors in the 21st Board Meeting held on 19th March' 2010, the Company has allotted 23,69,89,341 equity shares of Rs. 10/- each for cash as fully paid-up aggregating



Rs. 236,98,93,410/-. Further 2,63,32,149 equity shares of Rs. 10/- each to Govt. of Assam for consideration other than cash were allotted. The total allotments were made in the agreed proportion of 70:10:10:10 to the promoters in the following manner:

Name of Allotees	No. of Equity Shares of Rs. 10/- each.
GAIL (India) Limited	18,43,25,043
Numaligarh Refinery Limited	2,63,32,149
Oil India Limited	2,63,32,149
Govt. of Assam	2,63,32,149
Total	26,33,21,490

14. During the year, four equity calls amounting to Rs. 1,87,90,00,000/- have been issued to GAIL in line with the approved Business Plan against which an amount of Rs 1,45,00,00,000/- has been received against three equity calls and the balance amount of Rs. 42,90,00,000/- against fourth equity call is awaited.
15. The Capital Subsidy of Rs. 3,16,31,00,000/- (Prev. Year Rs. 1,37,42,69,000/-) has been received from the Government of India during the year by way of contribution towards the total capital outlay. As no repayments are ordinarily expected, the same is recognized in the financial statements as capital reserve. An amount of Rs. 67,95,25,894/- (after considering margin money for LC & TDRs issued as Security Deposit to State Govt. as utilized) remained unutilized from the grants received during the year. Capital Subsidy is received for the project during construction and as such the same is utilized for making regular payments till the execution of the project.
16. During the year an amount of Rs. 500,000,000 was drawn as first installment of loan as per the agreement entered into with the lenders. The loan obtained is not for specific asset as such the interest on loan would be apportioned to the assets capitalized in due course.
17. 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.
18. During the year, the Company has entered into License Agreement for import of technology for Cracker Unit with M/s Lummus Technology Inc, USA.
19. The fees for the statutory auditors for the financial year 2009-10 has been fixed at Rs 75,000/- plus out of pocket expenses. (Previous Year Rs 50,000/- plus 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. Information as per Accounting Standard 18 as prescribed under Accounting Standard Rules, 2006, on Related Party Disclosures is given below:

1. 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) Fellow Subsidiary Company :	
1.	GAIL Global (Singapore) Pte. Ltd.
2.	GAIL Gas Ltd.
d) Associate Company :	
1.	Mahanagar Gas Limited
2.	Indraprastha Gas Limited
3.	Petronet LNG Limited
4.	Bhagyanagar Gas Limited
5.	Tripura Natural Gas Corporation Limited
6.	Central UP Gas Limited
7.	Green Gas Limited
8.	Maharastra Natural Gas Limited
9.	Ratnagiri Gas & Power Pvt. Ltd.
10.	Avantika Gas Limited
11.	Shell Compressed Natural Gas
12.	Gujarat State Electricity Generation Ltd.
13.	National Gas Company "Nat Gas"
14.	Fayum Gas Company
15.	China gas Holding Ltd.
16.	GAIL China Gas Global Energy Holding Ltd.



c) Key Management Personnel		
1.	Mr. J.K. Singh Teotia	Managing Director
2.	Mr. Rakesh Kumar	Finance Director
3.	Mr. P.N. Prasad	COO

2. Details of Transactions :

Details	2009-10	2008-09
a) Holding Company :		
Expenditure incurred on Salary of employees on Deputation	6,39,73,132.00	6,34,21,399.00
Amount Paid towards purchase of assets	8,83,580.00	Nil
Equity Share Contribution	1,84,32,50,430.00	Nil
Amount paid towards rental charges	54,04,292.00	48,84,568.00
Amount Outstanding in Current Liabilities & Provisions during the year	50,43,956.00	32,71,926.66
b) Joint Owners :		
Amount paid for infrastructure development for gas supply	8,11,89,162.00	22,81,57,892.00
Amount outstanding for infrastructure development for gas supply	4,32,09,000.00	8,11,89,162.00
Expenditure incurred on Salary of employees on Deputation	1,47,374.00	Nil
Equity Share Contribution	78,99,64,470.00	Nil
c) Key Management Personnel		
Remuneration to Directors	9,45,565.00	Nil
Amount Outstanding (Payable)	198,851.00	Nil

22. During the year, the Company has recognized Rs. 4,49,462/- in respect of “**Employee Benefits**” as Contribution to Provident Fund.
23. In accordance with the approval of the Board of Directors in the 22nd Board Meeting held on 29th March' 2010, the Company allowed on provisional basis, the retention of the family of MD and D(F) at the place of their



choice by availing company owned accommodation or lease facility or HRA during their posting in the North East region. Hence as per the said resolution, liability for the lease rent against the Directors has been raised in the books amounting to Rs. 2,03,563/-.

24. The Company is under construction stage; hence Accounting Standards 17 "Segment Reporting" of the Companies (Accounting Standard) Rules, 2006 is not applicable.
25. Previous year figures have been regrouped and rearranged wherever considered necessary to facilitate comparison with Current Year figures.

(J.K. SINGH TEOTIA)
MANAGING DIRECTOR

(RAKESH KUMAR)
DIRECTOR(F)

(MANISH MANOHAR)
COMPANY SECRETARY

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 30.04.2010

Sd/-
Proprietor
Membership No 050691

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS AT 31ST MARCH 2010.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE-14

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- a) **Accounting Convention:** The financial statements 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.
- 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. FIXED ASSETS, CAPITAL WORK-IN-PROGRESS & DEPRECIATION/AMORTIZATION

- 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.
Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS) 26- 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).
- Assets costing upto Rs 5,000 are depreciated fully in the year of capitalization.
 - Bunk Houses are depreciated on assumption of five years life.
 - Cost of the leasehold land not exceeding 99 years is amortized over the lease period.
 - 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.
 - Intangible assets will be amortized equally over period of five years from the date of recognition.
 - 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.
 - 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.

3. 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.

4. FOREIGN CURRENCY TRANSACTION

- Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.
- All exchange differences are dealt as per Accounting Standard 11.
- 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.
- 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).
- Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for.

5. INVENTORIES

- 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.
- 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.

6. 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.

7. 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.

8. EMPLOYEES 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.

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.
- c) Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding Rs 5 Lacs 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 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) 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. 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.

13. GENERAL

- a) Prepaid expenses and prior period expenses/income upto Rs.1 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.

(J.K. SINGH TEOTIA)
MANAGING DIRECTOR

(RAKESH KUMAR)
DIRECTOR(F)

(MANISH MANOHAR)
COMPANY SECRETARY

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 30.04.2010

Sd/-
Proprietor
Membership No 050691



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

CASH FLOW STATEMENT

	<u>2009-10</u>	<u>(Rs. In Lacs)</u> <u>2008-09</u>
A. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASES OF FIXED ASSETS	(116.54)	(125.38)
CAPITAL WORK-IN-PROGRESS	(45,359.79)	(9,000.63)
CHANGES IN WORKING CAPITAL		
INCIDENTAL EXPENSES DURING CONSTRUCTION	(2,763.42)	(1,504.15)
CURRENT ASSETS LOANS AND ADVANCES	(4,243.68)	(2,482.62)
INTEREST RECEIVED	523.55	927.89
CURRENT LIABILITIES & PROVISIONS	3,283.65	3,011.75
NET CASH FROM INVESTING ACTIVITIES	(48,676.23)	(9,173.14)
B. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE SHARE CAPITAL		
PROCEEDS FROM LOANS	5,000.00	-
PROCEEDS FROM ADVANCE AGAINST SHARE CAPITAL FROM		
NRL, OIL, GAIL (INDIA) LTD & GOVT OF ASSAM	14,500.00	8,578.16
PROCEEDS FROM CAPITAL SUBSIDY FROM GOVT OF INDIA	31,631.00	10,742.69
NET CASH FROM FINANCING ACTIVITIES	51,131.00	19,320.85
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B)	2,454.77	10,147.71
OPENING CASH AND CASH EQUIVALENTS	12,372.55	2,224.84
CLOSING CASH AND CASH EQUIVALENTS	14,827.32	12,372.55

(J.K. SINGH TEOTIA)
MANAGING DIRECTOR

(RAKESH KUMAR)
DIRECTOR(F)

(MANISH MANOHAR)
COMPANY SECRETARY

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 30.04.2010

Sd/-
Proprietor
Membership No 050691



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31-03-2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	008290
Balance Sheet Date	31.03.2010

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	1,450.00

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

Total Liabilities	81,920.40
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Total Assets	81,920.40
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Sources of Funds

Paid up capital	26,337.16
Advance against share capital	5,209.56
Secured Loans	5,000.00
Deferred Tax Liability	Nil

Reserve & Surplus	45,373.69
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Unsecured Loan	Nil
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Application of Funds

Net Fixed Assets	56,402.47
Net Current Assets	12,616.82
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

(J.K. SINGH TEOTIA)
MANAGING DIRECTOR

(RAKESH KUMAR)
DIRECTOR(F)

(MANISH MANOHAR)
COMPANY SECRETARY

As per our separate Report of even date

SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 30.04.2010

Sd/-
Proprietor
Membership No 050691



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 2010.

The preparation of financial statement of Brahmaputra Cracker & polymer Limited, Guwahati for the year ended 31 March 2010 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 22-05-2010.

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 2010. 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

Place : Kolkata
Date: 28th May 2010

Sd/-
(Nandana Munshi)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata



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 **Third Annual
General Meeting** of the Company to be held on the 17th day of July, **2010**
or at any adjournment there of.

Signed this _____ day of _____ 2010

Affix Revenue Stamp Re.1/-

Signature



Brahmaputra Cracker and Polymer Limited

Pushkara House, Natun Gaon, NH-37, Dibrugarh - 786008, Assam
Phone: 0373 2371062 Fax: 0373 2371070