

Brahmaputra Cracker and Polymer Limited

**ANNUAL REPORT
2007 - 2008**



BRAHMAPUTRA CRACKER AND POLYMER LIMITED

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BRAHMAPUTRA CRACKER AND POLYMER LIMITED

BOARD OF DIRECTORS

Dr. U.D. Choubey, Chairman

Shri R.K. Goel

Shri A.K. Purwaha

Shri M.R. Hingnikar

Shri P.C. Sharma

Shri R.K. Dutta

Shri N.M. Borah

Shri B.K. Das

Shri B.P. Pandey

Shri Manu Srivastava

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

Registered Office

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

Bankers

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

Project Site Office

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

Centurian Bank of Punjab Limited
Fourth Floor, "Bargola Business Centre",
Jai Narayan Road, Fancy Bazar,
Guwahati,
Assam - 781001

Project Execution Office

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

Statutory Auditor

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

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **First Annual General Meeting** of the Members of **BRAHMAPUTRA CRACKER AND POLYMER LIMITED** will be held at **Hotel Brahmaputra Ashok, M.G. Road, Guwahati - 781001** on **Thursday, the 3rd day of July 2008 at 11.30 a.m. to transact the following business:-**

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, Cash flow statement, Board Report, Auditor's Report and the Comments thereupon of Comptroller & Auditor General of India.
2. To appoint a Director in place of **Shri Mohan Ramchandra Hingnikar**, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Ashok Kumar Purwaha**, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri Raj Kumar Goel**, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To authorize Board of Director of the Company to fix remuneration of the statutory Auditors of the company in terms of the provisions of Section 224(8)(aa) of the companies Act 1956 and to pass the following resolution, with or without modification(s) as an *Ordinary Resolution*:

"RESOLVED THAT the Board of Director of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory auditors of the company for the financial year 2008-2009, as may be deemed fit by the Board"

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Shri B.P. Pandey, who was appointed as an Additional Director w.e.f. 01.02.2007 be and is hereby appointed as a Director of the Company, liable to retire by Rotation."

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

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Shri Manu Srivastava, who was appointed as an Additional Director w.e.f. 18.05.2007 be and is hereby appointed as a Director of the Company, liable to retire by Rotation."

By Order of the Board
For Brahmaputra Cracker and Polymer Limited

Place : GUWAHATI
Date : 27-06-2008

(J.K. Singh Teotia)
Chief Operating Officer

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

NOTES :

1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the company. Proxy form, duly completed should be deposited at the registered office of the company not less than 48 hours before the scheduled time of the meeting (blank proxy form is enclosed). **A proxy form is enclosed.**
2. The documents referred to in the accompanying Notice, are open for inspection by Members, at the Registered Office of the Company during office hours, i.e. between 11:00 a.m. to 1:00 p.m., on all working days except Saturday, Sunday and holiday, upto the date of the Annual General Meeting.
3. Members are requested to bring their copy of Annual Report, Notice of AGM, and Attendance Slip at the venue of the meeting.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

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

ITEM NO. 6

Shri B.P. Pandey, part time non-official Director (Government Nominee) was nominated by the President of India vide letter No. 45012/1/2007-PC.I dated 29.01.2007 as a Director on the Board of Directors of the Company w.e.f. 01.02.2007. He was inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as a 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 B.P. Pandey as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

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

ITEM NO. 7

Shri Manu Srivastava, part time non-official Director (Government Nominee) was nominated by the President of India vide letter No. 31023/2/2007-CA dated 22.02.2007 as a Director on the Board of Directors of the Company w.e.f. 18.05.2007. He was inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as a 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 Manu Shrivastava as Director of the Company.

Your Directors recommend the resolution for approval of the shareholders.

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

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of your Company, I am delighted to present the Annual Report of your Company along with Audited Financial Statements for the first Accounting Period ended 31.03.2008.

HISTORICAL PERSPECTIVE

The Cabinet Committee on Economic Affairs had approved in April' 2006, the setting-up of Assam Gas Cracker Project at Lepetkata, Distt. Dibrugarh at the estimated cost of Rs. 5460.61 crore.

The products from the Complex are as follows :

Products	Capacity
LLDPE/HDPE	220,000 TPA
Polypropylene	60,000 TPA
Raw Pyrolysis Gasoline	55,750 TPA
Fuel Oil	12,500 TPA

The Project is to be constructed and operated by a Joint Venture Company promoted by GAIL (India) Limited (GAIL), OIL India Ltd. (OIL), Numaligarh Refinery Limited (NRL) and Govt. of Assam.

The Joint Venture Agreement between the promoters was signed in October' 2006. Consequently, the Joint Venture Company was incorporated as "Brahmaputra Cracker & Polymer Ltd." in January' 2007. Subsequently, the Certificate of Commencement was issued in September' 2007.

FOUNDATION STONE LAYING

The Hon'ble Prime Minister, Dr. Manmohan Singh laid the Foundation Stone for the Assam Gas Cracker Petrochemical Project in April' 2007. The Project completion schedule of 60 months was announced. All efforts would be taken to complete the project within the schedule.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

FEEDSTOCK AGREEMENTS

The sources of the Feedstock are Natural Gas from OIL & ONGCL and Naphtha from NRL.

The Gas Supply Agreement with OIL and Naphtha Supply Agreement with NRL was signed in September' 2007. Subsequently, Gas Supply Agreement with ONGCL was signed in October' 2007.

PROJECT STATUS

The necessary environmental and pollution clearances from the Govt. of Assam and the Ministry of Environment & Forests (MoEF) have been obtained for the Project.

Engineers India Ltd. (EIL) was awarded the Project Management Consultancy job in September' 2007.

Various activities of the Project such as Topographical Survey, Geotechnical investigation, Basic Engineering Design Basis, Licensors selection, Finalisation of Plot plan, Site Construction works have picked up and have achieved significant progress.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION

The Company is presently involved in the construction of the Assam Gas Cracker Project and there are nil cases for disclosure of the details of conservation of energy, technology absorption in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

The employees of the Company are on the secondment terms & conditions from GAIL (India) Limited and there are nil cases for disclosure of the particulars of employees u/s 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there is nil Foreign exchange earnings and outgo.

DIRECTORS

Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

Shri M.R. Hingnikar, Shri R.K. Goel, Shri A.K. Purwaha, Shri B. P. Pandey and Shri Manu Srivastava retire by rotation and, being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 in relation to Directors' Responsibility Statement, it is confirmed that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) The Directors have taken proper and sufficient care 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;
- iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2008 on a going concern basis.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

AUDITORS

The Office of Comptroller & Auditor General of India vide its letter no. CA V/COY/CENTRAL GOVT, BCPL (1)/1217 dated 4th April 2008 has appointed M/s Sanjoy K. Das & Co., Chartered Accountants, Guwahati as Statutory Auditors of the Company for the year 2007-08.

ACKNOWLEDGMENT & APPRECIATION

The Board of Directors acknowledges their gratitude for the valuable guidance and support received from Government of India in particular the Ministry of Chemicals & Fertilizers and the Govt. of Assam.

The Board also acknowledges their thanks to the Comptroller & Auditor General, Chairman and members of Audit Board, Statutory Auditors. The Board acknowledges their deep and sincere thanks for the co-operation and assistance received from Shareholders, Bankers, Consultants & Suppliers.

The Board would like to place on record its appreciation to the hard work, commitment and unstinting efforts put in by your Company's employees at all levels.

The Board also wishes to place its highest appreciation of the significant contributions made by fellow Directors on the Board of the Company.

For and on behalf of the Board

Place : GUWAHATI

Date : 03-07-2008

Chairman

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of Brahmaputra Cracker and Polymer Limited, Guwahati as at 31st March, 2008, and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the statement on the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 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 purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- d. In our opinion, the Balance Sheet, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act. 1956.
- e. On the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 financial statements read together with the significant accounting policies and notes thereon give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008:
 - b) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

Annexure to the Auditor's Report (Referred to in paragraph 3 of our Report of even date)

The Annexure referred to in the auditor's report to the shareholders of BCPL for the year ended March 31, 2008. We report that:

- I. (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanation given to us, there is a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
(c) In our opinion, there was no substantial disposal of fixed assets during the year.
- II. (a) According to the information and explanations given to us, the inventory of stores and spares were physically verified by the Management, except those lying with Engineers India Ltd. And other contractors at the end of the year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) According to the information and explanations given to us, no material discrepancies have been noticed on physical verification of stock of stores and spares as compared to the books and records.
- III. The company has neither granted nor taken any loans secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- IV. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls.
- V. On the basis of our examination of the books of accounts, and as per information and explanation given to us, the company has not made any transactions in respect of any party during the financial year that needs to be entered in the register pursuant to the section 301 of the Companies Act, 1956.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- VI. The company has not accepted any deposits from the public during the year covered under of section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
- VII. In our opinion, the company's internal audit system is commensurate with its size and nature of its activities. However, it requires further strengthening due to increase in the activities of the company in recent past.
- VIII. We have broadly reviewed the books of Accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of this records.
- IX. (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales tax, Wealth tax, Service Tax, Custom duty, Excise duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of Sales tax, Service tax, Custom duty, Excise duty and other statutory dues were outstanding at the year end for a period of more than six months from the date they become payable.
(b) As certified by the Management on which we have relied upon, the dues of Excise Duty, Custom duty, Entry Tax, Sales Tax and other Taxes which have not been deposited on account of disputes and the forum where the dispute is pending, are given below:
- X. The company has no accumulated losses at the end of the financial year and it has not incurred any each losses in the current and immediately preceding financial year.
- XI. Based on our Audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
- XII. In our opinion, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities other than to its employees. In our opinion, the company has maintained adequate documents and records in respect of such loans.
- XIII. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, the provisions of Clause 4(xiii) of the Companies (Auditors report) order, 2003 are not applicable to the company.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

- XIV. According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiii) of the Companies (Auditors report) order, 2003 are not applicable to the company.
- XV. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- XVI. According to the information and explanation given to us, the company has not raised any term loans during the year.
- XVII. According to the information and explanation given to us, the company has not raised any short term loan during the year.
- XVIII. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX. The company has not issued any debentures during the year.
- XX. During the year, no money has been raised by public issues.
- XXI. 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 : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
BALANCE SHEET AS AT 31ST MARCH 2008

BALANCE SHEET

	SCH. NO.	(Rounded in Rs.) AS AT 31 ST MARCH 2008
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS:		
- Capital	A	5,00,700
- Advance against Share Capital	B	75,48,62,604
- Capital Reserve	C	30,00,00,000
TOTAL		1,05,53,63,304
APPLICATION OF FUNDS		
FIXED ASSETS:		
- Gross Block		71,45,81,992
- Less : Depreciation		2,47,470
- Net Block	D	71,43,34,522
- Capital Work in progress	E	26,11,95,231
- Incidental Expenditure During Construction	F	8,84,75,532
		1,06,40,05,285
CURRENT ASSETS, LOANS & ADVANCES:		
- Cash & Bank Balances	G	22,24,84,497
- Other Current Assets	H	5,42,065
- Loans & Advances	I	4,84,370
		22,35,10,932
Less : CURRENT LIABILITIES & PROVISIONS:		
- Liabilities	J	25,20,55,584
- Provisions	K	1,71,729
		25,22,27,313

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

NET CURRENT ASSETS		-2,87,16,381
MISC. EXPENDITURES (to the extent not written off or Adjusted)	L	2,00,74,400
TOTAL		<u>1,05,53,63,304</u>
Notes on Accounts :	M	

Schedule 'A' to 'M' and Accounting Policies form Integral part of Accounts.

A RAI
CFO

JK SINGH TEOTIA
COO

PC SHARMA
DIRECTOR

R K GOEL
DIRECTOR

As per our separate Report of Even Date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE-A CAPITAL

(Rounded in Rs.)
AS AT 31ST MARCH 2008

AUTHORISED

1,20,00,00,000 Equity Shares
of Rs. 10/- each

12,00,00,00,000

TOTAL

12,00,00,00,000

ISSUED AND SUBSCRIBED

50,070 Equity Shares of Rs 10/- each
from the subscribers to the Memorandum
and Articles of Association

5,00,700

TOTAL

5,00,700

SCHEDULE-B ADVANCE AGAINST SHARE CAPITAL

From the Promoter Pending Allotment:
In the form of cash contribution
In the form of consideration other than cash

8,38,20,000

67,10,42,604

TOTAL

75,48,62,604

SCHEDULE-C CAPITAL RESERVE

Capital Subsidy from Govt of India

30,00,00,000

TOTAL

30,00,00,000

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-D FIXED ASSETS

(Rounded in Rs.)

ASSETS	Gross Block				Depreciation				Net Block	
	As on Commencement	Addition	Adj./Sales	As at 31.03.08	As on commencement	For the Year	Adj./Sales	As at 31.03.08	As at 31.03.08	As on commencement
Land:	-	71,25,50,049	-	71,25,50,049	-	-	-	-	71,25,50,049	-
Furnitures, Fixures & Other Office Equipment	-	20,20,503	-	20,20,503	-	2,41,750	-	2,41,750	17,78,753	-
EDP, WP Machines	-	11,440	-	11,440	-	5,720	-	5,720	5,720	-
TOTAL	-	71,45,81,992	-	71,45,81,992	-	2,47,470	-	2,47,470	71,43,34,522	-

SCHEDULE-E CAPITAL WORK-IN-PROGRESS

(Rounded in Rs.)

	As on commencement	Additions	Adjustments	Capitalised	As at 31 ST March 2008
CWIP-PMC Fees for the project related services	-	3,30,37,231	-	-	3,30,37,231
CWIP - Enabling Assets	-	22,81,58,000	-	-	22,81,58,000
TOTAL	-	26,11,95,231	-	-	26,11,95,231

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-F INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(Rounded in Rs.)
FOR THE YEAR ENDED
31ST MARCH 2008

A. EMPLOYEE COST

- Salaries, wages, allowances and benefits		2,24,75,439
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TOTAL (A)		2,24,75,439
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B. OTHER OPERATION AND ADMINISTRATION EXPENSES

- Rent		17,27,953
- Rates and taxes		7,47,939

Repairs & Maintenance:

- Building	12,36,608	
- Others	78,629	13,15,237

Communication expenses		2,47,885
Printing and Stationery		1,38,198
Travel expenses		21,10,435
Advertisement and publicity		8,28,439

Remuneration of Auditors:

- Audit Fee	56,180	
- Tax audit fee	-	
- Out of pocket expenses	-	56,180

Recruitment and Training expenses		41,190
Vehicle Hire and running expenses		13,59,107
Survey and Investigation expenses		69,83,000
Professional and Consultancy Charges		3,50,74,628
Inaugural expenses		1,59,92,252
Miscellaneous expenses		18,90,121

TOTAL (B)		6,85,12,564
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C. DEPRECIATION

2,47,470

D. INTEREST AND FINANCE CHARGES

Bank Charges		3,155
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E. INCOME DURING CONSTRUCTION

- Interest from Banks		27,63,096
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Net IEDC (A+B+C+D-E)		8,84,75,532
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BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-G CASH AND BANK BALANCES

(Rounded in Rs.)
AS AT 31ST MARCH 2008

Balances with scheduled Banks	
- Current Account	57,63,603
- Term Deposit Account	21,67,20,894
TOTAL	<u>22,24,84,497</u>

SCHEDULE-H OTHER CURRENT ASSETS

Interest Accrued on Term Deposits	5,42,065
TOTAL	<u>5,42,065</u>

SCHEDULE-I LOANS AND ADVANCES

Advances recoverable in cash or in Kind or for value to be received	
Deposit with State Govt Departments	4,84,370
TOTAL	<u>4,84,370</u>

SCHEDULE-J CURRENT LIABILITIES

Sundry Creditors		
For Capital Expenditure		
- Other than Small scale Industrial Undertakings	24,78,67,357	
For Goods and Services		
- Other than Small scale Industrial Undertakings	<u>1,40,277</u>	24,80,07,634
Deposit, retention money from contractors and others		11,18,000
Other Liabilities		29,29,950
TOTAL		<u>25,20,55,584</u>

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-K PROVISIONS

(Rounded in Rs.)
AS AT 31ST MARCH 2008

Provision for taxation	12,40,000
Less Advance Tax and tax deposited at source	10,68,271
TOTAL	1,71,729

SCHEDULE-L MISCELLANEOUS EXPENDITURE

Preliminary expenditure to the extent not written off	2,00,74,400
TOTAL	2,00,74,400

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

SCHEDULE-M

NOTES TO ACCOUNTS AS AT 31-03-08

1. The Present period is the first accounting period, therefore the requirements of disclosure of the corresponding figures for the previous year do not become applicable.
2. 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.
3. The Equity shares of Rs 5,00,700 to the subscribers to the Memorandum and Articles of Association has been considered as deemed allotment.
4. The Capital Grant of Rs 3000 Lacs which is received from the Govt of India by way of contribution towards the total capital outlay and no repayments are ordinarily expected are recognized in the financial statements as capital reserve.
5. The financial statements include amount valuing at Rs 5700.08 lacs towards freehold land provided by the Govt of Assam to the project which is counted towards their subscription for the equity share capital or advance equity share capital.
6. An amount of Rs 200.74 lacs has been incurred towards incorporation expenses of the company which is deferred revenue expenditure to be amortised equally over the period of five years from the year the plant is ready for commercial production.
7. The Estimated amounts of contracts valuing Rs 50.04 lacs are remaining to be executed on Capital Accounts and not provided for.
8. The Freehold land valuing Rs 7125.50 lacs acquired for the project are capitalised on provisional basis based upon the awards under relevant Land Acquisition Act. The title deed to the land is yet to be registered in the name of the Company.
9. Govt Land measuring approx 91 Acres has been handed over to the company by the Govt of Assam. The value of this land is yet to be accounted for in the absence of any confirmation to the final valuation of such land from the Govt of Assam. The consideration of the land will be counted towards the equity contribution to the Govt of Assam.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

10. The Title to the freehold land valuing Rs 7125.50 lacs is yet to be registered in the name of the Company.
11. To the extent information available with the company, Nil amount were due to small scale Industry (SSI).
12. Balances grouped under Loans and Advances, Deposits and Sundry Creditors etc are subject to confirmation.
13. There are nil cases of imports and foreign currency expenditure during the year and therefore the disclosure of the CIF Value of the imports and foreign currency expenditure does not become applicable.
14. The employees of the company are on secondment terms and conditions expenditure from GAIL (India) Ltd. Expenses have been accounted under IEDC Head on the basis of the debit advises from GAIL (India) Ltd.
15. The income from deposits with Banks have been accounted net of the provision of tax.
16. No deferred tax liability has been recognized since the project is in the construction stage.
17. The work for the Project Management Consultancy services for the project has been awarded to Engineers India Ltd as per the agreed schedule of reimbursable cost and fees.
18. There are Nil cases of contingent liabilities as at 31-3-08.

A RAI
CFO

JK SINGH TEOTIA
COO

PC SHARMA
DIRECTOR

R K GOEL
DIRECTOR

As per our separate Report of Even Date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BALANCE SHEET

1. FIXED ASSETS

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

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

2. INTANGIBLE ASSETS

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

3. CAPITAL WORK IN PROGRESS

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

4. BORROWING COSTS

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

5. EXPENSES INCURRED DURING CONSTRUCTION PERIOD

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

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

6. DEPRECIATION & AMORTISATION

Depreciation on fixed assets, other than those mentioned below is provided in accordance with the rates as specified in Schedule XIV of the Companies act, 1956, on Written Down Value(WDV) on pro-rata basis (Monthly pro-rata for bought out assets)

- a) Assets costing upto Rs 5,000 are depreciated fully in the year of capitalization.
- b) Bunk Houses are depreciated on assumption of five years life.
- c) Cost of the leasehold land not exceeding 99 years is amortised over the lease period.
- d) Capital expenditure on the assets, the ownership of which are not with the company, and referred to as enabling facilities are shown separately under the heading "Capital Expenditure-Enabling Facilities". These assets will be amortized over useful life of the assets from the date from which they are put into use.
- e) Intangible assets will be amortized equally over period of five years from the date of recognition.
- f) Depreciation due to price adjustments in the original cost of fixed assets will be charged prospectively.

7. 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.

8. 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.

9. 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) Contingent liabilities are disclosed in each case above Rs 5 lacs.
- c) Commitments made on capital account and not provided for, are recognized in each case exceeding Rs 5 Lacs.

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

10. GENERAL

- a) Prepaid expenses and prior period expenses/income upto Rs1 lac in each case will be charged to relevant heads of account of the current year.
- b) Liquidated damages, if any, will be accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled after capitalisation of the assets are charged to revenue, if below Rs 50 lacs in each case otherwise adjusted in the cost of the relevant assets.
- c) Insurance claims will be accounted for on the basis of claims admitted by the insurers.
- d) Custom duty and other claims (including interest on delayed payments) will be accounted for on acceptance in principle.

A RAI
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RK GOEL
DIRECTOR

As per our separate Report of Even Date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
CASH FLOW STATEMENT FOR THE FIRST ACCOUNTING PERIOD
ENDED 31-03-2008

CASH FLOW STATEMENT

		(RS. IN LACS)
A. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASES OF FIXED ASSETS	(1,445.73)	
CAPITAL WORK-IN-PROGRESS	(2,611.95)	(4,057.68)
INCIDENTAL EXPENSES DURING CONSTRUCTION	(884.75)	
LESS : DEPRECIATION	2.47	(882.28)
MISC. EXPENDITURE	(200.74)	(200.74)
CURRENT ASSETS LOANS AND ADVANCES	(10.27)	
CURRENT LIABILITIES & PROVISIONS	2,522.27	2,512.00
NET CASH FROM INVESTING ACTIVITIES		(2,628.70)
B. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE SHARE CAPITAL	5.00	
PROCEEDS FROM ADVANCE AGAINST SHARE CAPITAL FROM NRL, OIL, GAIL (INDIA) LTD & GOVT OF ASSAM	1,848.54	1,853.54
PROCEEDS FROM CAPITAL SUBSIDY FROM GOVT OF INDIA	3,000.00	3,000.00
NET CASH FROM FINANCING ACTIVITIES		4,853.54
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B)		2,224.84
OPENING CASH AND CASH EQUIVALENTS		
CLOSING CASH AND CASH EQUIVALENTS		2,224.84

A RAI
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As per our separate Report of Even Date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
FOR THE FIRST ACCOUNTING PERIOD ENDED 31-03-2008

BALANCE SHEET
ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	008290
Balance Sheet Date	31.03.2008

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	50

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

Total Liabilities	10,553.63
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Total Assets	10,553.63
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Sources of Funds

Paid up capital	5.01
Advance against share capital	7,548.62
Secured Loans	Nil
Deferred Tax Liability	Nil

Reserve & Surplus	3000
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Unsecured Loan	Nil
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Application of Funds

Net Fixed Assets	10,640.05
Net Current Assets	-287.16
Accumulated Losses	Nil

Investment/Advance for investment	
Misc. Expenditure	200.74

IV Performance of the Company (Rs. In Lakhs)

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

Total Expenditure	Nil
Profit/Loss after Tax	Nil
Dividend	Nil

V Generic names of the Principal Products/Services of Company (As per monetary terms)

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

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R K GOEL
DIRECTOR

As per our separate Report of Even Date

FOR SANJOY K. DAS & CO.
Chartered Accountants

Place : GUWAHATI
Date : 17-06-2008

Proprietor
Membership No 050691

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BRAHMAPUTRA CRACKER & POLYMER LIMITED, GUWAHATI FOR THE YEAR ENDED 31 MARCH 2008.

The preparation of financial statements of Brahmaputra Cracker & Polymer Limited, Guwahati for the year ended 31 March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17-06-2008.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Brahmaputra Cracker & Polymer Limited, Guwahati for the year ended 31 March 2008. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Place : Kolkata
Date: 30-06-2008

(A. Roychoudhury)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

BRAHMAPUTRA CRACKER AND POLYMER LIMITED

FORM OF PROXY

I/We _____
of _____ in
the district of _____
being a member / members of the above named Company, hereby
appoint _____ of _____
_____ or failing him / her
_____ of _____
as my / our proxy to vote for me / us on my / our behalf at the
Extraordinary General Meeting of the Company to be held on _____
_____ and at any adjournment thereof.

Signed _____ day of _____ 2008

Signature

Brahmaputra Polymer and Cracker Limited

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