

Audited Balance Sheet as at 31st March, 2009

Particulars	Sch No.	Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SOURCES OF FUNDS				
1 Shareholders' Funds :				
(a) Share Capital	1	135500000		135500000
(b) Share Application Money		414000		414000
(c) Reserves and Surplus	2	<u>Nil</u>		<u>Nil</u>
			135914000	135914000
2 Loan Funds :				
(a) Secured Loans	3	603751834		614532795
(b) Unsecured Loans	4	<u>358499932</u>		<u>361889527</u>
			962251766	976422322
3 Deferred Tax Liability (Net)			Nil	Nil
Total.....			<u>1098165766</u>	<u>1112336322</u>
APPLICATION OF FUNDS :				
1 Fixed Assets :	5			
(a) Gross Block		2018911416		2013818061
(b) Less : Depreciation		<u>1238717439</u>		<u>1140385606</u>
Net Block			780193977	873432455
Add: Capital Work in Progress			10656990	10077253
2 Investments :	6		2221	2221
3 Current Assets, Loans and Advances				
(a) Inventories	7	98387438		137062435
(b) Sundry Debtors	8	289923910		401336205
(c) Cash and Bank Balances	9	14762477		21327215
(d) Loans and Advances	10	<u>80475217</u>		<u>220951352</u>
		483549041		780677206
4 Less :Current Liabilities and Provisions				
(a) Current Liabilities	11	360086608		642626009
(b) Provisions	12	<u>6943810</u>		<u>5981574</u>
		367030418		648607583
Net Current Assets			116518623	132069622
3 Miscellaneous Expenditure	13			
(To the Extent not w/off or adjusted)				
(a) Profit and Loss Account			190793955	96754770
Total.....			<u>1098165766</u>	<u>1112336322</u>
Notes on Accounts	20			

As per our report of
even date attached herewith
FOR, J T SHAH & COMPANY
CHARTERED ACCOUNTANTS

(J.T.SHAH)
PARTNER

PLACE : AHMEDABAD
DATE : 07/08/2010

FOR, CIL-NOVA PETROCHEMICALS LTD

Chairman

Director

Co.
Secretary

Profit and Loss Account for the year ended 31st March, 2009

Particulars		Sche No.	Rs.	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
INCOME					
1	Sales and Job Charges (Gross)			1709783428	1886190568
	Less : Excise Duty			94023262	112454349
	Sales (Net)			1615760166	1773736219
2	Other Income	14		2982363	5998055
3	Increase/(Decrease) in stock	15		(71252934)	30634461
	Total.....			1547489595	1810368736
EXPENDITURE					
1	Materials	16		931073975	1273870674
2	Payments to and Provisions for Employees	17		29211048	24306799
3	Operational and Other Expenses	18		491612165	468622957
				1451897188	1766800430
	Profit before Interest, Depreciation and Taxation			95592407	43568306
Less :	Interest and Financial Charges	19		90285720	93771013
	Profit before Depreciation and Taxation			5306687	(50202707)
Less :	Depreciation	5		98331838	111683332
	Profit / (Loss) before Taxation			(93025151)	(161886039)
Less :	Provision for Taxation				
	- Current including Wealth Tax			250000	250000
	- Fringe Benefit Tax			700000	250000
	- Deferred				Nil
	Profit / (Loss) after Taxation			(93975151)	(162386039)
	Notes on Accounts	20			
Basic and Diluted earning per share				(3.48)	(6.01)

As per our report of

even date attached herewith

**FOR, J T SHAH & COMPANY
CHARTERED ACCOUNTANTS**

**(J.T.SHAH)
PARTNER**

**PLACE : AHMEDABAD
DATE : 07/08/2010**

**CIL-NOVA PETROCHEMICALS
LTD**

Chairman

Director

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SCHEDULES "1 TO 20" FORMING THE PART OF BALANCE SHEET AND PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31.03.2009

Particulars	Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 1			
SHARE CAPITAL			
1 <u>Authorised Capital</u>			
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each.	150000000		150000000
		150000000	150000000
2 <u>Issued, Subscribed and Paid-up Capital</u>			
50,000 (Pr. Year 50,000)			
Equity shares of Rs.10 each fully paid up		500000	500000
		500000	500000
3 <u>Share Capital Suspense</u>			
Pursuant to the scheme of demerger			
50000 Equity Shares of Rs.10/- each fully paid up to be cancelled after Balancesheet Date		(500000)	(500000)
27000000 Equity Shares of Rs.5/- each fully paid up to be issued after Balancesheet Date		135000000	135000000
100000 Equity Shares of Rs.5/- each fully paid up to be issued after Balancesheet Date		500000	500000
Total.....		135500000	135500000

SCHEDULE - 2

RESERVES AND SURPLUS

1 <u>Share Premium</u>			
Balance as per last year	118970013		Nil
Add: Amount transferred upon Demerger	Nil		118970013
		118970013	118970013
2 <u>General Reserve</u>			
Balance as per last year	22500000		Nil
Add: Amount transferred upon Demerger	Nil		22500000
		22500000	22500000
3 Profit and Loss Account			
Balance as per last year	(237072771)		Nil
Add: Amount transferred upon Demerger	Nil		(74686732)
Add : Additions during the year	(93975151)		(162386039)
		(331047922)	(237072771)
		(189577909)	(95602758)
Add : Transferred to Miscellaneous Expenditure		189577909	95602758
Total.....		Nil	Nil

Particulars	Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SECURED LOANS			
1 Term Loans from Banks		429551924	426956979
2 Working Capital Loans from Banks		172410232	187316942
2 Other Loan		1789677	258875
Total.....		603751834	614532795

- 1 Term Loans are secured by mortgage of all Immovable and Movable properties, both present and future; subject to prior charge in favour of bankers on specified Movable Assets for Working Capital loans and further secured by personal guarantee of
- 2 Working Capital loans are secured by first charge on Book Debts and Stocks, and further secured by personal guarantee of the Promoter Directors.

SCHEDULE - 4

UNSECURED LOANS

1 From Banks	33370757	30976701
2 Security Deposits	8484213	12288402
3 From Corporate Bodies	316590962	311320424
4 From others	54000	7304000
Total....	358499932	361889527

SCHEDULE - 6

INVESTMENTS

LONG TERM INVESTMENTS (NON TRADE)

INVESTMENT IN SHARES (QUOTED)

1	1 (Previous Year 1) Equity Shares of Reliance Natural Resources Ltd., of Rs. 5/- each fully paid-up	3	3
2	50 (Previous Year 50) Equity Shares of Century Enka Ltd., of Rs. 10/- each fully paid-up	1890	1890
3	50 (Previous Year 50) Equity Shares of Garden Silk Mills Ltd., of Rs. 10/- each fully paid-up	328	328
		2221	2221
	Total...	2221	2221
	Aggregate value of Quoted Investments	2221	2221
	Market value of Quoted Investments	5205	8120

INVENTORIES

1	Raw Materials	41458989	15078869
2	Stores, Spares and Fuel	32463236	33241139
3	Packing Materials	3344824	498553
4	Work-In-Process	10425534	69703648
5	Finished Goods	1690385	17881543
6	Trading Stock	4216338	Nil
7	Goods-in-Transit	4788132	658683
	Total...	98387438	137062435

Particulars	Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 8			
SUNDRY DEBTORS			
(Unsecured except reported at Note no 27 of Schedule 19)			
Considered Good			
1 Outstanding for a Period exceeding 6 Months		5618650	52348387
2 Others		284305260	348987818
		289923910	401336205
Considered Doubtful			
1 Outstanding for a Period exceeding 6 Months		6870371	7089158
2 Others		Nil	Nil
		6870371	7089158
		296794281	408425363
Less: Provision for Doubtful Debtors		6870371	7089158
Total....		289923910	401336205
SCHEDULE - 9			
CASH AND BANK BALANCES			
1 Cash on hand		204043	112625
2 Balance With Scheduled Banks			
- In Current Account	4026567		9326546
- In Fixed Deposit	10529854		11885908
		14556420	21212454
3 Balance with Non Scheduled Bank in Current Accounts		2014	2136
Total....		14762477	21327215
SCHEDULE - 10			
LOANS AND ADVANCES			
(Unsecured)			
1 Advances Recoverable in Cash or Kind			
Considered Good	37862653		179935089
Considered Doubtful	5244671		5519827
	43107324		185454915
Less: Provisiond for Doubtful Advances	5244671		5519827
		37862653	179935089
2 Deposits		24031037	23806537
3 Advance to Staff		Nil	Nil
4 Balance with Excise authority (Payable on Demand)		347	Nil
5 Advance Tax and TDS		18581179	17209726
Total.....		80475217	220951352
SCHEDULE - 11			
CURRENT LIABILITIES			
1 Sundry Creditors		356517533	624627760
2 Book Overdraft		925456	1759505
3 Advance from Customers / Employees		1746517	15340877
4 Unclaimed dividend		897103	897867
Total....		360086608	642626009
PROVISIONS			
1 Provision for Taxation		6943810	5981574
2 Provision for Dividend		Nil	Nil
3 Provision for Tax on Proposed Dividend		Nil	Nil
Total....		6943810	5981574
SCHEDULE - 13			
MISCELLANEOUS EXPENDITURE			
Preliminary & Pre Operative Expense			
Balance as per last year	1152012		1131040
Add : Additions During The Year	64034		20972
		1216046	1152012

Profit & Loss Account

Net Deficit after adjustment of Reserves & Surplus (Refer Schedule 2)	189577909	95602758
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Total....

190793955	96754770
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SCHEDULE - 14**OTHER INCOME**

1	Interest (TDS Rs. 322423/- Previous year Rs. 655218/-)	2578044	3886479
2	Miscellaneous Balances Written off	16500	1431760
3	Miscellaneous Income	384522	657730
4	Dividend	3297	2200
5	Profit on Sale of Fixed Asset	Nil	19886
	Total..	2982363	5998055

SCHEDULE - 15**INCREASE / (DECREASE) IN STOCK**Closing Stock :

1.	Finished Goods	5906723	17881543
2.	Work-In-Process	10425534	69703648
		16332257	87585191

Less : Opening Stock

1.	Finished Goods	17881543	Nil
2.	Work-In-Process	69703648	Nil
		87585191	Nil

Add:

Opening Stock received upon Demerger Scheme

1.	Finished Goods		14187515
2.	Work-In-Process		42763215

Total..

(71252934)	30634461
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SCHEDULE - 16**MATERIALS**

Raw Materials Consumed	910102119	1021076707
Purchase of Finished Goods	20971856	252793967
Total..	931073975	1273870674

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

1	Salary and Wages	27045678	22098508
2	Contribution to P.F. and other funds	1136925	1296908
3	Staff and Labour Welfare	1028445	911383
	Total..	29211048	24306799

SCHEDULE - 18**OPERATIONAL, ADMINISTRATIVE AND SELLING EXPENSES**

1	Stores and Spares Consumed	16411274	36266466
2	Power and Fuel Consumed	250837337	189088580
3	Packing Material Consumed	69197323	74588666
4	Freight, Cartage and Octroi	23021587	24766017
5	Insurance	3556152	4832111
6	Rent, Rates and Taxes	533355	443122
7	Vat Expense	72209613	81296663
8	Excise Duty Expenses	246445	38796
9	Service Tax	463677	2690776
10	Postage and Telephone Expenses	634928	455068
11	Stationery, Printing and Advertisement	429962	633804
12	Selling and Distribution Expenses	34002283	30463535
13	Travelling, Conveyance and Vehicle Expenses	2493137	2999211

14	<u>Repairs and Maintenance :</u>		
	(a) Plant	10176789	3495550
	(b) Building	Nil	Nil
	(c) Others	1563271	773026
		11740060	4268576
15	Legal and Professional Exps.	2218264	2711079
16	Exchange Rate Difference	2093800	2165622
17	<u>Auditor's remuneration :</u>		
	(a) Audit fees	150000	150000
	(b) Tax Audit fees	25000	25000
	(c) Taxation and Others	25000	25000
	(d) Certification	Nil	8774
		200000	208774
18	Miscellaneous Expenses	1816957	2139931
19	Provision for Doubtful Debtors and Advances (Net)	(493988)	8566159
20	Bad Debts	Nil	Nil
	Less: Provision available	Nil	Nil
	Total ...	491612165	468622957

SCHEDULE - 19

INTEREST AND FINANCE CHARGES

1	Interest on Term Loans	50966015	43888932
2	Interest on Working Capital Loans	16001258	20954975
3	Bank and Other Charges	17689961	20166241
4	Interest to Others	5628486	8760865
5	Hire Purchase Charges	Nil	Nil
Total	Total ...	90285720	93771013

SCHEDULE - 20

NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The accounts are prepared on historical cost convention on an accrual basis and materially complies with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

b. Fixed Assets

Fixed Assets are stated at cost, net of Cenvat, less accumulated depreciation. All costs, including financial costs till commencement of commercial production.

c. Depreciation

Depreciation on Fixed Assets other than Plant and Machinery has been provided on "Straight Line Method" at the rates provided in Schedule XIV to the Companies Act, 1956. Depreciation on Plant and Machinery has been provided on "Written down Value Method" at the rates provided in Schedule XIV to the Companies Act, 1956.

d. Inventories

Inventories at year-end are valued at the lower of cost and net realizable value. The basis of determining the cost for various categories of inventories is as follows:

- (i) In case of Raw Materials, Stores, Spares, Fuel and Packing Materials on FIFO basis.
- (ii) In case of Finished Goods and Work-In-Progress on FIFO basis.

e. Foreign Currency Transactions

Transactions denominated in Foreign Currency are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year are translated at the rate prevailing on the date of Balance Sheet. Exchange differences are dealt with in the Profit & Loss account.

f. Sales

Sales are accounted for on dispatch of goods to the customers and are inclusive of Excise Duty and Sales Tax but net of sales returns and trade discounts.

g. Investments

Long Term Investments are stated at its cost.

h. Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

i. Taxation

- i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
- ii) Deferred Tax resulting from timing differences between book and tax profit is accounted for under the liability method, at the current rates of tax, to the extent that the timing differences are expected to crystallize.

j. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

k. Employee Benefits

- (i) The employee and Company make monthly fixed Contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary, Provision for the same is made in the year in which service are rendered by the employees.
- (ii) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.
- (iii) Leave encashment benefit to eligible employee has been ascertained on actuarial basis and provided for. Actuarial gain/loss in respect of the same is charged to the profit and loss account.

2. In terms of the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between Nova Petrochemical Ltd and Nova Poly Yarn Ltd, Nova Petrochemical has re-organised and segregated by way of a demerger, its business in respect of undertaking Unit II situated at Survey Number 391,395/4,396(Paiki) at Village Moraiya, Taluka Sanand, Dist. Ahmedabad engaged in yarn production & its allied activities to separate transferee company. All the assets and liabilities are transferred pursuant to approved order of the Hon'ble High Court of Gujarat dated 27th August, 2009 and the appointed date as per the scheme is 1st April, 2007.

As per the said scheme:

In consideration of the demerger, the company issued and allotted 2,70,00,000 equity shares amounting to Rs.13,50,00,000/- to the share holders of Nova Petrochemicals Ltd. in the ratio of one equity share of face value of Rs.5 each fully paid up in the company for every one equity share of Rs.10 each fully paid up held by the shareholders of Nova Petrochemicals Ltd.

3. Pursuant to the Company's Scheme of Arrangement (Scheme) to demerge Unit-II situated at Survey Number 391,395/4,396(Paiki) at Village Moraiya, Taluka Sanand, Dist. Ahmedabad, previous year figures are not comparable to that extent.

4. CONTINGENT LIABILITIES:

	2008-2009	2007-2008
	Rs. (in Lacs)	Rs. (in Lacs)
a) Letters of Credit Outstanding	1956.05	1798.37
b) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of Rs. 20 Lacs)	272.60	245.80
c) Disputed demand of Custom Duty (Against which the Company has paid	Nil	10.00

- amount of Rs. 17.08 Lacs)
- d) Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of Rs. 202.50 Lacs) 2741.62 866.27
- e) Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles. 50.90 Nil
- f) Service Tax demand disputed in appeal by the Company/Authority Nil 13.47
- g) Claims not acknowledged as debts by the company 1.13 54.39
- h) Show Cause Notices received from various authorities 158.66 974.13
- i) Employees Demands pending before Labour Courts Amount not ascertainable Amount not ascertainable
5. The Company has pending export obligation to be fulfilled during the specified period in lieu of items imported under concessional / nil rate of custom duty. The Liability towards custom duty payable and interest thereon in respect of unfulfilled export obligation as on 31st March 2009 is Rs. 1326.32 Lacs (Previous Year Rs. 1483.76 Lacs).
6. The company had requested the banks and CDR for Extension of period of Relief under the CDR Mechanism & Approval for other concessions. The CDR-EG has approved the reworked proposal for restructuring of bank loans/facilities on 25th March, 2009 and approval was conveyed to all the banks by CDR Cell vide their letter dated 31.03.2009.
7. Debtors include Rs. Nil (Previous Year Rs. 1.48 Lacs) due from private companies in which some of the directors are interested as directors and Rs. Nil Lacs (Previous Year Rs. 1.40 Lacs) due from firms in which some of the directors are interested as partners.
8. Loans and Advances includes Rs. Nil Lacs (Previous Year Rs. 982.01 Lacs) due from private companies in which some of the directors are interested as directors and Rs. Nil (Previous Year Rs. 103.12 Lacs) due from firms in which some of the directors are interested as partners.
9. Secured and Unsecured loans where repayments are stipulated include Rs.327.60 Lacs (Previous year Rs.Nil Lacs) repayable within a period of one year.
10. Traveling, Conveyance & Vehicle Expenses include Directors Traveling Rs. 1.98 Lacs (Previous Year Rs. 1.81 Lacs).
11. Borrowing cost incurred during the year, which are attributable to the acquisition or construction of Qualifying Assets to the extent of Rs. Nil (Previous Year Rs. Nil) are capitalized by the company.
12. Maximum debit balance in Non Schedule Bank during the year is Rs. 0.04 Lacs (Previous year Rs 0.04 Lacs).

13. Prior Period Expenses includes

	31-03-2009	31-03-2008
(i) Raw Material Consumption	6,46,641	(4,01,885)
(ii) Payment to Employees	2,98,258	(27,697)
(iii) Freight & Cartage	67,134	3,47,521
(iv) Rent Rates and Taxes	(1,93,749)	(41,473)
(v) Repairs & Maintenance Expense	8,64,562	5,67,473
(vi) Miscellaneous Expenses	98,473	1,53,400
(vii) Interest Short Recognized	Nil	59,607
(viii) Legal & Professional Expense	2,70,725	Nil
(ix) Traveling Expense	81,115	Nil
Total . . .	21,33,159	6,56,946

14. Disclosure of As-15 of Gratuity is as Under:

<u>Sr. No.</u>	Particulars	Gratuity (Funded) Defined benefit Obligation 31/03/09	Gratuity (Funded) Defined benefit Obligation 31/03/08
(i)	Employee Benefit Obligations The amounts (in Rs.) recognized in the balance sheet.		
	Present value of funded obligations	472,160	1,162,086

	Fair value of plan assets	472,160	1,162,086
	Present value of unfunded obligations	2,950,624	1,759,422
	Unrecognized past service cost	-	-
	Net liability	2,950,624	1,759,422
	Amounts in the balance sheet:		
	- Liabilities	2,950,624	1,759,422
	- Assets	-	-
	Net liability	2,950,624	1,759,422
(ii)	The amounts (in Rs.) recognized in the statement of profit and loss.		
	Current service cost	762,793	480,174
	Interest on obligation	231,091	343,327
	Expected return on plan assets	(73,541)	(131,667)
	Net actuarial losses (gains) recognised in year	340,820	(1,207,703)
	Past service cost		
	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'employee benefit expense'	1,261,163	(515,869)
	Actual return on plan assets	88,651	141,175
(iii)	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof.		
	Opening defined benefit obligation	2,921,508	4,039,137
	Service cost	762,793	480,174
	Interest cost	231,091	343,327
	Actuarial losses (gains)	355,930	(1,198,195)
	Losses (gains) on curtailments	-	-
	Liabilities extinguished on settlement	-	-
	Liabilities assumed in an	-	-
	amalgamation in the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	(848,538)	(742,935)
	Closing defined benefit obligation	3,422,784	2,921,508
(iv)	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof.		
	Opening fair value of plan assets	1,162,086	1,763,846
	Expected return	73,541	131,667
	Actuarial gains and (losses)	15,110	9,508
	Assets distributed on settlements	-	-
	Contributions by employer	69,961	-
	Assets acquired in an amalgamation	-	-
	In the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	(848,538)	(742,935)
	closing balance of fair value of plan assets	472,160	1,162,086
(v)	<u>The major categories of plan assets as a percentage of total plan assets.</u>		
	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Insurance Company	100.00%	100.00%

(vi)	<u>Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :</u> Discount rate Expected return on plan assets Proportion of employees opting for early retirement Annual increase in Salary costs Future changes in maximum state health care benefits Employment Market.	7.91% 9.00% - 6.00% - -	8.50% 9.00% - 6.00% - -
(vii)	<u>Amount for the current period.</u> Defined benefit obligation Plan assets Surplus/(deficit) Experience adjustments on plan Liabilities Experience adjustments on plan assets	3,422,784 472,160 (29,50,624) - -	2,921,508 1,162,086 (1,759,422) - -
(viii)	<u>Movement in net liability recognised in Balance Sheet.</u> Net opening liability P&L Charge Contribution paid closing net liability	1,759,422 1,261,163 (69,961) 2,950,624	2,275,291 (515,869) - 1,759,422
(ix)	<u>Transitional Liability</u> D.B.O. As on 1-4-2008 Market value of Investment as on 1-4-2008 Provision in books of Accounts maintained under the Accounting Standard. transitional liability (assets) as on 1-4-2008 Note Transitional liability (assets) as on 1-4-2008 Is worked out on the basis of discount rate	- - - - - -	4,039,137 (1,763,846) (2,218,969) 56,322 8.50

15. Disclosure of As-15 of Leave Encashment is as Under:

<u>Sr. No.</u>	Particulars	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/09	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/08
(i)	<u>Employee Benefit Obligations</u> The amounts (in Rs.) recognized in the balance sheet. Present value of funded obligations Fair value of plan assets Present value of unfunded obligations Unrecognized past service cost Net liability Amounts in the balance sheet: - Liabilities - Assets Net liability	- - 1,526,442 - 1,526,442 1,526,442 - - 1,526,442	- - 882,672 - 882,672 882,672 882,672 - 882,672
(ii)	<u>The amounts (in Rs.) recognized in the statement of profit and loss.</u> Current service cost Interest on obligation Expected return on plan assets Net actuarial losses (gains) recognised in year Past service cost	664,937 69,819 - (90,986) -	169,412 74,671 - (151,482) -

	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'employee benefit expense'	643,770	92,601
	Actual return on plan assets		
(iii)	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof.		
	Opening defined benefit obligation	882,672	878,483
	Service cost	664,937	169,412
	Interest cost	69,819	74,671
	Actuarial losses (gains)	(90,986)	(151,482)
	Losses (gains) on curtailments	-	-
	Liabilities extinguished on settlement	-	-
	Liabilities assumed in an	-	-
	amalgamation in the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	-	(88,412)
	Closing defined benefit obligation	1,526,442	882,672
(iv)	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof.		
	Opening fair value of plan assets	-	-
	Expected return	-	-
	Actuarial gains and (losses)	0	-
	Assets distributed on settlements	-	-
	Contributions by employer	-	-
	Assets acquired in an amalgamation	-	-
	In the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	-	-
	closing balance of fair value of plan assets	-	-
(v)	<u>The major categories of plan assets as a percentage of total plan assets.</u>		
	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Insurance Company	0.00%	0.00%
(vi)	<u>Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :</u>		
	Discount rate	7.91%	8.50%
	Expected return on plan assets		0.00%
	Proportion of employees opting for early retirement	-	-
	Annual increase in Salary costs	6.00%	6.00%
		-	-
	Future changes in maximum state health care benefits		
	Employment Market.		
(vii)	Amount for the current period.		
	Defined benefit obligation	1,526,442	882,672
	Plan assets	-	-
	Surplus/(deficit)	(1,526,442)	(882,672)
	Experience adjustments on plan Liabilities	-	-
	Experience adjustments on plan assets	-	-

(viii)	<u>Movement in net liability recognised in Balance Sheet.</u>		
	Net opening liability	882,672	878,486
	P&L Charge	643,770	92,601
	Contribution paid	-	(88,412)
	closing net liability	1,526,442	882,672
(ix)	<u>Transitional Liability</u>		
	D.B.O. As on 1-4-2008	-	878,483
	Market value of Investment as on 1-4-2008	-	-
	Provision in books of Accounts maintained under the Accounting Standard.	-	(1,484,175)
	transitional liability (assets) as on 1-4-2008	-	(605,692)
	Note		
	Transitional liability (assets) as on 1-4-2008 Is worked out on the basis of discount rate	-	8.50

16. Based on the principles for determination of segments given in Accounting Standard 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the activities of the Company revolve around the main business and as such there is no separate reportable business or Geographical Segment.

17. **Earning Per Share**

Particulars	31-03-2009	31-03-2008
Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	(93975151)	(162386039)
Nominal Value per Share	5	5
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	27100000	27100000
Basic and Diluted earning per share	(3.48)	(6.01)

Related Party Disclosures

a) Key Management Personnel

Sr. No.	Name	Designation
1	Shri Jyotiprasad Chiripal	Chairman
2	Shri Vedprakash Chiripal	Director
3	Shri Sunikumar Gupta	Director
4	Shri Shyam Gupta	Director

b) List of Other Related Parties with whom transactions have taken place during the year

Sr. No.	Name
1	Chiripal Industries Ltd.
2	Deepak Enterprise
3	Gupta Dying and Printing Mills
4	Gupta Dying and Printing Mills Pvt. Ltd.
5	Gupta Synthetics Limited
6	Gupta Silk Mills Pvt. Ltd.
7	Nandan Exim Ltd.
8	Shanti Exports Pvt. Ltd.
9	Vishal Fabrics Pvt. Ltd.
10	ShubhLaxmi Dying and Print Mills P. Ltd
11	NPL Power Pvt. Ltd.
12	GSL-Nova Pertochemicals Limited

c) Details of Transactions with Key Management Personnel and Related Parties of the Key Management Personnel are as follows:

(Rs. in Lacs)

Sr. No.	Nature of Transaction	Key Management Personnel	Other Related Parties	Relatives of Key Management Personnel	Total
1	Unsecured Loans				
	Taken during the year	NIL (NIL)	2388.39 (1884.58)	NIL (NIL)	2388.39 (1884.58)
	Balance as at Balance Sheet Date	NIL (NIL)	1194.42 (3109.21)	NIL (NIL)	1194.42 (3109.21)

Sr. No.	Nature of Transaction	Key Management Personnel	Other Related Parties	Relatives of Key Management Personnel	Total
2	Advances Recoverable in Cash or Kind				
	Given during the year	NIL (NIL)	NIL (90.57)	NIL (NIL)	NIL (90.57)
	Balance as at Balance Sheet Date	NIL (NIL)	NIL (1356.28)	NIL (NIL)	NIL (1356.28)
3	Advances Received from Customers				
	Received during the year	NIL (NIL)	NIL (6.70)	NIL (NIL)	NIL (6.70)
	Balance as at Balance Sheet Date	NIL (NIL)	6.93 (10.27)	NIL (NIL)	6.93 (10.27)
4	Expenditure				
	Agency Commission Paid	NIL (NIL)	NIL (3.94)	NIL (NIL)	NIL (3.94)
	Purchase of Goods, Packing Material and Stores	NIL (NIL)	1447.47 (1102.27)	NIL (NIL)	1447.47 (1102.27)
	Jobwork Charges	NIL (NIL)	399.10 (600.07)	NIL (NIL)	399.10 (600.07)
5	Income Received				
	Power & Fuel Income	NIL (NIL)	1153.75 (1029.37)	NIL (NIL)	1263.46 (1029.37)
	Interest Received	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Jobwork Income	NIL (NIL)	166.84 (398.08)	NIL (NIL)	166.84 (398.08)
6	Stock in trade				
	Sold / Redeemed during the year	NIL (NIL)	407.88 (1128.79)	NIL (NIL)	407.88 (1128.79)
	Balance as at Balance Sheet Date	NIL (NIL)	157.96 (630.36)	NIL (NIL)	157.96 (630.36)
7	Other Transactions				
	Payment received on behalf of others	NIL (NIL)	1.08 (91.50)	NIL (NIL)	1.08 (91.50)
	Payment made on their behalf	NIL (NIL)	0.02 (9.66)	NIL (NIL)	0.02 (9.66)

Note : List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under :

1. Unsecured Loan Taken :-	Rs. In Lacs
- Chiripal Industries Ltd.	2375.30
2. Expenditure :-	
Purchase of Goods, Packing Material and Stores :-	
- Chiripal Industries Ltd	1405.19
Jobwork Expense:	
- GSL-Nova Petrochemicals Ltd.	399.10
3. Income Received :-	
Power & Fuel Income:	
- GSL-Nova Petrochemicals Ltd.	1153.75
Jobwork Income:	
- Chiripal Industries Ltd.	166.84
4. Stock in trade :-	
Sold / Redeemed during the year	
- Chiripal Industries Ltd.	373.26

- 18.** The Company is entitled for set off of carried forward losses and unabsorbed depreciation against the future income under the Income Tax Act. However as a matter of prudence, the company is not recognizing the deferred tax asset as provided in the Accounting Standard 22 issued by The Institute of Chartered Accountant of India.

19. The amount of Exchange Difference

Debited to Profit and Loss Account Rs. 20.94 Lacs
(Previous Year Debited to Profit & Loss Account Rs. 24.02 Lacs)

20. Based on the information available with the company following is the details of parties to the extent to which they could be identified as Small Scale and ancillary undertakings.

- a) Sundry Creditors include Rs. 48.75 Lacs (Previous year Rs. 47.33 Lacs) due to Small Scale and ancillary concerns.
- b) The undertakings to whom amounts outstanding for more than 30 days as on 31st March, 2009, in respect of Small Scale and ancillary concerns where such dues exceed Rs. One Lac are as under:

Akar Packers Pvt. Ltd., Akshat Trader, Anushree Paper Packs Pvt. Ltd., Arjun Packaging, Auto Strap India, Flexi Bond Industries, Fortune Fabrics Pvt Ltd, Pooja Plastic Ind.

21. Balance in Current Account with Scheduled Banks includes Rs. 5.61 Lacs (Previous Year Rs. 5.62 Lacs) in the unpaid dividend account with various banks.

22. The Company has not received information from vendor regarding their status under the Micro, Small & Medium Enterprise Development Act, 2006 and hence disclosure relating to amount unpaid as at year end together with interest paid/payable under this act have been not given.

23. Sundry Debtors are Secured to the extent of Rs.7.50 Lacs (Previous Year Rs. 7.50 Lacs)

24. Information pursuant to provision of paragraphs 3 and 4 of part II of Schedule VI Companies Act, 1956. (As certified by Directors):

a) Licensed & Installed Capacity :

Sr. No.	Product Name	Licensed Capacity	Installed Capacity
1	Partially Oriented Polyester Filament Yarn (POY)	License is not required (License is not required)	15085 Tons p.a.* (15085 Tons p.a.)*
2	Polyester Texturised Yarn	License is not required (License is not required)	3011 Tons p.a.* (3011 Tons p.a.)*
3	Draw Twisted Yarn	License is not required (License is not required)	3282 Tons p.a.* (3282 Tons p.a.)*
4	Fully Draw Yarn	License is not required (License is not required)	11532 Tons p.a.* (11532 Tons p.a.)*

* The revised installed capacity has been stated on the basis of TEV study of MottMcDonald.

b) Opening Stock & Closing Stock of Finished Goods

Sr. No.	Product	Unit	Opening Stock		Closing Stock	
			Quantity	Amount Rs.	Quantity	Amount Rs.
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	61368 (67388)	27,13,743 (32,99,605)	58775 (61368)	15,45,032 (27,13,743)
2	Polyester Texturised Yarn	Kg.	35150 (12076)	27,41,784 (8,82,737)	14023 (35150)	14,05,984 (27,41,784)
3	Draw Twisted Yarn	Kg.	36636 (10034)	35,16,470 (8,03,541)	13493 (36636)	13,44,286 (35,16,470)
4	Fully Draw Yarn	Kg.	57912 (107453)	46,93,208 (69,84,436)	21400 (57912)	16,11,421 (46,93,208)
5	Cloth	Mtr.	33176 (20211)	42,16,338 (22,17,196)	Nil (33176)	Nil (42,16,338)
Total . . .				1,78,81,543 (1,41,87,515)		59,06,723 (1,78,81,543)

c) Production meant for Sale

Sr. No.	Product	Unit	Quantity
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	4958250 (4999460)
2	Polyester Texturised Yarn	Kg.	1329101 (1368459)
3	Draw Twisted Yarn	Kg.	2469176 (1547270)

4	Fully Draw Yarn	Kg.	7944631 (9032213)
5	Polyester Chips	Kg	252297 (221510)

d) Purchase of Finished Goods

Sr. No.	Product	Unit	Quantity	Amount
1	Cloth	Mtr.	143881 (3714352)	55,62,958 (23,80,89,124)
2	Polyester Chips	Kg	91767 (228090)	49,00,978 (1,28,25,162)
3	Partially Oriented Polyester Filament Yarn (POY)	Kg	Nil (24305)	Nil (18,79,681)
4	Draw Twisted Yarn	Kg	97641 (Nil)	1,05,07,920 (Nil)
Total . . .			333289 (3966747)	2,09,71,856 (25,27,93,967)

e) Sales

Sr. No.	Product	Unit	Quantity	Amount
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	4960843 (5029784)	31,86,27,969 (31,53,69,579)
2	Polyester Texturised Yarn	Kg.	1350228 (1345385)	12,07,78,958 (11,57,26,612)
3	Draw Twisted Yarn	Kg.	2589960 (1520667)	31,65,37,543 (16,73,20,576)
4	Fully Draw Yarn	Kg.	7981142 (9081755)	78,40,31,680 (82,45,39,919)
5	Polyester Chips	Kg	344064 (368415)	1,87,93,296 (2,23,26,156)
6	Cloth	Mtr.	177057 (4226435)	93,22,422 (27,44,79,915)
7	Others (including Job Charges & Power & Fuel Income)		- -	14,16,91,560 (16,64,27,811)
Total . . .			17403294 (21572441)	1,70,97,83,428 (1,88,61,90,568)

f) Consumption of Raw Materials

Sr. No.	Item	Unit	Quantity	Amount
1	Polyester Chips		9620841 (4112574)	52,07,81,151 (29,68,44,309)
2	Pure Terephthalic Acid (PTA)		5883898 (11822710)	23,54,84,074 (46,16,03,319)
3	Mono Ethylene Glycol (MEG)		2308136 (4736185)	9,18,60,104 (23,92,93,644)
4	Others		- -	6,19,76,790 (2,33,35,435)
Total . . .			17812875 (20671469)	91,01,02,119 (1,02,10,76,707)

Note: The above figures do not include captive consumption.

g) Value of Imported & Indigenous Raw Materials, Stores and Spare Parts Consumed and Percentage thereof to the Total Consumption:

Sr. No.		Imported	Indigenous	Total
1	Raw Materials Consumed:			
	Value Rs.	Nil (1,27,56,451)	91,01,02,119 (1,00,83,20,286)	91,01,02,119 (1,02,10,76,707)
	Percentage	0% (1.25%)	100% (98.75%)	100% (100%)
2	Stores & Spares Consumed			
	Value Rs.	Nil (32,71,989)	1,64,11,274 (3,29,94,477)	1,64,11,274 (3,62,66,466)
	Percentage	0% (9.02%)	100% (90.98%)	100% (100%)

h) C.I.F. Value of Imports

	<u>Amount (Rs.)</u>
1 Capital Goods	Nil (Nil)
2 Raw Materials	Nil (1,27,56,451)
3 Stores and Spares	Nil (67,21,293)

i) Expenditure in Foreign Exchange

	<u>Amount (Rs.)</u>
1 Foreign Traveling	Nil (Nil)
2 Interest and Bank Charges	Nil (67,94,551)

j) Earning in Foreign Exchange:

	<u>Amount (Rs.)</u>
FOB Value of Exports	Nil (Nil)

25. Balances of Debtors, Creditors, Advances etc. are subject to confirmation and reconciliation wherever required.

26. Figures of the previous year have been regrouped and/or rearranged wherever necessary.

27. In the opinion of the board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business.

Note : Previous year's figures have been shown in brackets.

Signature to Schedules "1" to "20"

As per our report of
even date attached herewith
FOR, J T SHAH & COMPANY
CHARTERED ACCOUNTANTS_____

FOR, CIL NOVA PETROCHEMICALS LIMITED

Chairman _____

Director _____

(J T SHAH)
PARTNER

Co. Secretary

PLACE : AHMEDABAD
DATE : 07/08/2010