

**16TH
ANNUAL REPORT
2008-2009**



Your confidence is our biggest Asset

16th ANNUAL REPORT

Board of Directors	: Jyoti Prasad Chiripal Sunil Kumar Gupta Ved Prakash Chiripal Shyam Gupta R. C. Jain V. D. Gupta Sandeep Goyal Murli Goyal	<i>Chairman</i> <i>Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i>
President	: C.V. Khandelwal	
Vice President (Finance)	: Rajendra M. Mehta	
Vice President (Technical)	: Mukesh Khandelwal	
Company Secretary	: Harish N. Motwani	
Bankers	: State Bank of India Bank of Baroda UCO Bank Central Bank of India State Bank of Indore	
Registered Office & Plant	: Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad - 382 210. Gujarat. India Email : nova@novapetro.com	
Share Transfer Agent	: Pinnacle Share Registry Pvt. Limited Near Ashoka Mills, Naroda Road, Ahmedabad - 380 025.	

www.novapetro.com

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of **M/S NOVA PETROCHEMICALS LIMITED** will be held on Friday, **the 4th day of September, 2009 at 3.30 p.m.** at Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210 to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2009, the Profit and Loss Account for the year ended on 31st March 2009 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Ved Prakash Chiripal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri R.C.Jain, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Sunil Kumar Gupta , who retires by rotation and being eligible offers himself for reappointment
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Murlu Goyal who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th September, 2008 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company."

Regd. Office:

Survey No. 396/403, Moraiya Village,
Sarkhej-Bavla Highway, Tal. Sanand,
Dist. Ahmedabad – 382 210
Dated : 18/05/2009

For & on behalf of the Board of Directors,

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 SELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
3. *The Register of Members and Share Transfer Books of the Company shall remain closed from 2nd September, 2009 to 4th September, 2009 (both days inclusive).*
4. *Members desiring any information pertaining to Accounts are requested to write to the Company at least seven days before the date of the meeting in order that the information can be made available at the meeting.*
5. *Members are requested to bring their copy of the Annual Report at the meeting and produce the Attendance Slip at the Entrance where the Annual General Meeting will be held.*
6. *Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.*
7. *Listing fees for the year 2009-2010 has been paid to Ahmedabad Stock Exchange Ltd., National Stock Exchange of India Ltd., and Bombay Stock Exchange Ltd., and Annual Custodian Fees has been paid to depositories namely Central Depository Services (India) Limited and National Securities Depository Limited.*
8. *Members holding shares in physical mode are requested to immediately notify the Company or its Share Transfer Agent about any change of address and their bank particulars. Members holding shares in dematerialized form are requested to immediately notify their respective Depository Participants about any change of address and their bank particulars.*
9. **Pursuant to sub-clause VI(A) of Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for reappointment are furnished below :**
 - (A) Shri Ved Prakash Chiripal, is a Director appointed on the Board of the Company since incorporation of the company, He resigned from the Board of the company with effect from 15th February 1994. He was again appointed as an additional director by board w.e.f. 30th September, 1996. His appointment was regularized in an annual general meeting held on 29th September, 1997. He had continued as a director on the Board since then as a Director liable to retire by rotation.
He is a Commerce Graduate having 34 years of business experience in the Textile Industry. Shri Jyoti Prasad Chiripal, Chairman of the Company is related to him.
Shri. Ved Prakash Chiripal is a Director on the Board of the following Companies:
 - a) Chiripal Industries Limited
 - b) Nandan Exim Limited

- c) Nova Poly yarn Limited
- d) Nova Petrofils Limited
- e) Chiripal Lifestyle Limited.

Further he is a partner in following firms:

- a) Vishal Finance Corporation
- b) Vyom Developers

He is also trustee in Chiripal Charitable Trust.

Shri Ved Prakash Chiripal retires by rotation and being eligible offers himself for reappointment.

- (B) Shri R. C. Jain was appointed as an Additional Director of the Company on 16th April, 2001 and thereafter appointed as Regular Director liable to retire by rotation w.e.f. 29th September, 2001 in 8th Annual General Meeting.

Shri R. C. Jain is a retired I.A.S. Officer of the Government of India. He was appointed as Secretary to the Ministry of Home Affairs, Ministry of Energy, Ministry of Coal etc. with Government of India. He also occupied some important positions with the State Government of Madhya Pradesh acting as Principal Secretary, as well as Collector & District Magistrate of Bhopal & Gwalior Districts. He was also advisor to the Governor of Jammu & Kashmir and Uttar Pradesh during the President's Rule in the rank of a Cabinet Minister of the State Government. He has also handled some special assignments of the Government of India and United Nations.

Mr. R. C. Jain, Director of the Company is holding directorship in other following Companies.

- a) North Dhadu Mining Company Private Limited
- b) Jagson Airlines Limited

Shri R. C. Jain retires by rotation and being eligible offers himself for reappointment.

None of the Directors of the Company is concerned or related to him.

- (C) Shri Sunil Kumar Gupta was appointed as an Additional Director of the Company on 30-09-1996 and thereafter appointed as Regular Director liable to retire by rotation w.e.f. 29th September, 1997 in 4th Annual General Meeting. He is appointed as a managing Director w.e.f. 28th May, 2007 for a period of 5 years in the Company upto terms and conditions as mentioned in the agreement. At present he is not drawing any remuneration. And his appointment pursuant to the provision of section 198, 269, 309 & 310 read with Schedule XIII & other applicable provisions if any under the Companies Act, 1956 by the Board and subject to the approval of the members in General Meeting

He is a Commerce Graduate having 18 years of business experience in Textile Line. Shri Shyam Gupta, the Director of the Company is related to him. He is Director in Sangam Silk Mills Pvt. Ltd; Sharp Synthetics Pvt. Ltd; Sant Textile Mills Pvt. Limited; Gupta Power Project Pvt Ltd; Shiv Shakti Syntex Pvt. Limited; Polycoat India Pvt. Limited; Nova Poly Yarn Limited; Nova Petrofils Ltd; Super Nova Exim Pvt. Limited.

10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend which remain unpaid and unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Shareholders who have not so far encashed the dividend warrant(s) are requested to write to the Company's Registrar and Transfer Agents, M/S Pinnacle Share Registry Pvt. Ltd. immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were transferred to the Fund which are unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

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

ITEM NO. 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956, the term of office of Shri Murli Goyal, appointed as an additional director of the Company on the Board with effect from 30th September, 2008 expires on the conclusion of this Annual General Meeting .

Pursuant to the provisions of Section 257 of the Companies Act, 1956 read with Articles 155(a)&(b) of Articles of Association of the Company, the Company has received a notice in writing alongwith a deposit of Rupees 500/- (Rupees Five hundred only) from a member signifying his intention to propose Shri Murli Goyal as a director of the Company liable to retire by rotation.

Shri Murli Goyal is a 49 years old, a commerce graduate from Maharashtra University and has also passed Intermediate Chartered Accountancy Examination . He has more than 29 years experience in the textile line of business carried out in both domestic as well as export . He had also made business visits in foreign countries many a times.

The Board of directors considered it in the best interest of the Company to continue to have the benefit of the long and varied experience of Shri Murli Goyal. Accordingly, the Board proposes to the members of the Company to appoint him as regular director on the Board liable to retire by rotation.

Except Shri Murli Goyal. no other Director of the Company is interested or concerned in the resolution.

The Board recommends this Resolution for approval of Members.

Regd. Office:

Survey No. 396/403, Moraiya Village,
Sarkhej-Bavla Highway, Tal. Sanand,
Dist. Ahmedabad - 382 210

Dated : 18/05/2009

For & on behalf of the Board of Directors,

Company Secretary

DIRECTORS' REPORT

To, The Members,
NOVA PETROCHEMICALS LTD.

Your Directors have pleasure in presenting the 16th Annual Report and Audited Statement of Accounts for the year ended 31st March 2009.

OPERATIONAL & FINANCIALS

The highlights are as under :-

Particulars	2008-09	2007-08
	(Rs. in Lacs)	(Rs. in Lacs)
Net Sales	34770.52	34372.13
Profit before Interest, Depreciation & Tax	1893.67	652.88
Less : Interest & Financial Charges	1708.95	1705.21
Depreciation	1686.55	3395.50
Profit / (Loss) before Tax	(1501.83)	(2979.12)
Less : Provision for Tax	14.50	10.00
Add : Provision for Deferred Tax	Nil	Nil
Profit After Taxation/(Loss)	(1516.33)	(2989.12)
Add:Balance Brought from Previous Year	(4482.85)	(1493.73)
Profit Available for Appropriations	(5999.18)	(4482.85)
Less: Appropriations		
(a) Dividend	Nil	Nil
(b) General Reserve	Nil	Nil
Balance Carried to Balance Sheet	(5999.18)	(4482.85)

The operational and financial results of the company are further elaborated in the annexed Management Discussion and Analysis Report.

PERFORMANCE:

Despite the downturn in the economy and continuing recession, your company has achieved Net Sales of Rs. 347.70 crores as compared to previous year's Net Sales of Rs. 343.72 crores. The Profit before Interest, Depreciation and Tax (PBDIT) was up by 190 % from Rs 6.53 crores in FY 2007-08 to Rs 18.94 crores in the FY 2008-09. The net loss during the year under review placed lower at Rs.15.16 crores as compared to net loss of Rs. 29.89 crores in the previous year. The major reasons for improvement attributed to decrease in the price of raw material, fuel etc. from a peak in July-August,2008 and better sales realization in last two quarters of the year under review.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR) UNDER SICA

In view of accumulated losses exceeding entire net worth of the Company as on 31.03.09 and pursuant to compliance of Section 15 of SICK INDUSTRIAL COMPANIES (SPECIAL PROVISION) ACT,1985 the Company shall make a reference to Board for Industrial And Financial Reconstruction (BIFR) for the purpose of enabling the BIFR to take suitable measures for rehabilitation of the Company after adoption of accounts for the year ended 31.03.2009 by the shareholders at the ensuing Annual General Meeting.

RESTRUCTURING OF BANK DUES UNDER CDR MECHANISM :

Your company had requested the banks and Corporate Debt Restructuring Cell (CDR) for extension of Period of Relief under the CDR Mechanism & Approval for other concessions. The CDR-Empowered Group has approved the reworked proposal for restructuring on 25th March, 2009. The approval was conveyed to all the banks by CDR Cell vide their letter dated 31.03.09. As per CDR directives, all the banks are supposed to sanction and implement the same within 45 days from the receipt of the letter by them. Revised financial restructuring package consist of re-schedulement of term loans installments including extension of moratorium, further funding of interest, increasing cover period of book debts up to 90 days etc.

DIVIDEND :

Due to loss incurred by the Company during the year 2008-09, your directors regret their inability to recommend any dividend on the Equity Share Capital.

DIRECTORS:

Shri Ved Prakash Chiripal, Shri R.C.Jain and Shri Sunil Kumar Gupta Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, have offered themselves for the re-appointment. Brief resume of all the three Directors and names of companies in which they hold the Directorship as stipulated under Clause 49 of the Listing Agreement are given in the notes attached to the Notice calling 16th Annual General Meeting of the Company.

The Board of Directors appointed Shri Murli Goyal as an additional Director during the year under review . The term of his office expires at the conclusion of this Annual General Meeting.

Pursuant to the provisions of Section 257 of the Companies Act, 1956 read with Articles 155(a)&(b) of Articles of Association of the Company, the Company has received a notice in writing alongwith a deposit of Rupees 500.00 (Rupees Five hundred only) from a member signifying his intention to propose Shri Murli Goyal as a director of the Company liable to retire by rotation.

The Board of directors consider it in the best interest of the Company to continue to have the benefit of the long and varied experience of Shri Murlī Goyal. Accordingly, the Board proposes to the members of the Company to appoint him as regular director on the Board liable to retire by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 Directors' Responsibility Statement is given as under,

- (i) That in the preparation of the annual accounts for the financial year ended 31st March 2009; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That such accounting policies have been selected and applied consistently and judgments and estimates have been made 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 or loss of the Company for the year ended 31st March, 2009.
- (iii) That 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.
- (iv) That the annual accounts have been prepared for the financial year ended 31st March, 2009 on a going concern basis.

INSURANCE :

The Company has adequately covered all assets against all risks.

DE-MERGER :

After receipt of consent from Creditors for Secured loans on 22nd December, 2008, your Company had filed a petition under Section 391 and 394 of the Companies Act, 1956 with Hon'ble High Court of Gujarat on the 30th day of December, 2008 for sanctioning the composite scheme of arrangement in the nature of Demerger, Reorganisation of Capital and transfer of Demerged Undertaking from Nova Petrochemicals Limited to Nova Polyyarn Limited. The said petition was admitted on the 12th day of January, 2009 by the Hon'ble High Court of Gujarat and order was passed for publication in news papers viz Indian Express and Sandesh and filing of the petition with the Central Government. Accordingly the advertisement published in the news papers on 21st January 2009 and 22nd January 2009 respectively. In terms of the High Court order, the copy of the petition filed with office of The Registrar of Companies, Gujarat and also with the office of the Regional Director, Western India Region, Ministry of Corporate Affairs, Govt. of India, Mumbai. The said petition was fixed for hearing before Company Judge on 4th May 2009 which was adjourned and the petition has been pending before the Hon'ble High court of Gujarat for approval.

AUDITORS:

Auditors of the company M/s. J. T. Shah & Co. Chartered Accountants of Ahmedabad, will retire from the office of the Auditors at the conclusion of ensuing 16th Annual General Meeting and being eligible, offer themselves for re-appointment from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The Company had pursuant to section 224 (1B) of the Companies Act, 1956, received a certificate that their appointment, if made, will be within the limits as laid down in the section.

Explanation to the qualification in Auditors' Report.

The Directors submit their explanation to the qualification made by the Auditors in their report for the year 2008-09. The para nos. and reply are as under:

Para 9 : The Company is arranging to make the payment of the dues of Value Added Tax of Rs. 9.15 lacs, Professional Tax of Rs. 0.23 lacs, Wealth Tax of Rs.10 lacs and tax deducted at source of Rs.0.60 lacs shortly.

Para 10 : Due to accumulated loss of Rs. 5999 lacs as at 31.03.09, entire net worth of the Company has been eroded and the Company will take appropriate action to make reference under SICA as stated in foregoing para of Directors' Report.

Besides the above, the qualification(s) and notes to the accounts are also self explanatory.

AUDIT COMMITTEE:

During the year under review, the Audit Committee was reconstituted in accordance with the provisions of the Companies Act, 1956 and listing agreement entered into by the Company with the Stock Exchanges.

FIXED DEPOSITS:

The Company has not accepted any deposit falling within the purview of the provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

CORPORATE GOVERNANCE: -

Your Company has complied with the Corporate Governance guidelines as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance and a Certificate from the Auditors of the company regarding compliance with Corporate Governance guidelines as stipulated and Management Discussion & Analysis reports have been attached by way of separate section as part of this Annual Report.

PARTICULARS OF EMPLOYEES: -

There are no employees employed by the Company throughout the financial year or for a part of the financial year who were drawing remuneration as per the limit provided in section 217 (2A) of the Companies Act, 1956 and therefore there are no details required to be given in the report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO: -

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors' Report) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the Annexure forming part of this report.

ACKNOWLEDGEMENT: -

Your Directors wish to express their sincere thanks for the support and co-operation extended by the Bankers of the Company viz. State Bank of India, Bank of Baroda, UCO Bank, Central Bank of India, State Bank of Indore and CDR authorities, all State and Central Government Departments, Shareholders, valued Customers and Suppliers etc. of the Company. Your Directors also wish to express their sincere thanks for the contribution rendered by the employees of the Company at all levels.

Registered Office :
 Survey No. 396/403, Moraiya Village,
 Sarkhej-Bavla Highway, Tal. Sanand,
 Dist. Ahmedabad - 382 210
 Date : 18-05-2009

By Order of the Board of Directors,

Jyoti Prasad Chiripal
 Chairman

Sunil Kumar Gupta
 Managing Director

ANNEXURE

Information under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2009.

(A) Conservation of Energy

1. Coal Based power plant operation optimized. Annual savings approximately Rs. 8.00 crores as compared to average rate of power from GEB.
2. Waste heat recovery boiler installed on the exhausts of DG sets. Annual savings Rs.20 lacs.
3. Parameters modified in poly to reduce heat consumption. Annual savings Rs.3 lacs.
4. Pumps stopped in poly by modifying the glycol distribution circuit. Annual savings Rs.8 lacs.
5. Inverters provided for certain process and utility. Annual savings Rs.20 lacs.
6. Use of Steam Heater instead of Electrical Heater in FO Treatment System has resulted in an annual Saving of approximately Rupees 4.50 lacs.
7. Modification of Steam distribution System has resulted in use of waste heat of one DG set also for generation of LP Steam. Annual Saving of approximately Rs.5.00 lacs.
8. Reuse of turbine condensate in Boiler as DM water estimated Annual saving Rs. 1.2 lacs.
9. Utilization of power plant Boiler on optimized capacity and stopped process boiler, Annual Saving approximately Rs.22.60 lacs.
10. Stopped 4 lacs kcal thermo pack boiler and utilization of 6.00lacs kcal boiler on optimized load. Saving Rs. 17.00 lacs.

FORM A
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY
I. Power and Fuel Consumption: -

	2008-09	2007-08
1. Electricity purchased		
(a) Units (KWH)	4592305	3380070
Total Amount (Rs.)	243 65707	10256038
Average Rate per Unit (Rs.)	5.30	3.03
(b) Own generation		
i. Through Generator Unit (KWH)	2776521	3423091
Units per Liter of Fuel/Oil	2.51	3.51
Cost/Unit (Rs.)	8.76	7.64
ii Through Steam Turbine/Generator		
Units (KWH)	58873200	64379400
Units Per Kg. of Coal	0.71	0.79
Cost / Unit (Rs.)	3.91	2.61
2. Coal		
Quantity (Kg.)	82307765	81146370
Total Cost (Rs.)	2302.22	1686.67
Average Rate (Rs/kg.)	2.80	2.08
3. Furnace Oil (K. Liters)		
Quantity	4431942	4958262
Total Amount (Rs. in lacs)	978.04	1064.56
Average Rate (Rs./KL)	22.06	21.47
4. Others / Internal Generation	Nil	Nil

II. Consumption per unit of production :-

Products (with details) Unit

Electricity (KWH/Ton of Product)

(a) P.O.Y.

(b) Draw Twisting

(c) Draw Texturising

(d) Fully Drawn Yarn

2008-09
2007-08
777.78

1045.31

3455.90

3435.18

1430.00

1427.37

1627.36

1864.41

(B) Technology Absorption
FORM B

Form for disclosure of particulars with respect to technology absorption

I. Research and Development (R & D)

1. Specific areas in which R & D carried out by the company: -

- a. Super bright chips developed for improved frictional properties of yarn. Study of various process parameter and trial conducted to improve the Quality of Polyester Chips. Detailed study and trials started to reduce conversion cost.
- b. FDY capacity is now fully operational. Development of process technology and engineering were done in house.
- c. Study of process bottlenecks of poly plant to improve productivity.
- d. FDY new product 30D/48 was developed and commercialized.
- e. 30D/14 DT product was optimized to meet market requirement.

2. Benefits derived as a result of the above R & D.

- a. There has been distinct improvement in Quality of Polychips through change in parameters and now it is well accepted by POY & FDY plant. This in turn has improved the Quality of yarn and help in reducing the waste.
- b. After completion of detailed study and inducing trials, the conversion cost of POY Chips will come down.
- c. In house development of process technology for FDY has resulted in saving on know-how fee.
- d. The FDY produced has been well accepted in the market.
- e. The ash disposal problem has been over come.

3. Future Plan of Action

- a. Study and trials to be continue to improve Quality and reduction of consumption of energy, additive and other inputs to bring down the conversion cost of Poly Chips.
- b. Development of new product range in POY, FDY and Chips.
- c. Replacement of pumps installed in Utility Section for raw water, drinking water, utility cooling water, chilled water, boiled feed water etc. with high efficiency pumps.
- d. Trials with different types of spin finish for POY/FDY/Draw Wrapping to improve on texturising operating speeds.
- e. Development of new deniers / micro deniers in DTY.
- f. Installation of Flash Steam and boiler condensable recovery unit.

4. Expenditure on R & D : Nil

II. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- a. Continuous interaction is maintained with equipment and machinery suppliers and new ideas and developments are adopted in the operations.
- b. Pallet Packing started in POY to reduce packing cost.

2. Benefits derived as a result of the above efforts.

- a. New ideas gathered from equipment and know-how supplier have been used to improve productivity and quality on a continuous basis. Also development of new products both in Semi Dull as well as bright POY, FDY, DT & D.Text.
- b. Introduction of Additional Deniers in POY and FDY.
- c. Optimization of Process Parameters to improve the Product quality.
- d. Continuous Analysis of Feedback from Customers to improve products and service.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) : Nil

C. Foreign Exchange Earning and Outgo

Total Foreign Exchange used and earned;

(Rs. In Lacs)

2008-09
2007-08

a. Outgo in Foreign Exchange

28.81

87.74

b. Earning in Foreign Exchange

Nil

Nil

Registered Office :

Survey No. 396/403, Moraiya Village,

Sarkhej-Bavla Highway, Tal. Sanand,

Dist. Ahmedabad - 382 210

Date : 18-05-2009

By Order of the Board of Directors,

Jyoti Prasad Chiripal
 Chairman

Sunil Kumar Gupta
 Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Industry Structure and Development**

Textile Industry occupies a unique place in the economy of the country by virtue of its contribution to the Industrial Output, Employment Generation and foreign exchange earnings.

The full fledged development in the Synthetic Textile Sector during late 80s has changed the face of the textile industry in India. Despite fierce competition abroad, the industry has made significant inroads into the world markets.

Massive investments and ongoing modernization have helped India to emerge as a leading producer capable of supplying complete range of synthetic rayon and blended textiles items to the global markets.

Today, modern techniques, electronics and innovation have led to a competitive, low-priced textile industry offering almost any type of cloth or design a person could desire. With its low cost labour base, China has come to dominate the global textile industry.

- **Opportunities, Threats and Outlook**

The markets have opened for synthetic fabrics garment, made-ups and there are tremendous opportunities for the Indian synthetic fabrics as a result of abolition of import quota system under the Multi Fibre Agreement by end of 2004. However policy of Indian Government in respect of textile Industry will have substantial effect on the growth of the Industry.

Further, addition of capacity by other competitors of the company will result into more competition to be faced by your company. However, in view of availability of market, the sales and profitability of the company will not be affected

During the year under review, the world economy had been passing through the phase of depression. Developed countries are also not spared from the effects of this recessionary trend. Demand position lags behind the supply market in most of the products. Your Company is a consumer oriented industry. Hence, it has direct impact on its demand. However, as per recent reports, US refineries boosted their operating performance last week to their highest level since December. Oil prices climbed above US\$ 57 per barrel from a lower bottom raising optimism that the worldwide recession will end earlier than expected.

Further as per the recent reports, measures taken by the Indian Central Banks have arrested the rate of decline in the economy to some extent and the inflation is not a concern for now. India economy grew an estimated 6.5% in just ended 2008/09 fiscal year and consumer price inflation is expected to moderate in five to six months. The whole sale price inflation is already down to around 1% and there is a time lag for the consumer inflation to also fall.

Further more, India is emerging as a stronger market internationally. The present policy of the Government is also to support the industries in general and frame an environment to come out from the effects of depression as fast as possible. Developed Countries have also initiated process to fuel the economy with growth.

The recent turndown is also expected to be improved once an elected government comes into power due to boost in investors' confidence in view of stability in political scenario.

Over the years the Indian government has taken an economic approach that has been influenced, in part, by the Socialist movements. The Indian national government has maintained a high and authoritative level of control over certain areas of the Indian economy like the participation of the private sector, foreign direct investment, and foreign trade.

Any increase or decrease in Crude Oil Prices have its impact on the company since its raw materials are Petro based. Other inputs cost such as energy, transportation, packing materials are also affected to a large extent from any increase or decrease in Crude Oil Prices.

The Technology Upgradation Fund Scheme has a greater contribution in bringing up updated technology in the textile industry, which will help in augmenting value to the customers. 100% Synthetic Fabrics have already gained the momentum in the International Market, which will provide further growth in exports.

Indian Textile Industry will have leverage due to having facility to cater demand for small, medium & large lot production system which can cope better with the changes in fashion demands, short response time.

- **Outlook**

The Company has fully automatic state of the art imported machinery from reputed companies of the world and latest quality control equipment to produce the required standards of quality of the product to the entire satisfaction of the customers. The management of the company has rich experience in textiles and the Company is trying to achieve the best possible results and it is optimistic of some favorable developments in textile Industry with the overcoming of recession.

Internal control system and their adequacy

The company has adequate system of internal control procedures commensurate with the size of the company and the nature of its business to keep check on the activities of the various departments. Further, in view of proposed demerger, the activities are/to be further decentralized. Hence a better internal control over its activities will further strengthen internal control system and stimulate productivity in view of improvement in carrying out its operations more efficiently and effectively.

- **Financial Performance** : Last five years of operations of the Company are summarised as under (Rs. in Lacs)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
INCOME					
Sales	36856	37168	29982	53540	46298
Other Income	97	126	148	152	516
	36953	37294	30130	53692	46814
Less : Excise Duty	2086	2796	2172	4731	7067
	34867	34498	27958	48961	39747
EXPENDITURE					
Materials & Operational Expenditure (+/- Stock Adj.)	32973	33845	26524	44858	37515
PROFIT BEFORE INTEREST, DEPRECIATION, TAXATION	1894	653	1434	4103	2232
Less : Interest (Net)	1709	1705	1923	1973	2007
GROSS PROFIT/(LOSS)	185	(1052)	(489)	2130	225
Less : Depreciation	1687	1927	2151	2475	2825
Less : Provision for Taxation	14	10	14	7	Nil
Less: Provision for Deferred Taxation	Nil	Nil	(1001)	171	(854)
NET PROFIT/(NET LOSS)	(1516)	(2989)	(1653)	(523)	(1746)
APPROPRIATIONS					
Opening Balance	(4483)	(1494)	299	848	2534
Less : Provision for Taxation & Expenses for earlier years	Nil	Nil	140	26	(60)
Less : Final/Interim Dividend	Nil	Nil	Nil	Nil	Nil
Transferred to General Reserves	Nil	Nil	Nil	Nil	Nil
Closing Balance	(5999)	(4483)	(1494)	299	848
EARNING PER SHARE	(5.62)	(11.07)	(6.64)	(4.07)	(12.49)
SOURCES & APPLICATION OF FUNDS					
SOURCES OF FUNDS					
Shareholders' Funds	2700	2700	2700	1350	1350
Reserves & Surplus	0	0	1336	4479	5027
	2700	2700	4036	5829	6377
Loan Funds	16529	16448	13821	15170	16863
Funds Employed	19229	19148	17857	20999	23240
APPLICATION FUNDS					
Fixed Assets (Gross)	36642	36515	36129	35989	36212
Depreciation	23770	22089	20174	18029	15554
Fixed Assets (Net)	12872	14426	15955	17960	20658
Capital work in progress	109	101	306	304	0
Investments	3	2	7	27	27
Current Assets (Net)	3075	2966	1589	3709	3385
Deferred Tax Liability	0	0	0	(1001)	(830)
Misc. Expenditure (To the extent not written off) Profit & Loss Account	3170	1653	0	0	0
Net Assets Employed	19229	19148	17857	20999	23240

The Overall performance have improved as compared to past year. However, as a result of accumulated losses, the company's net worth has eroded and reached to negative mark. This necessitates moderate dose of restructuring from all fronts.

- **Human Resources/Industrial Relations:**

Your company is successful in maintaining the cordial and peaceful relationship with the employees at all level and in reciprocation it has received wholehearted support at all levels of operations by all employees. There prevails cordial and peaceful relationship with all employees. Your Company has well managed Human Resource Department.

- **Product wise performance** : Product wise performance of the Company in terms of turnover stands outstanding as under: (Rs. in Lacs)

Product	2008-2009		2007-2008		2006-2007		2005-2006		2004-2005	
	Quantity (M.T.)	Value	Quantity (M.T.)	Value	Quantity (M.T.)	Value	Quantity (M.T.)	Value	Quantity (M.T.)	Value
Partially Oriented Polyester Filament Yarn (P.O.Y.)	18002.49	12894.05	17728.82	12738.09	8789.74	6317.57	21201.58	15132.56	22386.84	17386.93
Texturised Yarn	1350.23	1207.79	1345.39	1157.27	1038.53	894.87	2362.21	2021.16	2681.77	2481.60
Draw Twisted Yarn	2589.96	3165.37	1520.70	1672.29	2844.13	3684.36	1982.36	2292.91	2744.95	3651.75
Fully Drawn Yarn	15486.83	14415.18	14757.60	13204.16	15167.40	15381.20	16690.98	15389.74	13831.86	14378.11

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

The Company always believes in enhancement of Shareholders value by consistently providing maximum benefits to its shareholders. In pursuit of this policy the Company gives highest importance to practice of good corporate governance. The Company is having very highly qualified Top level retired Government employees on its Board as Non-Executive Independent Directors. Besides the Company gives due weightage to Disclosure requirements and transparency and providing efficient service to its shareholders.

2. Board of Directors

The Board of Directors comprises of an optimum combination of Executive & Non-Executive Directors. Out of total eight Directors, the Board consists of Four Non-Independent Directors including Managing Director and Four Non-Executive Independent Directors .

During the financial year 2008-2009, the Board met six times on the following dates

30-04-2008,31-07-2008, 05-09-2008, 30-09-2008, 23-10-2008 and 27-01-2009

The details of Directors, Attendance of Directors at the Board Meetings, as well as at the Annual General Meeting held on 30.09.2008 and number of memberships held by Directors in the Board/Committee of other Companies are as under.

Sr. No.	Name of Director	Designation Category	Attendance Particulars		Number of other Directorship and Committee Member/Chairmanship in other companies		
			Board Meetings	AGM held on 30.09.2008	Other Directorship	Committee Membership	Committee Chairmanship
1	Shri Ved Prakash Chiripal	NED/NID	2	Yes	5	4	—
2	Shri Shyam Gupta	NED/NID	2	Yes	2	—	—
3	Shri Jyoti Prasad Chiripal	CH/NED/NID	5	Yes	4	1	—
4	Shri Sunil Kumar Gupta	MD	5	Yes	2	—	—
5	Shri R. C. Jain	NE	5	No	1	—	—
6	Shri V.D. Gupta	NE	6	Yes	—	—	—
7	Shri Sandeep Shiv Goyal	IND/NE	1	No	3	—	—
8	Shri Shyam Taneja #	IND/NE	1	No	—	—	—
9	Shri Murli Goyal #	IND/NE	—	—	—	—	—

CH - Chairman, MD -Managing Director, WTD - Wholetime Director, ED - Executive Director, IND/NE - Independent/Non-Executive Director, NED/NID- Non-Executive Director/ Non Independent.

Shri Shyam Taneja resigned as a Director w.e.f. 30/09/2008

Shri Murli Goyal Appointed as an Additional Director w.e.f. 30/09/2008

None of the Director is a member in more than ten committees and act as a Chairman in more than five Committees across all Companies in which he is a Director.

3. Details of Remuneration paid to the Directors during the Financial Year ended as on 31-03-2009 :

Shri Sunil Kumar Gupta, Managing Director had been appointed pursuant to provisions of Schedule XIII of the Companies Act, 1956. However, none of the Non-Independent/Executive Directors including Managing Director are being paid any remuneration, sitting fees during the year under review. The Independent Directors were paid sitting fee for attending the Board and committee meetings.

4. Audit Committee

During the year under review , the Audit Committee constituted in accordance with the provisions of the Companies Act,1956 and listing agreement entered into by the Company with the Stock Exchanges has been reconstituted as follows:

Name of Director	Designation	Date of change in Membership	Appointment/Cessation	Reason for change
Shri R.C. Jain	Chairman	Not Applicable	Not Applicable	
Shri Sunil Kumar Gupta	Member	Not Applicable	Not Applicable	
Shri V.D. Gupta	Member	Not Applicable	Not Applicable	
Shri Shyam Taneja	Member	30/09/2008	Cessation	Resigned as Director
Shri Murli Goyal	Member	23/10/2008	Appointment	Appointed as Director w.e.f 30/09/2008

Constitution of Audit Committee meets with the requirements of Corporate Governance guidelines as well as the provisions of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Terms of reference of appointment of Audit Committee are as under,

1. Quorum for the meeting of the Committee will be either Two Members or 1/3rd of the Members of the Audit Committee, whichever is higher
2. Two third members of the Audit Committee are independent Directors

3. The Audit Committee shall have meeting periodically as it may deem fit with, at least three meetings in a year, viz., one meeting before finalization of annual accounts and one every six months.
4. The Audit Committee shall invite such of the Executives of the Company particularly Head of Finance Department whenever required.
5. The Finance Director, head of internal audit and the auditors of the Company shall attend and participate at the meetings without right to vote.
6. The Audit Committee shall have the following powers:
 - It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
 - To investigate any activity within its terms of reference.
 - To seek information from any employee.
 - To obtain outside legal or other professional advice.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
 - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings if any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
 - Review in the Company's financial and risk management policies.
 - To look into the reasons for substantial defaults in the payment to the depositors, debentures, shareholders (in case of non-payment of declared dividend) and creditors.
 - It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submissions to the Board.
 - It shall ensure compliance of internal control systems.

Audit Committee met five times on 30-04-2008, 31-07-2008, 05-09-2008, 23-10-2008 and 27-01-2009. Presence of the members of the Audit Committee in its meeting are as under.

Sr.no.	Name of the member of the Audit Committee	No. of the meeting attended
1.	Shri Sunil Kumar Gupta	4
2.	Shri R.C. Jain	5
3.	Shri V.D. Gupta	5
4.	Shri Shyam Taneja*	1
5.	Shri Murti Goyal**	0

Notes : * Shri Shyam Taneja resigned as a director with effect from 30/09/2008.

**Shri Murti Goyal appointed as an Additional Director with effect from 30/09/2008 and appointed as Audit Committee Member with effect from 23/10/2008.

All the Meetings were also attended by the Auditors of the Company.

5. Remuneration Committee

The Remuneration Committee consists of Shri V.D. Gupta, Shri R.C. Jain and Shri Jyoti Prasad Chiripal and Shri V.D. Gupta was appointed as a Chairman of the Committee.

No Director is paid any remuneration except sitting fees. Hence, no meeting of remuneration committee was held during financial year 2009.

The Remuneration Committee has been constituted to determine all elements of remuneration package of the Directors i.e. salary, benefits, bonuses, stock options, pension etc.

6. Shareholders Transfer and Grievances Committee

Share Holders Grievances Committee consisting of Shri. Sunil Kumar Gupta as Chairman of the Committee, Shri. Jyoti Prasad Chiripal, Shri V.D. Gupta, Shri ShyamSunder Gupta and Shri Ved Prakash Chiripal as its members.

The Committee oversees the performance of the Registrar & Transfer Agent of the Company and take care of grievances received from the Shareholders/Investors.

Share Transfer and Grievances Committee met twenty two times during financial year 2009.

Shri Harish N. Motwani, Company Secretary of the Company has been appointed as the Compliance Officer. There is no pending Share Transfer for period above one month.

7. General Meeting

Meeting	Date of meeting	Time of the meeting	Place of the meeting
13th Annual General Meeting	23rd September, 2006	3.30 p.m	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210
14th Annual General Meeting	29th September, 2007	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210
Extra Ordinary General Meeting	11th January, 2008	11.00 a.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210
15th Annual General Meeting	30th September, 2008	3.30 p.m	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210

No Special Resolutions were required to be put through postal ballot at the time of these meetings.

8. Disclosures

There is no materially significant related party transactions that have potential conflict with the interest of the company at large.

No penalties or strictures have been imposed on the Company by any Statutory Authority on any matter related to Capital Market.

9. Means of Communication

Financial Results are being published in Leading News-Papers as well as copies of the same are also being sent to all the Stock Exchanges where the Shares of the Company are listed for the benefit of the Public at large. It is also being displayed on the Website of the Company www.novapetro.com with regular updation.

Financial Results are published normally in leading English newspaper and in Vernacular daily Newspaper.

Website of the Company is www.novapetro.com

The Company supplies copies of the Financial Results and Annual Report of the Company to various Analysts, registered Share Brokers, various Government Departments & Agencies, and other Investors and all those interested in getting the same as and when requested.

Management Discussion & Analysis is a part of Annual Report attached herewith.

10. General Shareholder Information

(a) 16th AGM : Date, time and venue –

to be held on **Friday, the 4th September, 2009** at 3.30 p.m. at the Registered Office of the Company at Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210.

(b) Financial Calendar – From April to March

Results for the Quarter ending June 30, 2009	:	Last week of July, 2009.
Results for the Quarter ending September 30, 2009	:	Last week of October, 2009.
Results for the Quarter ending December 31, 2009	:	Last week of January, 2010.
Results for the Quarter ending March 31, 2010	:	Last week of April, 2010.

(c) Listing on Stock Exchanges

Listing Fee for the year 2009-10 has been paid by the Company and Equity Shares of the Company are listed at :

The Ahmedabad Stock Exchange Ltd.

The National Stock Exchange of (India) Ltd.

The Bombay Stock Exchange Ltd.

(d) Stock Code –

The Ahmedabad Stock Exchange Ltd. Code	-	41029
The Bombay Stock Exchange Ltd. Code	-	530605
The National Stock Exchange of India Ltd.	-	NOVAPETRO
ISIN No. of the Company	-	INE787A01014

(e) Market Price: High, Low during each month in last financial year –

Highest & Lowest Share Price of Nova Petrochemicals Ltd. as quoted on The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of (India) Ltd. (NSE) during the period from April – 2008 to March – 2009

Month & Year	High (Rs.) BSE	Low (Rs.) BSE	High (Rs.) NSE	Low (Rs.) NSE
April-2008	19.52	14.60	19.50	14.30
May – 2008	26.10	16.35	26.40	16.75
June – 2008	17.00	13.15	17.75	13.05
July – 2008	16.00	12.50	15.95	12.35
August-2008	15.70	13.15	15.30	12.70
September-2008	14.70	8.51	14.50	7.60
October-2008	10.90	6.01	10.85	6.00
November-2008	10.50	6.22	9.10	6.05
December-2008	8.35	5.75	8.25	5.70
January-2009	8.40	6.95	8.90	6.00
February-2009	11.00	8.00	10.75	7.90
March-2009	13.01	10.25	13.25	10.00

(f) Registrar and Transfer Agent

Pinnacle Shares Registry Pvt. Ltd.
Near Ashoka Mills, Naroda Road, Ahmedabad. – 380 025.

(g) Share Transfer System

Equity Shares of the Company received from the Investors for the purpose of Transfer in their name are being processed for transfer at *interval of every fortnight in each calendar month and after completing the procedure of Share Transfer shares are being returned within* a period ranging from two to three weeks, provided the documents lodged with the Registrars/Company are clear in all respects.

(h) Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDINGS AS ON 31-03-2009

No. of shares Held			No. of Shareholder	% of Shareholder	Total Shares	% of Total
1	To	500	6903	84.94	1350044	5.00
501	To	1000	662	8.15	555513	2.06
1001	To	2000	278	3.42	448740	1.66
2001	To	3000	72	0.89	123251	0.46
3001	To	4000	45	0.55	160411	0.59
4001	To	5000	43	0.53	202696	0.75
5001	To	10000	39	0.48	287229	1.06
10001	and	Above	85	1.04	23812306	88.20
Total			8127	100.00	27000000	100.00

Shareholding Pattern As on 31-03-2009

Category	No. of Shares	% of Total Shares
Promoters Holding		
Indian promoters	1422319	5.27
Bodies Corporate	16800517	62.22
Non- Promoters Holding		
Institutional		
Financial institutions/Banks	600	0.002
Mutual Funds	0	0
FII's	0	0
Non-Institutional		
Bodies Corporate	4574895	16.95
Individual	3606642	13.37
NRI	574030	2.12
Clearing member	3937	0.01
HUF	17060	0.06
TOTAL	27000000	100.00

(i) Dematerialisation of Shares

2,43,27,321 Equity Shares of the Company are dematerialised as on **30th April, 2009**.

(m) Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

Company has not issued any GDR/ADR/Warrant.

(n) Plant Location

Plant located at: -

Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210 Gujarat, India.

(o) Address for correspondence

Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210 Gujarat, India.

CONFIRMATION BY MANAGING DIRECTOR ABOUT COMPLIANCE OF CODE OF CONDUCT

I hereby confirm that

The Company has obtained from all the members of the Board and employees at Senior Management level, affirmation that they have complied with the code of conduct for Board of Directors and Senior management level employees.

Sd/

Sunil Kumar Gupta
Managing Director

18th May, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Nova Petrochemicals Limited

We have examined the compliance of conditions of Corporate Governance by Nova Petrochemicals Limited for the year ended on March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, J. T. SHAH & COMPANY
Chartered Accountants

(J. T. Shah)
Partner

Membership No. : 3983

Place : Ahmedabad
Date : 18.05.2009

AUDITORS' REPORT

To,
The Members of
NOVA PETROCHEMICALS LIMITED
Ahmedabad

1. We have audited the attached Balance Sheet of NOVA PETROCHEMICALS LIMITED as at 31st March 2009, the Profit and Loss Account and also Cash Flow Statement for the year ended on that date annexed thereto (together read as financial statements). 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.
2. We 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 also 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.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4 A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and 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;
 - (v) On the basis of written representation received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2009, from being appointed as director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the 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:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For, **J. T. SHAH & COMPANY**
Chartered Accountants

(J. T. Shah)
Partner

Membership No. : 3983

Place : Ahmedabad
Date : 18.05.2009

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our Report of even date to the Members of **NOVA PETROCHEMICALS LIMITED** for the year ended 31st March, 2009.

1. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
 - c. In our opinion, the Company has not disposed off any major / substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventories:
 - a. The inventory other than the inventory of work in process has been physically verified during the year by the management. We have been informed that looking at the manufacturing process, it is not possible to physically verify the inventory of work in process. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a. During the year under audit, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
 - b. There are 13 parties covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loans. The maximum amount involved during the year was Rs. 4682.83 Lacs and the year-end balance of loans taken from such parties was Rs. 2548.06 Lacs.
 - c. In our opinion and according to the information and explanations given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - d. In respect of loans taken by the company, the company has taken interest free loans and in case of principal, the terms of repayment have not been stipulated hence the question of regularity of payment of interest and principal does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

9. In respect of Statutory Dues:

a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities all though there has been delay in depositing service tax, Gujarat valued added tax, Central Sales Tax, Provident fund and income tax deducted at source. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax Service Tax, Customs Duty, Sales Tax and Excise Duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable except Value Added Tax of Rs.9.15 Lacs, Professional Tax of Rs.0.23 Lacs, Wealth Tax of Rs.10 Lacs and Tax deducted at Source of Rs.0.60 Lacs have not been deposited till balance sheet date.

b. On the basis of our examination of the records, following disputed statutory dues have not been deposited with the appropriate authorities;

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax & Interest	68.58	Commissioner of Income Tax, Appeals
The Income Tax Act, 1961	Interest on Income Tax	5.44	The Income Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	1552.57	Custom Excise and Service Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	10.66	Commissioner of Excise and Customs (Appeals)
The Central Excise and Customs Act	Excise Duty and Penalty	3515.01	The Company is in the process of filing an appeal and time to file an appeal has not expired.
The Textile Committee Amendment Act, 1973	Textile Cess	101.80	Textiles Committee, Government of India, Ministry of Textiles

10. The accumulated losses of the company at the end of the financial year are more than its net worth. The Company has not incurred cash loss during the year under audit. The Company had incurred cash loss in the immediately preceding financial year.
11. The rework proposal for restructuring of bank loans has been approved by CDR-EG under CDR mechanism on 25/03/2009. As per the restructuring approved by CDR, the company was not required to make repayment of any installments of principal during the year under review. However as per the repayment schedule prior to restructuring/rescheduling, there was a delay ranging upto 6 months in repayment of installment of principal of Rs.229.49 Lacs and a delay ranging upto 6 months in repayment of interest of Rs.779.23 Lacs which has been since rescheduled under the CDR mechanism. Further there was a delay ranging upto 4 months in repayment of principal of Rs.83.12 Lacs and a delay ranging up to 6 month in repayment of interest of Rs.4.37 Lacs to Dhanlaxmi Bank Ltd..
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of Para 4 (xiv) are not applicable to the Company.
15. As per the information provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not obtained any term loans from banks or financial institutions during the year under audit.
17. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term purpose.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the company has not issued any debentures.
20. During the year, the Company has not raised any money by way of Public issues.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For, **J. T. SHAH & COMPANY**
Chartered Accountants

(J. T. Shah)
Partner

Membership No. : 3983

Place : Ahmedabad
Date : 18.05.2009

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

Particulars	Schedule No.	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
1 Shareholders' Funds :			
(a) Share Capital	1	2700.00	2700.00
(b) Reserves and Surplus	2	0.00	0.00
		<u>2700.00</u>	<u>2700.00</u>
2 Loan Funds :			
(a) Secured Loans	3	11240.00	11187.65
(b) Unsecured Loans	4	5288.73	5260.25
		<u>16528.73</u>	<u>16447.90</u>
Total.....		<u>19228.73</u>	<u>19147.90</u>
APPLICATION OF FUNDS :			
1 Fixed Assets :	5		
(a) Gross Block		36641.92	36514.87
(b) Less : Depreciation		23770.07	22089.17
Net Block		<u>12871.85</u>	<u>14425.70</u>
Add: Capital Work in Progress		108.52	100.77
2 Investments :	6	3.36	2.36
3 Current Assets, Loans and Advances			
(a) Inventories	7	2622.83	3216.91
(b) Sundry Debtors	8	4419.78	5014.17
(c) Cash and Bank Balances	9	348.18	405.61
(d) Loans and Advances	10	2146.99	2988.46
		<u>9537.78</u>	<u>11625.15</u>
4 Less :Current Liabilities and Provisions			
(a) Current Liabilities	11	6337.66	8549.13
(b) Provisions	12	124.90	110.40
		<u>6462.56</u>	<u>8659.53</u>
Net Current Assets		3075.22	2965.62
5 Miscellaneous Expenditure (To the Extent not w/off or adjusted)			
(a) Profit and Loss Account		3169.78	1653.45
Total.....		<u>19228.73</u>	<u>19147.90</u>
Notes on Accounts	19		

As per our report of even date attached herewith
 For, **J. T. SHAH & COMPANY**
 Chartered Accountants

(J. T. Shah)
 Partner
 Membership No. 3983
 Place : Ahmedabad
 Date : 18.05.2009

For, **NOVA PETROCHEMICALS LIMITED**

Jyoti Prasad Chiripal **Sunil Kumar Gupta**
 Chairman Managing Director

Harish Motwani
 Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in Lacs)

Particulars	Schedule No.	For the year ended 31.03.2009	For the year ended 31.03.2008
INCOME			
1 Sales and Job Charges (Gross)		36856.47	37168.27
Less : Excise Duty		2085.95	2796.14
Sales (Net)		34770.52	34372.13
2 Other Income	13	97.12	125.34
3 Increase/(Decrease) in stock	14	(1176.31)	986.40
Total.....		33691.33	35483.87
EXPENDITURE			
1 Materials	15	22921.15	26348.75
2 Payments to and Provisions for Employees	16	558.69	515.90
3 Operational and Other Expenses	17	8317.82	7966.34
		31797.66	34830.99
Profit / (Loss) before Interest, Depreciation and Taxation		1893.67	652.88
Less : Interest and Financial Charges	18	1708.95	1705.21
Profit / (Loss) before Depreciation and Taxation		184.72	(1052.33)
Less : Depreciation	5	1686.55	1926.79
Profit / (Loss) before Taxation		(1501.83)	(2979.12)
Less : Provision for Taxation			
- Current including Wealth Tax		5.00	5.00
- Fringe Benefit Tax		9.50	5.00
- Deferred		0.00	0.00
Profit / (Loss) after Taxation		(1516.33)	(2989.12)
Add : Balance Brought from Previous Year		(4482.85)	(1493.73)
Balance Carried to Balance sheet		(5999.18)	(4482.85)
Notes on Accounts	19		
Basic and Diluted earning per share		(5.62)	(11.07)

As per our report of even date attached herewith

For, **J. T. SHAH & COMPANY**
Chartered Accountants

(J. T. Shah)

Partner

Membership No. 3983

Place : Ahmedabad

Date : 18.05.2009

For, **NOVA PETROCHEMICALS LIMITED**
Jyoti Prasad Chiripal
Chairman

Sunil Kumar Gupta
Managing Director

Harish Motwani
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in Lacs)

Particulars	2008-2009	2007-2008
A) CASH FLOW FROM OPERATING ACTIVITIES:-		
Net Profit after Tax and Extraordinary Items	(1516.33)	(2989.12)
Adjustment for:-		
1) Prior Year Adjustment	Nil	11.11
2) Loss on Sale of Fixed Assets	(0.93)	(0.36)
3) Depreciation	1686.55	1926.79
4) Interest Paid	1708.95	1705.21
5) Interest Received	(75.07)	(81.33)
6) Provision for Taxation (Incl. Provision for Deferred Tax Liability)	14.50	10.00
7) Provision for Doubtful Debtors and Advances	(8.89)	156.89
8) Bad Debts W/off.	Nil	Nil
9) Dividend Received	(0.03)	(0.02)
	3325.08	3728.29
Operating Profit Before Working Capital Changes	1808.75	739.17
Adjustment for:-		
1) Trade & Others Receivable	598.24	(1675.90)
2) Inventories	594.08	(887.39)
3) Loans & Advances	880.32	(428.23)
4) Current Liabilities	(3063.69)	1773.01
	(991.05)	(1218.51)
Cash Generated From Operation	817.70	(479.34)
Adjustment for:-		
1) Prior year adjustment	Nil	(11.11)
2) Tax Paid	(21.20)	(47.87)
	(21.20)	(58.98)
NET CASH FROM OPERATING ACTIVITIES (1)	796.50	(538.32)
B) CASH FLOW FROM INVESTMENT ACTIVITIES:-		
1) Purchase of Fixed Assets	(113.13)	(303.73)
2) Interest Received	(8.07)	43.54
3) Sale of Fixed Assets	3.04	7.94
4) Dividend Received	0.03	0.02
5) Decrease in Investment	(1.00)	5.01
	(119.13)	(247.22)
NET CASH USED IN INVESTMENT ACTIVITIES (2)	(119.13)	(247.22)

Particulars	2008-2009	2007-2008
C) CASH FLOW FROM FINANCING ACTIVITIES:-		
1) Increase/(Decrease) of Long term borrowings	824.98	1999.57
2) Increase/(Decrease) of Short term borrowings	(12.90)	123.03
3) Interest Paid	(1546.88)	(1343.13)
4) Dividend Paid (incl. Div.Tax)	(0.01)	(2.03)
	(734.81)	777.44
NET CASH FROM FINANCING ACTIVITIES (3)	(734.81)	777.44
Net Increase/(Decrease) in Cash & Cash Equivalent	(57.44)	(8.10)
Opening Cash & Cash Equivalent as on 1st April	405.62	413.72
Closing Cash & Cash Equivalent as on 31st March	348.18	405.62
	(57.44)	(8.10)

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- (2) Cash and Cash Equivalents at the end includes Rs.10.24 Lacs (Previous Year Rs. 10.29 Lacs) in respect of un claimed dividend and Rs. 160.47 Lacs (Previous Year Rs. 217.07 Lacs) in respect of Fixed Deposit Pledged with the Bank which are not available for you.

As per our report of even date attached herewith

For, **J. T. SHAH & COMPANY**

Chartered Accountants

(J. T. Shah)

Partner

Membership No. 3983

Place : Ahmedabad

Date : 18.05.2009

For, **NOVA PETROCHEMICALS LIMITED**

Jyoti Prasad Chiripal

Chairman

Sunil Kumar Gupta

Managing Director

Harish Motwani

Company Secretary

**SCHEDULES "1 TO 19" FORMING THE PART OF BALANCE SHEET AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009**

(Rs. in Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 1 : SHARE CAPITAL		
1 Authorised Capital		
5,00,00,000 Equity Shares (Previous Year 5,00,00,000) of Rs. 10/- each.	5000.00	5000.00
	5000.00	5000.00
2 Issued, Subscribed and Paid-up Capital		
2,70,00,000 (Pr. Year 2,70,00,000) Equity shares of Rs. 10 each fully paid up	2700.00	2700.00
Out of which 13500000 shares of Rs. 10/- each were issued as bonus shares by way of capitalisation of Share Premium		
Total.....	2700.00	2700.00
SCHEDULE - 2 : RESERVES AND SURPLUS		
1 Share Premium		
Balance as per last year	2379.40	2379.40
2 General Reserve		
Balance as per last year	450.00	450.00
3 Profit and Loss Account	(5999.18)	(4482.85)
	(3169.78)	(1653.45)
Add : Transferred to Miscellaneous Expenditure	3169.78	1653.45
Total.....	0.00	0.00
SCHEDULE - 3 : SECURED LOANS		
1 Term Loans from Banks	7867.63	7802.39
2 Working Capital Loans from Banks	3354.47	3382.67
3. Other Loan	17.90	2.59
Total.....	11240.00	11187.65
1 Term Loans are secured by first charge of Fixed Assets (through mortgage/hypothecation of Immovable and Movable Assets), both present and future; subject to prior charge in favour of bankers/other on specified Assets for Working Capital loans/other loans and further secured by personal guarantee of the Promoter Directors and corporate guarantee of the Promoter's group Companies and also further secured by second charge on Book debts and Stocks.		
2 Working Capital loans are secured by first charge on Book Debts and Stocks, and further secured by personal guarantee of the Promoter Directors and corporate guarantee of the Promoter's group Companies and also further secured by second charge on fixed assets specifies under point 1, as above.		
SCHEDULE - 4 : UNSECURED LOANS		
1 From Banks	611.21	547.20
2 Security Deposits	157.43	205.66
3 From Corporate Bodies	4519.55	4434.35
4 From others	0.54	73.04
Total....	5288.73	5260.25

SCHEDULE - 5 : FIXED ASSETS

(Rs. in Lacs)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01-04-08	Addition during the year	Deduction during the year	As at 31-03-09	As at 01-04-08	Addition during the year	Deduction during the year	As at 31-03-09	As at 31-03-09	As at 31-03-08
1	Freehold Land	209.18	0.00	0.00	209.18	0.00	0.00	0.00	0.00	209.18	209.18
2	Building	3651.57	0.39	0.00	3651.96	868.65	118.54	0.00	987.19	2664.77	2782.92
3	Furniture & Fixtures	136.83	0.38	0.00	137.21	82.45	8.67	0.00	91.12	46.09	54.37
4	Electrical Installation	3353.32	4.06	0.00	3357.38	1041.24	159.32	0.00	1200.56	2156.82	2312.08
5	Computer**	131.29	2.80	0.00	134.09	125.32	4.81	0.00	130.13	3.96	5.97
6	Plant & Machinery	28519.57	115.48	7.76	28627.29	19670.18	1363.82	5.65	21028.35	7598.94	8849.39
7	Equipments	387.42	3.25	0.00	390.67	223.95	18.48	0.00	242.43	148.24	163.47
8	Vehicle	125.69	8.45	0.00	134.14	77.38	12.91	0.00	90.29	43.85	48.32
	Sub Total	36514.87	134.81	7.76	36641.92	22089.17	1686.55	5.65	23770.07	12871.85	14425.70
9	Capital WIP	100.77	7.75	0.00	108.52	0.00	0.00	0.00	0.00	108.52	100.77
	Sub Total	100.77	7.75	0.00	108.52	0.00	0.00	0.00	0.00	108.52	100.77
	Grand Total	36615.64	142.56	7.76	36750.44	22089.17	1686.55	5.65	23770.07	12980.37	14526.47
	Previous Year	36434.77	452.76	271.89	36615.64	20174.70	1926.79	12.32	22089.17	14526.47	16260.05

(Rs. in Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
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SCHEDULE - 6 : INVESTMENTS

LONG TERM INVESTMENTS (NON TRADE)

INVESTMENT IN SHARES (QUOTED)

1	100 (P.Y. 100) Equity Shares of Mahendra Suitings Ltd., of Rs. 10/- each fully paid-up	0.00150	0.00150
2	50 (P.Y. 50) Equity Shares of JCT Ltd., of Rs. 10/- each fully paid-up	0.00308	0.00308
3	100 (P.Y. 100) Equity Shares of Rajasthan Petro Synthetics Ltd., of Rs. 10/- each fully paid-up	0.00175	0.00175
4	100 (P.Y. 100) Equity Shares of JBF Industries Ltd., of Rs. 10/- each fully paid-up	0.00905	0.00905
5	100 (P.Y. 100) Equity Shares of Sanghi Polyester Ltd., of Rs. 10/- each fully paid-up	0.00370	0.00370
6	8 (P.Y. 8) Equity Shares of Indo Rama Synthetics (India) Ltd., of Rs. 10/- each fully paid-up	0.00080	0.00080
7	2 (P.Y. 2) Equity Shares of Spentex Industries of Rs. 10/- each fully paid-up	0.00020	0.00020
8	1 (P.Y. 1) Equity Shares of Reliance Industries Ltd., of Rs. 10/- each fully paid-up	0.00185	0.00185
9	1 (P.Y. 1) Equity Shares of Reliance Natural Resources Ltd., of Rs. 5/- each fully paid-up	0.00003	0.00003
10	50 (P.Y. 50) Equity Shares of Century Enka Ltd., of Rs. 10/- each fully paid-up	0.01890	0.01890
11	50 (P.Y. 50) Equity Shares of Garden Silk Mills Ltd., of Rs. 10/- each fully paid-up	0.00328	0.00328
12	2800 (P.Y. 2800) Equity Shares of UCO Bank Ltd., of Rs. 10/- each fully paid-up	0.33600	0.33600
13	1 (P.Y. 1) Equity Shares of Reliance Communication Ltd., of Rs. 5/- each fully paid-up	0.00137	0.00137
		0.38151	0.38151

INVESTMENT IN SHARES (UNQUOTED)

1	19800 (P.Y. 19800) Equity Shares of NPL Power Pvt. Ltd., of Rs. 10/- each fully paid-up	1.98000	1.98000
2	4000 (P.Y. Nil) Equity Shares of The Kalupur Commercial Co-Operative Bank Ltd. of Rs. 25/- each fully paid	1.00000	Nil
		3.36151	2.36151

Aggregate value of Quoted Investments

0.38151 0.38151

Market value of Quoted Investments

0.77510 1.28257

(Rs. in Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 7 : INVENTORIES		
1 Raw Materials	622.91	271.87
2 Stores, Spares and Fuel	781.14	794.37
3 Packing Materials	41.76	12.71
4 Work-In-Process	576.51	1669.66
5 Finished Goods	234.48	275.47
6 Trading Stock	42.15	84.32
7 Goods-in-Transit	323.88	108.51
Total...	2622.83	3216.91
SCHEDULE - 8 : SUNDRY DEBTORS		
(Unsecured except reported at Note no 27 of Schedule 19)		
Considered Good		
1 Outstanding for a Period exceeding 6 Months	921.93	969.65
2 Others	3497.85	4044.52
	4419.78	5014.17
Considered Doubtful		
1 Outstanding for a Period exceeding 6 Months	125.99	129.84
2 Others	Nil	Nil
	125.99	129.84
	4545.77	5144.01
Less: Provision for Doubtful Debtors	125.99	129.84
Total....	4419.78	5014.17
SCHEDULE - 9 : CASH AND BANK BALANCES		
1 Cash on hand	7.41	2.00
2 Balance With Scheduled Banks		
- In Current Account/Cheques on hand	147.87	185.87
- In Fixed Deposit	192.86	217.70
	340.73	403.57
3 Balance with Non Scheduled Bank in Current Accounts	0.04	0.04
Total....	348.18	405.61
SCHEDULE - 10 : LOANS AND ADVANCES		
(Unsecured)		
1 Advances Recoverable in Cash or Kind		
Considered Good	1382.81	2248.75
Considered Doubtful	96.06	101.10
	1478.87	2349.85
Less: Provisions for Doubtful Advances	96.06	101.10
	1382.81	2248.75
2 Deposits	438.51	435.85
3 Advance to Staff	0.74	0.13
4 Balance with Excise authority (Payable on Demand)	0.21	0.21
5 Advance Tax and TDS	324.72	303.52
Total.....	2146.99	2988.46

(Rs. in Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 11 : CURRENT LIABILITIES		
1 Sundry Creditors	6253.66	8326.81
2 Book Overdraft	31.51	31.96
3 Advance from Customers / Employees	36.06	173.91
4 Unclaimed dividend	16.43	16.45
Total....	6337.66	8549.13
SCHEDULE - 12 : PROVISIONS		
1 Provision for Taxation	124.90	110.40
2 Provision for Dividend	0.00	0.00
3 Provision for Tax on Proposed Dividend	0.00	0.00
Total....	124.90	110.40
(Rs. in Lacs)		
Particulars	For the year ended 31.03.2009	For the year ended 31.03.2008
SCHEDULE - 13 : OTHER INCOME		
1 Interest (TDS Rs. 3.22 Lacs, Previous year Rs. 6.55 Lacs)	75.07	81.33
2 Miscellaneous Balances Written off	0.16	25.96
3 Miscellaneous Income	21.86	18.03
4 Dividend	0.03	0.02
Total..	97.12	125.34
SCHEDULE - 14 : INCREASE / (DECREASE) IN STOCK		
Closing Stock :		
1. Finished Goods	276.63	359.79
2. Work-In-Process	576.51	1669.66
	853.14	2029.45
Less : Opening Stock		
1. Finished Goods	359.79	259.84
2. Work-In-Process	1669.66	783.21
	2029.45	1043.05
Total..	(1176.31)	986.40
SCHEDULE - 15 : MATERIALS		
Raw Materials Consumed	22526.87	23791.10
Purchase of Finished Goods	394.28	2557.65
Total..	22921.15	26348.75
SCHEDULE - 16 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
1 Salary and Wages	518.64	471.39
2 Contribution to P.F. and other funds	23.34	25.70
3 Staff and Labour Welfare	16.71	18.81
Total..	558.69	515.90

Particulars	(Rs. in Lacs)	
	For the year ended 31.03.2009	For the year ended 31.03.2008
SCHEDULE - 17 : OPERATIONAL, ADMINISTRATIVE AND SELLING EXPENSES		
1 Stores and Spares Consumed	388.30	523.41
2 Power and Fuel Consumed	3530.69	2853.80
3 Packing Material Consumed	1230.72	1212.78
4 Freight, Cartage and Octroi	475.12	617.82
5 Insurance	70.31	81.26
6 Rent, Rates and Taxes	8.29	6.45
7 Vat Expense	1564.31	1741.05
8 Excise Duty Expenses	(0.43)	1.69
9 Service Tax	12.30	38.17
10 Postage and Telephone Expenses	13.98	11.89
11 Stationery, Printing and Advertisement	10.10	13.11
12 Selling and Distribution Expenses	625.22	393.42
13 Travelling, Conveyance and Vehicle Expenses	81.94	74.91
14 Repairs and Maintenance :		
(a) Plant	118.21	59.88
(b) Building	2.76	3.66
(c) Others	25.25	17.74
	146.22	81.28
15 Legal and Professional Exps.	50.60	63.60
16 Exchange Rate Difference	72.50	53.59
17 Auditor's remuneration :		
(a) Audit fees	3.00	3.00
(b) Tax Audit fees	0.50	0.50
(c) Taxation and Others	0.50	0.50
(d) Certification	Nil	0.13
	4.00	4.13
18 Miscellaneous Expenses	41.61	37.45
19 Provision for Doubtful Debtors and Advances (Net)	(8.89)	156.89
20 Loss on Sale of Fixed Asset	0.93	(0.36)
Total ...	8317.82	7966.34
SCHEDULE - 18 : INTEREST AND FINANCE CHARGES		
1 Interest on Term Loans	894.60	803.83
2 Interest on Working Capital Loans	331.92	383.79
3 Bank and Other Charges	276.73	300.68
4 Interest to Others	205.70	216.91
Total ...	1708.95	1705.21

SCHEDULE - 19 : 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. CONTINGENT LIABILITIES:

	2008-2009 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
a) Letters of Credit Outstanding	3544.90	2394.44
b) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of Rs. 40.00 Lacs)	545.20	491.59
c) Disputed demand of Custom Duty (Against which the Company has paid amount of Rs. 17.08 Lacs)	Nil	20.00
d) Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of Rs. 405.01 Lacs)	5483.23	1732.53
e) Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles.	101.80	Nil
f) Service Tax demand disputed in appeal by the Company/Authority	Nil	26.94
g) Claims not acknowledged as debts by the company	2.25	108.78
h) Show Cause Notices received from various authorities	317.32	1948.26
i) Employees Demands pending before Labour Courts	Amount not ascertainable	Amount not ascertainable
<p>3. 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. 2652.64 Lacs (Previous Year Rs. 2967.52 Lacs).</p>		
<p>4. After receipt of consent from Shareholders, Creditors for goods/expenses, creditors for unsecured loans and lastly from creditors for secured Loans (on 22.12.2008) the Company had filed a petition under Section 391 and 394 of the Companies Act,1956 with the High Court of Gujarat on the 30th day of December,2008 for sanctioning the composite scheme of arrangement in the nature of Demerger, Reorganisation of Capital and transfer of Demerged Undertaking from Nova Petrochemicals Limited to Nova Polyarn Limited. The said petition was admitted by the Hon'ble High court of Gujarat on the 12th day of January,2009 and is being pending before the Hon'ble High court for approval.</p>		
<p>5. 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 banks loans/facilities on 25th March, 2009 and approval was conveyed to all the banks by CDR Cell vide their letter dated 31.03.09.</p>		
<p>6. Debtors includes Rs.379.22 lacs (Previous Year Rs.224.28 Lacs) due from private companies in which some of the directors are interested as directors and Rs. Nil (Previous Year 2.56 Lacs) due from firms in which some of the directors are interested as partners.</p>		
<p>7. Loans and Advances includes Rs. NIL (Previous Year Rs. 996.79 Lacs) due from private companies in which some of the directors are interested as directors and Rs. NIL (Previous Year Rs. 117.86 Lacs) due from firms in which some of the directors are interested as partners.</p>		
<p>8. Secured and Unsecured loans where repayments are stipulated include Rs.600.00 Lacs (Previous year Rs. 364.91 Lacs) repayable within a period of one year.</p>		
<p>9. Traveling, Conveyance & Vehicle Expenses include Directors Traveling Rs. 11.99 Lacs (Previous Year Rs. 7.91 Lacs).</p>		
<p>10. 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.</p>		
<p>11. Maximum debit balance in Non Scheduled Bank during the year is Rs. 0.04 Lacs (Previous year Rs 0.04 Lacs).</p>		
<p>12. Profit for the year has been arrived at after adjusting prior period credits of following items:-</p>		
	31-03-2009	31-03-2008
i) Raw Material Consumption	6.59	(7.36)
ii) Payment to Employees	(4.17)	(0.73)
iii) Freight & Cartage	0.67	5.34
iv) Rent Rates and Taxes	(85.93)	Nil
v) Telephone Expense	1.36	0.99
vi) Traveling Expense	2.93	Nil
vii) Repairs & Maintenance Expense	8.65	10.98
viii) Legal & Professional Expense	2.88	Nil
ix) Miscellaneous Expense	1.25	1.89
Total . . .	(65.77)	11.11

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

Sr. Particulars No.	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	14.29	29.61
Fair value of plan assets	14.29	29.61
Present value of unfunded obligations	55.96	34.27
Unrecognized past service cost	—	—
Net liability	55.96	34.27
Amounts in the balance sheet:		
- Liabilities	55.96	34.27
- Assets	—	—
Net liability	55.96	34.27
ii) The amounts (in Rs.) recognized in the statement of profit and loss.		
Current service cost	13.62	9.99
Interest on obligation	5.05	7.50
Expected return on plan assets	(1.98)	(3.07)
Net actuarial losses (gains) recognised in year	6.51	(29.84)
Past service cost		
Losses (gains) on curtailments and settlement	—	—
Total, included in 'employee benefit expense'	23.20	(15.42)
Actual return on plan assets	1.93	3.08
iii) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof.		
Opening defined benefit obligation	63.89	88.23
Service cost	13.62	9.99
Interest cost	5.05	7.50
Actuarial losses (gains)	6.46	(29.83)
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	(18.77)	(12.00)
Closing defined benefit obligation	70.25	63.89
iv) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof.		
Opening fair value of plan assets	29.61	38.53
Expected return	1.98	3.06
Actuarial gains and (losses)	(0.05)	0.02
Assets distributed on settlements	—	—
Contributions by employer	1.52	—
Assets acquired in an amalgamation in the nature of purchase	—	—
Exchange differences on foreign plans	—	—
Benefits paid	(18.77)	(12.00)
closing balance of fair value of plan assets	14.29	29.61
v) The major categories of plan assets as a percentage of total plan assets.		
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%

Sr. Particulars No.	Gratuity (Funded) Defined benefit Obligation 31/03/09	Gratuity (Funded) Defined benefit obligation 31/03/08
vi) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :		
Discount rate	7.91%	8.50%
Expected return on plan assets	9.00%	9.00%
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	70.25	63.88
Plan assets	14.29	29.61
Surplus/(deficit)	(55.96)	(34.27)
Experience adjustments on plan Liabilities	—	—
Experience adjustments on plan assets	—	—
viii) Movement in net liability recognised in Balance Sheet.		
Net opening liability	34.27	49.69
P&L Charge	23.21	(15.42)
Contribution paid	(1.52)	—
closing net liability	55.96	34.27
ix) Transitional Liability		
D.B.O. As on 1-4-2008	—	88.23
Market value of Investment as on 1-4-2008	—	(38.53)
Provision in books of Accounts maintained under the Accounting Standard.	—	(48.47)
transitional liability (assets) as on 1-4-2008	—	1.23
Note-		
Transitional liability (assets) as on 1-4-2008 is worked out on the basis of discount rate	—	8.00%

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

Sr. Particulars No.	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/09	Leave Encashment (Unfunded) Defined benefit obligation 31/03/08
i) Employee Benefit Obligations The amounts (in Rs.) recognized in the balance sheet.		
Present value of funded obligations	—	—
Fair value of plan assets	—	—
Present value of unfunded obligations	27.83	18.15
Unrecognized past service cost	—	—
Net liability	27.83	18.15
Amounts in the balance sheet:		
- Liabilities	27.83	18.15
- Assets	—	—
Net liability	27.83	18.15
ii) The amounts (in Rs.) recognized in the statement of profit and loss.		
Current service cost	12.15	5.73
Interest on obligation	1.43	1.22
Expected return on plan assets	—	—
Net actuarial losses (gains) recognised in year	(3.90)	(1.05)
Past service cost	—	—
Losses (gains) on curtailments and settlement	—	—
Total, included in 'employee benefit expense'	9.68	5.90
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	18.15	14.40
Service cost	12.15	5.73

Sr. Particulars No.	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/09	Leave Encashment (Unfunded) Defined benefit obligation 31/03/08
Interest cost	1.43	1.22
Actuarial losses (gains)	(3.90)	(1.05)
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	—	(2.15)
Closing defined benefit obligation	27.83	18.15
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)	—	—
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) The major categories of plan assets as a percentage of total plan assets.		
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) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :		
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	27.83	18.15
Plan assets	—	—
Surplus/(deficit)	(27.83)	(18.15)
Experience adjustments on plan Liabilities	—	—
Experience adjustments on plan assets	—	—
viii) Movement in net liability recognized in Balance Sheet.		
viii) Net opening liability	18.15	14.40
P&L Charge	9.68	5.90
Contribution paid	—	(2.15)
closing net liability	27.83	18.15
ix) Transitional Liability		
D.B.O. As on 1-4-2008	—	14.40
Market value of Investment as on 1-4-2008	—	—
Provision in books of Accounts maintained under the Accounting Standard.	—	(24.52)
transitional liability (assets) as on 1-4-2008	—	(10.12)
Note		
Transitional liability (assets) as on 1-4-2008 is worked out on the basis of discount rate	—	8.20%

15. 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.

16. Earning Per Share
Particulars

Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)

31-03-2009
31-03-2008

Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	(1516.33)	(2989.12)
Nominal Value per Share	10.00	10.00
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	270.00	270.00
Basic and Diluted earning per share	(5.62)	(11.07)

17. Related Party Disclosures
a) Key Management Personnel

<u>Sr. No.</u>	<u>Name</u>	<u>Designation</u>
1	Shri Jyoti Prasad Chiripal	Chairman
2	Shri Sunil Kumar Gupta	Managing Director
3	Shri Shyam Gupta	Director
4	Shri Ved Prakash Chiripal	Director

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

1	Chiripal Industries Ltd.	2	Deepak Enterprise	3	Koshibo Trade Links Pvt. Ltd
4	Gupta Synthetics Limited	5	Gupta Dying and Printing Mills Pvt. Ltd.	6	Nandan Exim Ltd.
7	Shanti Exports Pvt. Ltd.	8	Sharp Synthetics Pvt. Ltd.	9	Ellora Syntex Pvt. Ltd.
10	Vishal Fabrics Pvt. Ltd.	11	ShubhLaxmi Dying and Print Mills P. Ltd	12	Gupta Tex Prints Pvt.Ltd.
13	Aviva Industries Ltd	14	Poly Coat India Pvt Ltd.	15	Nova Poly Yarn Ltd.
16	NPL Power Pvt. Ltd.				

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 Personnel	Relatives of Key Management	Total
1	Unsecured Loans				
	- Taken during the year	Nil (Nil)	2457.25 (2480.11)	Nil (Nil)	2457.25 (2480.11)
	Balance as at Balance Sheet Date	Nil (Nil)	2548.06 (4507.39)	Nil (Nil)	2548.06 (4507.39)
2	Advances Recoverable in Cash or Kind				
	- Given during the year	Nil (Nil)	0.02 (92.25)	Nil (Nil)	0.02 (92.25)
	- Balance as at Balance Sheet Date	Nil (Nil)	Nil (1372.17)	Nil (Nil)	Nil (1372.17)
3	Advances Received from Customers				
	- Received during the year	Nil (Nil)	Nil (6.7)	Nil (Nil)	Nil (6.7)
	- 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)	16.36 (3.94)	Nil (Nil)	16.36 (3.94)
	- Purchase of Goods, Packing Material and Stores	Nil (Nil)	2400.76 (5533.04)	Nil (Nil)	2400.76 (5533.04)
	- Jobwork Charges	Nil (Nil)	9.53 (Nil)	Nil (Nil)	9.53 (Nil)
5	Income Received				
	- Interest Received	Nil (Nil)	11.80 (21.36)	Nil (Nil)	11.80 (21.36)
	- Jobwork Income	Nil (Nil)	166.84 (453.90)	Nil (Nil)	166.84 (453.90)
6	Stock in trade - Sold / Redeemed during the year	Nil (Nil)	5104.29 (9877.33)	Nil (Nil)	5104.29 (9877.33)
	- Balance as at Balance Sheet Date	Nil (Nil)	846.12 (630.36)	Nil (Nil)	846.12 (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 :

	Rs. In Lacs
1. Unsecured Loan Taken :-	
- Chiripal Industries Ltd	2375.30
2. Advance Recoverable in cash or Kind Advance Give :-	
- Nova Poly yarn Ltd.	0.02
3. Expenditure :-	
Agency Commission Paid:	
- Gupta Synthetics Ltd.	8.29
- Sharp Synthetics Pvt. Ltd	4.15
- Ellora Syntex Pvt. Ltd	3.92
Purchase of Goods, Packing Material and Stores :-	
- Gupta Synthetics Ltd.	942.90
- Chiripal Industries Ltd-	1405.19
Jobwork Expenditure:	
- Gupta Dyeing and Printing Mills Pvt Ltd.	9.53
4. Income Received :-	
Interest Received :	
- Gupta Dyeing and Printing Mills Pvt Ltd.	11.81
Jobwork Income:	
- Chiripal Industries Ltd.	166.84
5. Stock in trade :-	
Sold / Redeemed during the year	
- Gupta Synthetics Ltd.	2083.79
- Gupta Dyeing & Printing Mills Pvt Ltd.	1339.64
- Shubhlaxmi Dye & Printing Mills Pvt.Ltd	1272.97
- 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 Accountants of India.	
19. The amount of Exchange Difference	
Debited to Profit and Loss Account Rs.72.50 Lacs (Previous Year Debited to Profit & Loss Account Rs. 55.95 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.166.32 Lacs (Previous year Rs. 178.76 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, Kwalitiy Tubes Pvt. Ltd., Nirmal Tubes & Containers P. Ltd., Pooja Paper Craft, Pooja Plastic Ind., Rajhans Trader.	
21. Balance in Current Account with Scheduled Banks includes Rs.10.27 Lacs (Previous Year Rs. 10.29 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.15.74 Lacs (Previous Year Rs. 15 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	Licence Capacity	Installed Capacity	
			2008-09	2007-08
1	Partially Oriented Polyester Filament Yarn (POY)	License is not required	39220 Tons p.a.*	39220 Tons p.a.*
2	Polyester Texturised Yarn	License is not required	3011 Tons p.a.*	3011 Tons p.a.*
3	Draw Twisted Yarn	License is not required	3282 Tons p.a.*	3282 Tons p.a.*
4	Fully Draw Yarn	License is not required	18912 Tons p.a.*	18912 Tons p.a.*
5	Polyester Chips	License is not required	52800 Tons p.a.*	52800 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.	Products	Unit	Opening Stock				Closing Stock			
			Quantity		Value (Rs. in Lacs)		Quantity		Value (Rs. in Lacs)	
			2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	230979	92777	133.49	65.87	200500	230979	62.62	133.49
2	Polyester Texturised Yarn	Kg.	35150	12076	27.42	8.83	14023	35150	14.06	27.42
3	Draw Twisted Yarn	Kg.	36636	10071	35.16	8.08	13493	36636	13.44	35.16
4	Fully Draw Yarn	Kg.	97926	169411	79.40	136.46	62414	97926	46.48	79.40
5	Cloth	Mtr.	66352	37017	84.33	40.61	33176	66352	42.16	84.33
6	Polyester Chips	Kg.	Nil	Nil	Nil	Nil	175170	Nil	97.87	Nil
Total . . .					359.80	259.85			276.63	359.80

c) Production meant for Sale

Sr. No.	Products	Unit	Quantity	
			2008-09	2007-08
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	17768513	17802627
2	Polyester Texturised Yarn	Kg.	1329101	1368459
3	Draw Twisted Yarn	Kg.	2469176	1547269
4	Fully Draw Yarn	Kg.	15451315	14686112
5	Polyester Chips	Kg.	7901985	7987423

d) Purchase of Finished Goods

Sr. No.	Products	Unit	Quantity		Value (Rs. in Lacs)	
			2008-09	2007-08	2008-09	2007-08
1	Cloth	Mtr.	143881	3714352	55.63	2380.89
2	Chips	Kg	124767	228090	69.74	128.25
3	Partially Oriented Polyester Filament Yarn POY	Kg	203499	64404	163.84	48.51
4	Draw Twisted Yarn	Kg	97641	Nil	105.08	Nil
Total . . .			569788	4006846	394.29	2557.65

e) Sales

Sr. No.	Products	Unit	Quantity		Value (Rs. in Lacs)	
			2008-09	2007-08	2008-09	2007-08
1	Partially Oriented Polyester Filament Yarn POY	Kg.	18002491	17728829	12894.05	12738.09
2	Polyester Texturised Yarn	Kg.	1350228	1345385	1207.79	1157.27
3	Draw Twisted Yarn	Kg.	2589960	1520704	3165.38	1672.29
4	Fully Draw Yarn	Kg.	15486827	14757599	14415.18	13204.16
5	Chips	Kg	7851582	8133491	4286.07	5032.20
6	Cloth	Mtr.	177057	3685017	93.22	2738.73
7	Others including Job Charges		—	—	794.79	625.53
Total . . .					36856.48	37168.27

Consumption of Raw Materials

Sr. No.	Products	Unit	Quantity		Value (Rs. in Lacs)	
			2008-09	2007-08	2008-09	2007-08
1	Polyester Chips		12137041	4231766	6786.37	2441.56
2	Pure Terephthalic Acid PTA		27932260	35042602	10656.77	13605.85
3	Mono Ethylene Glycol MEG		11028355	13897455	4096.57	7056.99
4	Others		—	—	980.56	694.06
	Total . . .				22520.27	23798.46

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:

	Imported		Indigenous		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1 Raw Materials Consumed:						
Value Rs. In lacs	1343.82	544.26	21176.45	23254.20	22520.27	23798.46
Percentage	5.97%	2.29%	94.03%	97.71%	100%	100%
2 Stores & Spares Consumed						
Value Rs. In lacs	26.92	71.35	361.38	452.06	388.30	523.41
Percentage	6.93 %	13.63 %	93.07 %	86.37 %	100%	100%
					2008-09 (Rs. in Lacs)	2007-08 (Rs. in Lacs)

h C.I.F. Value of Imports

1 Capital Goods	32.66	28.42
2 Raw Materials	1475.65	515.91
3 Stores and Spares	26.92	80.37

i Expenditure in Foreign Exchange

1 Foreign Traveling	3.14	1.51
2 Interest and Bank Charges	25.67	86.23

j Earning in Foreign Exchange:

FOB Value of Exports	Nil	Nil
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14. Balances of Debtors, Creditors, Advances etc. are subject to confirmation and reconciliation wherever required.

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

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

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

Signature to Schedules "1" to "19"

As per our report of even date attached herewith

For, **J. T. SHAH & COMPANY**

Chartered Accountants

(J. T. Shah)

Partner

Membership No. 3983

Place : Ahmedabad

Date : 18.05.2009

For, **NOVA PETROCHEMICALS LIMITED**

Jyoti Prasad Chiripal
Chairman

Sunil Kumar Gupta
Managing Director

Hairsh Motwani
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	20927	State Code	04
Balance Sheet Date	31/03/2009		

II. Capital Raised during the year (Rs. in Thousands)

Public issue	NIL	Right issue	NIL
Bonus issue	NIL	Private Placement	NIL

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

Total Liabilities	1922873	Total Assets	1922873
SOURCES OF FUNDS			
Paid-up Capital	270000	Reserves & Surplus	NIL
Secured Loans	1124000	Unsecured Loans	528873
APPLICATION OF FUNDS			
Net Fixed Assets	1298037	Investments	336
Net Current Assets	307522	Miscellaneous Expenditure	316978
Deferred Tax Liability	NIL		
Accumulated Losses	NIL		

IV. Performance of Company (Rs. in Thousands)

Turnover (Including other Income)	3695359	Total Expenditure	3845542
Profit / (Loss) Before Tax	(150183)	Profit / (Loss) After Tax	(151633)
Earning per Share (Rs.)	(5.62)	Dividend Rate	NIL

V. Generic Names of Three Principal Products of Company

Product Description	Item Code No. (ITC Code)
1. Polyester Filaments Yarn	540242
2. Polyester Draw Twisted Yarn	002403
3. Polyester Texturised Yarn	540232
4. Polyester Chips	003029
5. Polyester Fully Drawn Yarn	003062

For, NOVA PETROCHEMICALS LIMITED

Jyoti Prasad Chiripal
Chairman

Sunil Kumar Gupta
Managing Director

Hairsh Motwani
Company Secretary

NOVA PETROCHEMICALS LIMITED

Registered Office : Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway,
Tal. Sanand, Dist. Ahmedabad - 382 210.

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE PLACE OF MEETING.

Name and Address of the Shareholder :

Folio No. : DP Id : Client Id :

No. of Shares held :

I hereby record my presence at the Sixteenth Annual General Meeting of the Company held on Friday, 4th September, 2009 at 3.30 p.m. at Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad - 382 210.

SIGNATURE OF THE SHAREHOLDER/PROXY :

Strike out whichever is not applicable

.....TEAR HERE.....

NOVA PETROCHEMICALS LIMITED

Registered Office : Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway,
Tal. Sanand, Dist. Ahmedabad - 382 210.

PROXY FORM

I/We ofbeing a member/ members of the
NOVA PETROCHEMICALS LIMITED hereby appoint of.....
..... or failing him of.....as my/our proxy to vote
for me/us and on my/our behalf at the Sixteenth Annual General Meeting to be held on Friday, 4th September, 2009 at 3.30 p.m. or at any
adjournment thereof.

Signed day of 2009

Affix One
Rupee
Revenue
Stamp

Folio No. : DP Id : Client Id :

No. of Shares held.....

NOTE : The Proxy Form must be returned so as to reach the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

TEAR HERE

BOOK-POST

If undelivered please return to :
NOVA PETROCHEMICALS LIMITED
Survey No. 396/403, Moraiya Village,
Sarkhej-Bavla Highway, Tal. Sanand,
Dist. Ahmedabad - 382 210.