

CIL NOVA PETROCHEMICALS LIMITED
(FORMERLY KNOW AS NOVA POLY YARN LIMITED)

S.No. 391-396 (P), Moraiya Village, Sarkhej – Bavla Highway, Tal. Sanand, Ahmedabad – 382210,
Gujarat

NOTICE

Notice is hereby given that the **6th Annual General Meeting** of the Members of the Company will be held on **Thursday, 23rd September 2010** at 3.30 P.M at Survey No. 391, 396 (P), Moraiya Village, Sarkhej Bavla Highway, Tal Sanand, Ahmedabad, Gujarat – 382 210, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Jyotiprasad D Chiripal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors M/s. J T Shah & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION:**

“**RESOLVED THAT** Shri Ambalal C Patel, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing AGM of the Company and in respect of whom notice under Section 257 of the Companies Act, 1957 has been received from a member signifying his intention to propose Shri Ambalal C Patel as the candidate for the office of director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION:**

“**RESOLVED THAT** Shri Murli R Goyal, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing AGM of the Company and in respect of whom notice u/s 257 of the Companies Act, 1957 has been received from a member signifying his intention to propose Shri Murli R Goyal as the candidate for the office of director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs.2000/- Crores (Rupees Two Thousand Crores only).”

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors for mortgaging and/or charging in such form and manner and on such terms and at such item(s) as the Board of Directors may deem fit, the whole or substantially the whole of the undertaking of the Company, all the movable and immovable properties of the Company, present and future wheresoever situate in favour of financial/Investment Institution(s)/Bank(s)/Trustees to secure loans and/or other credit facilities availed or proposed to be availed, the debenture/bonds issued or proposed to be issued or any other debts availed or proposed to be availed from any other Bank(s)/Institution(s)/Authority(s)/Entity(s) together with interest thereon and such other costs, charges, expenses and other moneys payable by the Company as per the terms and conditions of the loan agreement entered into or proposed to be entered into or the issue of bonds/debentures issued/proposed to be issued by the Company, upto the maximum ceiling of Rs.2000/- Crores (Rupees Two Thousand Crores Only) as prescribed under Section 293(1)(d) of the Companies Act, 1956 for borrowing by the Company”.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the movable and immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors and to perform all such acts and things as may be necessary in this regard.

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT consent of the Company be and is hereby accorded under the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to contribute on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of the employees of the Company from time to time, as it may deem fit, provided however that the total amount up to which the Board of Directors may contribute to such charitable and other funds as aforesaid from time to time shall not exceed, in the aggregate, the sum of Rs.5 Crores (Rupees Five Crores Only) in any one Financial Year.”

9. To consider, and if thought fit, to pass with or without modification the following resolution as **SPECIAL RESOLUTIONS:**

“RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 approval of members be and is hereby granted that the Register of Members, the Index of Members, and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of the certificate and documents required to be annexed thereto under Section 161 of the Act or any one or more of them and statutory records be kept at the Company’s Corporate Office at ‘Chiripal House’, Shivranjani Cross Roads, Satellite, Ahmedabad – 380015 instead of being kept at the Registered Office of the Company”

By Order of the Board of Directors

Sd/-

Jyotiprasad D Chiripal
Chairman

Date: 07-08-2010
Place: Ahmedabad

NOTES:

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/HER SELF AND PROXY NEED NOT BE A MEMBER.**

IN ORDER THAT THE PROXIES TO BE EFFECTIVE, THE PROXY FORMS SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE ON OR BEFORE 48 HOURS FROM THE DATE OF HOLDING OF THE MEETING.

2. Members are requested to notify changes in address, if any, immediately to the Company at its registered office quoting their Folio Numbers.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m and 1.00 p.m upto the date of the ensuing Annual General Meeting.
4. Members / Proxies should fill the Attendance Slip for attending the Meeting; Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification for attendance at the Meeting.
5. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Register shall remain closed for registering share transfer from Saturday, 11th September, 2010 to Saturday, 18th September, 2010 (both days inclusive).

Date: 07-08-2010
Place: Ahmedabad

By Order of the Board of Directors
Sd/-
Jyotiprasad D Chiripal
Chairman

EXPLANATORY STATEMENT

The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 sets out all material facts relating to the business mentioned at item nos. 4 to 9 of the accompanying notice.

ITEM NO. 4:

Shri Ambalal C Patel was appointed as an Additional Director of the Company on 5th October, 2009, by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member signifying his intention to propose appointment of Shri Ambalal C Patel as a Director. The approval of the members is sought for the appointment of himself as a Director liable to retire by rotation.

The Board recommends the resolution for your approval.

None of the Directors, except Shri Ambalal C Patel, is concerned or interested in the resolution.

ITEM NO. 5:

Shri Murli R Goyal was appointed as an Additional Director of the Company on 5th October, 2009, by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member signifying his intention to propose appointment of Shri Murli R Goyal as a Director. The approval of the members is sought for the appointment of himself as a Director liable to retire by rotation.

The Board recommends the resolution for your approval.

None of the Directors, except Shri Murli R Goyal, is concerned or interested in the resolution.

ITEM NO. 6:

Pursuant to Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of a Company cannot, except with the consent of the Company in General Meeting, borrow monies, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. To meet the capital expenditure for expansion project/new projects and for future Projects/Planning, and also to provide for the issue of any debt/debt related instruments in the Indian and/or International Market, it is necessary to fix borrowing limit by the Board of Directors upto which they can borrow and therefore, your approval is being sought pursuant to Section 293(1)(d) of the Act for borrowing limit upto Rs.2000/- Crores. (Rupees Two Thousand Crores Only).

Your Directors recommended the above resolution for your approval.

None of the Directors is in any way concerned or interested in the proposed resolution

ITEM NO. 7:

In order to fund the future expansion projects/new projects, the Company may be resorting to secured borrowings from time to time in the form of Loan/Credit Facilities/Issue of bonds/ Debentures and other forms of financial assistance from various Financial/Investment Institutions/Banks/Entities/Authorities which may necessitate creation of security in favour of the Lenders/Trustees to the Bond/Debenture

Holders and others. Accordingly, the resolution has been proposed seeking approval of members under Section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors for mortgaging and/or charging the properties of the Company under Section 293(1)(a) of the Companies Act, 1956 upto the maximum ceiling prescribed as Rs.2000 Crores (Rupees Two Thousand Crores Only) as prescribed limit under Section 293(1)(d) of the Companies Act, 1956 for borrowing by the Company in excess of aggregate limit of the paid-up capital of the Company and its free reserves.

Your Directors recommended the above resolution for your approval.

None of the Directors is in any way concerned or interested in the proposed resolution

ITEM NO. 8:

The Board of Directors of the Company feels that as a part of its Corporate Social Responsibility initiative, the Company should contribute certain amount to charitable institutions and / or trusts, etc. However, in terms of Section 293(1)(e) of the Companies Act, 1956, a Company cannot contribute to any charitable or other funds not directly relating to the business of the Company or welfare of its employees, any amount the aggregate of which will in any Financial Year exceed Rs.5 Crores (Rupees Five Crores Only) or 5% of its average net profits determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three Financial Years immediately preceding, whichever is greater, except with the consent of the members in the General Meeting of the Company.

In light of the above read with the provisions of Section 293(1)(e) of the Companies Act, 1956, you are requested to grant your consent to the Ordinary Resolution as required under the provisions of the Companies Act, 1956.

None of the Directors of the Company is deemed to be concerned or interested in the said resolution, except to the extent that some of the Directors may be associated with Companies, trusts or other entities to which the Board of Directors may consider making contribution.

The Directors recommend the above Resolution for your approval.

ITEM NO. 9:

As per the provisions of Section 163 of the Companies Act, 1956, certain documents which are required to be kept at the Registered Office of the Company and if the Company wants to keep the Statutory Registers and other documents at the place other than the Registered Office, then, the approval of members by way of Special Resolution is required under above provisions of the Act. Therefore, for the purpose of Administrative convenience, the Company have decided to keep all Statutory Records and documents at the Corporate Office of the Company.

Approval of the members is sought in terms of the Section 163 of the Companies Act, 1956 for shifting of the Company's Statutory Records and Documents from the Registered Office to the Corporate Office of the Company.

None of the Directors is in any way concerned or interested in the proposed resolution

By order of the Board of Directors
Sd/-

Jyotiprasad D Chiripal
Chairman

Date: 07-08-2010
Place: Ahmedabad

Brief resume and other information in respect of, Director seeking re-appointment at the Annual General Meeting:

Shri Jyotiprasad D Chiripal

Mr. Jyotiprasad D. Chiripal, aged 56 years, is a Chairman of CIL NOVA PETROCHEMICALS LIMITED (FORMERLY NOVA POLYYARN LIMITED, RESULTANT COMPANY PURSUANT TO DEMERGER). He is a Commerce graduate and has obtained his Bachelor of Commerce from Gujarat University. He has an experience of 30 years in the textile trade & industry. Mr. Jyotiprasad D. Chiripal is a Managing Director of M/s. Vishal Fabrics Private Limited.

Shri Ambalal C. Patel

Shri Ambalal C. Patel, aged 66 years, is an engineering graduate and has obtained his Bachelor of Engineering (Metallurgy) degree from the Indian Institute of Science, Bangalore. He has vast experience in project evaluation and project finance. During the tenure from 1973 to 2004, Mr. Ambalal Patel worked with Gujarat Industrial and Investment Corporation [GIIC]. He joined GIIC as a Technical Advisor and later served as a Deputy General Manager. He has vast experience in advising regarding financial matters and project appraisal.

Shri Ambalal C. Patel is also on the Board of reputed Corporates of India and is giving expert advice to the Board.

Shri Murli R Goyal

Shri Murli R Goyal, aged 50 years, is a Commerce graduate and has obtained his Bachelor of Commerce degree from Maharashtra University and has also passed CA Intermediate Examination. He is having an experience of 29 years in the textile line of business of domestic as well as export market.

DIRECTORS' REPORT

To,
The Members,
CIL NOVA PETROCHEMICALS LIMITED.
(FORMERLY KNOW AS NOVA POLY YARN LIMITED)

Your Directors have pleasure in presenting their 6th Annual Report together with the Audited Financial Statements for the year ended March 31st 2010 to the shareholders of the Company.

FINANCIAL HIGHLIGHTS:

(Rs. In Cr)		
FINANCIAL RESULTS	Current Year 2009-10 Amount (Rs.)	Previous Year 2008-09 Amount (Rs.)
Sales	194.21	161.58
Other Income	0.83	0.35
Increase / (Decrease) in stock	9.04	(7.13)
Lees - Expenditure	186.47	145.24
Profit: Before Interest, Depreciation & Taxation	17.62	9.56
Less: Interest & Financial Charges	9.10	9.03
Profit Before Depreciation & Taxation	8.52	0.53
Less : Depreciation	9.01	9.83
Profit / (Loss) before Taxation	(0.49)	(9.30)
Add: Exceptional Item	1.27	0.00
Profit / (Loss) before Taxation	0.78	(9.30)
Less: Provision For Taxation		
- Current including Wealth Tax	0.00	0.03
- Fringe Benefit Tax	0.00	0.07
- Deferred	0.00	0.00
Profit / (Loss) after Taxation	0.78	(9.40)

WELCOME TO THE SHAREHOLDERS:

Your Directors have great pleasure to welcome the esteemed shareholders of listed Company Nova Petrochemicals Limited, who became the shareholders of our Company pursuant to the scheme of arrangement in the nature of demerger approved by the Hon'ble High Court of Gujarat dated 27th August, 2009.

PERFORMANCE:

During the year under review, the Company has achieved a gross turnover of Rs.206.27Crores for the year 2009-10 as compared to the gross turnover of Rs.170.98Crores for the year 2008-09 which shows a rise of 20.64% over the previous year. The PBIDT during the year under review was Rs.17.62 Crore as compared to Rs.9.56 Crores, registering the increase of 84.31% over the previous year. The Company has achieved a profit of Rs.78.35 Lacs as compared to a loss of Rs.939.75 Lacs over the previous year 2008-09. Your Directors would like to state that the Company was engaged in the business of trading before the demerger and after the approval of the scheme of demerger of Nova Petrochemicals Limited, your Company got half of its business which includes assets, liabilities etc. as per the scheme of demerger with retrospective effect from 1st April 2007 being the appointed date of demerger. The performance during the year under review was after giving effect of demerger i.e. the appointed date of demerger.

Your Company is now in the manufacturing field after the demerger. Further, your Directors are pleased to inform you that the Company has reviewed the entire activities and the Company is planning to achieve the growth by putting up a project by streamlining the existing activities. Your Directors expect to come out with the new projects in the current year which will improve the performance of the Company.

DIVIDEND:

Since the Company got the business of manufacturing pursuant to the demerger and is appropriating the loss of the previous years, your Directors have not recommended dividend during the year under review.

DEPOSITORY SYSTEM:

As the Members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2010, 89.82% of the Company's total paid-up Capital representing 24340436 shares are in dematerialized form. In view of the numerous advantages offered by the Depository System, Members holding shares in physical more are advised to avail of the facility of dematerialization on either of the Depositories. Further, your Directors would like to inform you that the ISIN No. of Equity Shares issued by NSDL & CDSL has been freezed for affecting any transfer of shares as per their regulations till the listing and trading permission granted by the Stock Exchanges due to the demerger scheme.

CHANGE OF NAME:

The name of the Company has been changed from Nova Poly Yarn Limited to CIL Nova Petrochemicals Limited pursuant to the approval of scheme of demerger by the Hon'ble High Court of Gujarat. The new name consequent to the demerger was a part of the scheme and accordingly the Registrar of Companies, Gujarat have issued the fresh Certificate of Change of Name consequent to the compliance of necessary formalities in this connection.

RECLASSIFICATION OF AUTHORIZED SHARE CAPITAL:

The Authorized Share Capital of the Company was consisting of 6,50,00,000 Equity Shares of Rs.5/- each being the equity shares only which was reclassified into Equity Shares and Preference Shares by bifurcating into 5,50,00,000 Equity Shares of Rs.5/- each and 5,00,000 Preference Shares of Rs.100/- each during the year under review. The Company has complied with the necessary formalities with the Registrar of Companies, Gujarat.

ISSUE OF 8% NON – CUMULATIVE REDEEMABLE PREFERENCE SHARES:

During the year under review, the Company has allotted 5,00,000 8% Non – Cumulative Redeemable Preference Shares of Rs.100/- each of tenure of 10 years redeemable after five years at the option of the Company. Consequent to the allotment of Preference Shares, the networth of the Company became positive as on 31st March, 2010.

REFERENCE TO BIFR OF ERSTWHILE NOVA PETROCHEMICALS LIMITED:

Your Directors are pleased to inform you that the erstwhile Nova Petrochemicals limited, being the Company earlier to the demerger had made an application to BIFR for the registration on account of complete erosion of the networth of the Company and the application of the Nova Petrochemicals Limited was under process for approval for registering the Company under BIFR. However, before the application of reference to BIFR was processed, Hon'ble High Court of Gujarat had approved the scheme of demerger on 27th August, 2009 and as per the last hearing held by Board of BIFR, the two separate entities under the demerger were instructed to submit the separate Balance Sheet to the Board as being the separate entity for registering the Company under BIFR. As far as the resultant Company i.e. CIL Nova Petrochemicals Limited, a part of Chiripal Group is concerned and foresight and vision of the

management, your Company had decided not to refer to BIFR and with the becoming of the network of the Company positive as of 31st March, 2010, the Board of Directors have decided not to opt for registering your Company under BIFR and the strategy have been envisaged to increase the activities by putting up new projects, expansions etc. and to bring your Company under positive zone and to take it on the right track of profitability and growth so as to enable the Company to give good return to the shareholders and investors of the Company.

SEBI ORDER AGAINST ERSTWHILE NOVA PETROCHEMICALS LIMITED:

Your Directors would like to inform you that after the approval of demerger by Hon'ble High Court of Gujarat, SEBI has passed an order dated 12.01.2010 debarring Nova Petrochemicals Limited (erstwhile, being the Nova Petrochemicals Limited before demerger) from buying, selling or accessing capital market for a period of 2 years from the date of order under the investigation carried out by SEBI in the script of Nova Petrochemicals Limited during the period 2005-06. As an order was against erstwhile Nova Petrochemicals Limited, your Company along with the demergerd entity GSL Nova Petrochemicals Limited preferred a joint appeal with Hon'ble Securities Appellate Tribunal (SAT) against an order passed by SEBI as referred above which was rejected by SAT on 07.06.2010 being aggrieved against this rejection, a joint SLP against an order of Hon'ble SAT has been preferred in Hon'ble Supreme Court of India.

LISTING OF EQUITY SHARE ON STOCK EXCHANGES:

Pursuant to the scheme of demerger approved by the Hon'ble High Court of Gujarat, your Company had applied for listing of 2,71,00,000 Equity Shares of Rs.5/- each on Stock Exchange viz. Bombay Stock Exchange Limited(BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE) after demerger. The Company have complied with all the necessary formalities in connection with the listing of Equity Shares with the Stock Exchanges. Your Directors are pleased to inform you that Bombay Stock Exchange has granted listing permission of Equity Shares and the application for the listing with National Stock Exchange and Ahmedabad Stock exchange is under process and pursuant to the listing permission of BSE, the Company has to receive the NOC under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 from SEBI and Listing permission from NSE. Further, the Company has also complied with the necessary requirements of SEBI in order to get NOC from SEBI as referred above. During this process of listing, SEBI has passed an order dated 12.01.2010 debarring Nova Petrochemicals Limited (erstwhile, being the Nova Petrochemicals Limited before demerger) from buying, selling or accessing capital market for a period of 2 years from the date of order under the investigation carried out by SEBI in the script of Nova Petrochemicals Limited during the period 2005-06. As an order was against erstwhile Nova Petrochemicals Limited, your Company along with the demergerd entity GSL Nova Petrochemicals Limited preferred a joint appeal in Hon'ble Securities Appellate Tribunal (SAT) against an order passed by SEBI as referred above which was rejected by SAT on 07.06.2010, being aggrieved against this rejection, a joint SLP against an order of Hon'ble SAT has been preferred in Hon'ble Supreme Court of India. Your Directors would like to inform you that non processing of listing application by NSE and non issue of NOC by SEBI under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 are being not reasoned in writing by NSE & SEBI respectively. However, your Company came to know by verbal communication during the follow up, the reason of not processing and non issue of permission and NOC is the SEBI order dated 12.01.2010 and there is no specific reason yet communicated in writing by any of these authorities till date and your Company is constantly taking the appropriate available action to get the shares listed on these exchanges as earliest as possible.

FIRE:

During the year under review, a fire took place at the factory premises in Company's godown located at DT Division and complete stock of godown along with the Plant & Machinery of DT Division and

building was completely destroyed and the Company has preferred a fire claim with Insurance Company and the claim is under process.

SPLIT OF CREDIT FACILITIES FROM THE BANKERS:

Pursuant to the approval of the scheme of demerger, the various credit facilities of the erstwhile Nova Petrochemicals Limited was split into two parts and the necessary formalities for the split of credit facilities was under process during the year under review. The split of the credit facilities among two groups to be completed during the Current year and the necessary formalities to that effect is under process.

EXPLANATIONS / CLARIFICATIONS IN RESPECT OF STATUTORY DUES, PAYMENT TO BANKERS AND DISPUTED STATUTORY DUES AS REPORTED BY STATUTORY AUDITORS' IN ITS AUDITORS REPORT:

Your Directors' would like to clarify and state that your Company viz. CIL Nova Petrochemicals Limited being a resultant Company pursuant to the scheme of demerger as approved by Hon'ble High Court of Gujarat vide its order dated 27.08.2009 got half of the business including assets & liabilities of erstwhile Nova Petrochemicals Limited as per the scheme approved by the High Court with retrospective effect from 1.04.2007 and your Company have prepared the financials for the year 31.03.2010 on the basis of scheme after giving the effect in the financials from 01.04.2007 and the financial results as on 31.03.2010 represents the effect as per the scheme approved by the Hon'ble High Court which includes the liabilities and the transactions and status and acts of erstwhile Nova Petrochemicals Limited and the same have been included by the Statutory Auditors' in respect of delay in depositing Service Tax, Gujarat Value Added Tax, Central Sales Tax, Professional Tax and Income Tax Deducted at Source along with undisputed amounts for more than 6 months payable in respect of Wealth Tax of Rs. 5 lacs as on Balance Sheet date. Further, there was also non deposit of disputed Statutory dues with the appropriate Authorities in respect of erstwhile Nova Petrochemicals Limited as reported by Auditors'. Your Directors' would like to further state that there were delay in repayment of principal and interest in respect of the Term Loans of the Bankers' and related to erstwhile Nova Petrochemicals Limited as mentioned in Auditors' report as 31.03.2010. Your Directors would like to clarify and provide the explanations in respect of the qualifications mentioned in Auditor Report as of 31.03.2010 as referred above were related to erstwhile Nova Petrochemicals Limited and due to retrospective effect given in the financials with effect from 01.04.2007 and there were no actual transactions done and related by your Company viz. CIL Nova Petrochemicals Limited.

PUBLIC DEPOSIT:

During the year under review, your Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

COVERAGE OF ASSETS:

The Company has reviewed the Adequate Insurance Cover for the existing Plant & Machinery, Building, Stock, etc. considering the various risk factors attached to the assets and insured the assets to take care of the unforeseen circumstances to safeguard the interest of the company.

CORPORATE GOVERNANCE:

A Certificate from Auditors of the Company, M/s. J T Shah & Co, Chartered Accountants confirming compliance with conditions of corporate governance as stipulated under the aforesaid clause 49 is annexed to this report. Further, a certificate of CEO and declaration on code of conduct also forms part of this Annual Report.

The Company has adopted Corporate Governance Policy and Code of Conduct which has set out the system process and policy confirming to standards. The Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

The Management Discussion and Analysis Report and Compliance Report on Corporate Governance as required by Clause 49 of the Listing Agreement also forms part of this Annual Report

DIRECTORS:

Shri Jyotiprasad D Chiripal, Director who retires by rotation during the year under review, offers himself for reappointment. Your Directors recommend his reappointment.

PARTICULARS OF EMPLOYEES:

Pursuant to the provisions of Section 217 (2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 the names and other particulars of employees are required to be annexed to the Directors' Report. However, during the year under review there were no employees drawing the salary more than the limit prescribed by the aforesaid provisions of the Act. Your Directors' therefore do not attach the annexure as prescribed under the provisions of the Section 217 (2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY:

Pursuant to Section 217(2AA) of the Companies Act 1956 and based on the information received from the Management and after due enquiry, your Directors state that;

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has 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;
- d) The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS:

M/s. J.T. Shah & Co, Chartered Accountants, the Auditors of the Company, holds office up to the conclusion of the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s. J.T. Shah & Co, Chartered Accountants, to the effect that their appointment, if made would be in conformity with the limits prescribed in Section 224 of the Companies Act, 1956. The Board recommends the re-appointment of M/s. J.T. Shah & Co, Chartered Accountants, as the Auditors of the Company for the current financial year 2010-11.

GROUP:

Pursuant to intimation received from the Promoters, and names of the Promoters and entities comprising group as defined under the monopolies and restrictive trade practices (MRTP) Act 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and takeovers), Regulations, 1997.

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

The particulars as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this report.

ACKNOWLEDGMENT:

Your Directors record that sincere gratitude for their valuable support and co-operation received from the Banks, Shareholders, business associates, customers, vendors and various statutory authorities. Your Directors place on record their sincere appreciation for the contribution made by the employees of the Company at all levels through their hard work, dedication and support.

Place: - Ahmedabad

Date : - 07/08/2010

FOR AND ON BEHALF OF THE BOARD

Sd/-

**JYOTIPRASAD D CHIRIPAL
CHAIRMAN**

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-1

Particulars pursuant to 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 Report of the Directors.

A. CONSERVATION OF ENERGY:

[a] Energy conversion measures taken :

- (1) Utilization of power plant Boiler on optimized capacity and stopped process Boiler. Annual saving appx. Rs. 30.00 lacs.
- (2) Stopped 4 lacs KCAL thermo pack boiler and utilization of 6.00 Lacs KCAL boiler on optimized load. Annual saving approximately Rs.22.00 lacs
- (3) Coal based power plant operation Optimized Annual saving appx. Rs.7.00 crores as compared to average rate of power from GEB.
- (4) Chips conveying through lean phase (Roots Blower) instead of dense phase conveying. Annual saving appx. Rs.17.00 lacs
- (5) Air jet replaced from 1.3 mm Dia to 0.9mm Dia on 4 DT M/cs. Annual air cost saving appx. Rs. 20.00 lacs.
- (6) New cooling tower 500 M3/hr installed in power plant for better cooling and increases turbine efficiency. Annual savings appx. Rs.40.00 lacs
- (7) Inverter provided for certain processes and utilities. Annual saving appx. Rs.10.00 lacs.
- (8) Auto drain valve provided in all air tanks for air saving. Annual saving appx. Rs.10.00 lacs.

Water conservation Measures taken:

The Company is taking appropriate steps to conserve water as per the applicable provisions of the Act.

[b] Additional investments and proposals, if any, being implemented for reduction of consumption of energy

The Company is considering the fresh proposals for reduction of consumption of energy.

[c] Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The impact of the measures will be analysed after the investment.

[d] **Total Energy Consumption and energy consumption per Unit of Production.**

I. POWER & FUEL CONSUMPTION:

Power and Fuel Consumption:	31.03.2010	31.03.2009
1. Electricity		
a) Purchased - Unit (KWH)	NIL	NIL
Total Amount(Rs.)	NIL	NIL
Average Rate / Unit (Rs.)	NIL	NIL
b) Own Generation:		
i. Through Diesel Generator		
Unit (KWH)	1142041	301754
Unit per Ltr of Fuel/Oil	3.61	2.50
Cost / Unit (Rs.)	9.65	11.05
ii. Through Steam Turbine /Generator		
Unit (KWH)	67287400	58873200
Units Per Kg of Coal	0.65	0.71
Cost / Unit (Rs.)	4.01	3.91
2. COAL / LIGNITE		
Quantity (Kg.)	104061842	82307765
Total Cost (Rs.)	2641.78	2302.22
Average Rate (Rs./Kg.)	2.58	2.80
3. Furnace Oil(Used in the Generation of Steam)		
Quantity (K. Liters)	658143	697431
Total Amount (Rs.in Lacs)	157.06	153.85
Average Rate (Rs./KL)	23.86	22.06
4. Others / Internal Generation	Nil	Nil
Quantity		
Toatl Cost (Rs.)		
Rate/Unit (Rs.)		

II CONSUMPTION PER UNIT OF PRODUCTION:

Products (with details) Unit		
Electricity (KWH/Ton of Product)		
a) P.O.Y	1015	1070
b) Draw Twisting	3796	3456
c) Draw Texturising	1613	1430
d) Fully Drawn Yarn	2153	1870

B. TECHNOLOGY

RESEARCH AND DEVELOPMENT (R & D)

1. Specific Area in which R & D is carried out by the Company

- (1) Production capacity has been increased by converting winder ends from 8 to 12 in FDY area and 10 to 15 in POY area.
- (2) In house development of process technology for FDY has resulted in saving on know how fee.
- (3) Trials with different type of spin finish on POY/FDY to reduce the cost & Improve the quality.
- (4) Development of new product range in POY & FDY.
- (5) Development of new Deniers /Micro Deniers.

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

The Company has yet to analyse the results.

3. Future Plan of Action

- (1) Modification of air blower in Dryer # 4 for power saving.
- (2) Thermo pack boiler fuel converted to GAS instead of furnace oil to improve the boiler efficiency & cost reduction.
- (3) New POY line from China (33 Winder) to increase production.
- (4) BSY production planning has been done to develop new product.
- (5) Hypox system for pack cleaning to improve working efficiency and product quality.
- (6) 16 winder of FDY line installed and converted from 8 ends to 12 ends to increase the production.
- (7) Modification done in existing spinnerete checking machine to check new type of spinneret.
- (8) Introduced Thermocol punch plate instead of corrugated Paper plate to reduce the cost in FDY.
- (9) Sizing Doff weight of FDY increased from 5kg to 7 kg to reduce the packing cost.

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made towards Technology, Absorption, Adaptation and Innovation:-

Since the Company is under process of establishing its activities, there are no such efforts made till date.

Benefits derived:

There are no such benefits as no efforts are initiated.

Future Plan of Action.

The Company may go for technology, inventions etc. after establishment of its activities.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. The Company has taken various steps to increase exports of products during the year.
- b. Foreign exchange earning and outgo during the year:

	Particular	31.03.2010	31.03.2009
		(Rs. in Crs.)	(Rs. in Crs.)
(a)	Foreign Exchange Earnings:	Nil	Nil
(b)	Foreign Exchange Outgo:	Nil	Nil
Total Foreign Exchange Used and earned: - As per notes on account.			

Place: - Ahmedabad

Date : - 07/08/2010

FOR AND ON BEHALF OF THE BOARD

Sd/-

JYOTIPRASAD D CHIRIPAL
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

TEXTILE INDUSTRY

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country.

During 2009-10, Indian textiles industry is pegged at US\$ 55 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production; employs 35 million people and accounts for nearly 12% share of the country's total exports basket.

The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power looms/ hosiery and knitting sectors form the largest section of the Textiles Sector. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The major sub-sectors that comprise the textiles sector include the organized Cotton/ Man-Made Fibre Textiles Mill Industry, the Man-made Fibre/ Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

EXPORTS

Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota were discontinued. The exports basket consists of a wide range of items comprising readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woollen goods, silk, jute and handicrafts including carpets.

India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-third of India's textiles exports. The other major export destinations are Canada, U.A.E., Japan, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, etc.

The Government fixed the target for 2008-09 at US \$ 26.55 billion an increase of 20% over the actual performance of US\$ 22.14 billion in 2007-08, for export of textiles. However, no targets were fixed for 2009-2010.

During 2009-10 (April- December) India exported Textiles & Clothing items worth US\$ 15.91 billion as against US\$ 15.59 billion in the corresponding period of financial year 2008-09. The share of textile exports in total exports has increased from 10.78 per cent to 12.04 per cent during April- December' 2009 as against April- December' 2008.

Man-Made Staple Fibre and Filament Yarn

The production of man-made staple fibre industry is expected to increase by 19% during 2009-10. The production of all the manmade staple fibres except polypropylene staple fibre are expected to record a positive growth in 2009-10 as compared to previous year. Viscose, Polyester and Acrylic staple fibre are expected to increase by 29%, 16%, 20% respectively while Polypropylene staple fibre is expected to decrease by about 6% in 2009-10.

The total production of man-made filament yarn is expected to increase by 7% during 2009-10. The production of viscose, nylon and polyester filament yarn are expected to increase by 1%, 6% and 8% respectively.

The installed capacity and details of production of man-made staple fibre and filament yarn are given below:

Type	No.of Units	Installed Capacity (TPA)as on 30.12.2009 (P)	Production (Mn. Kg.)			
			2007-08	2008-09 (P)	2009-10 (Apr-Dec) (P)	2009-10 (P)
STAPLE FIBRE						
Viscose	6	418.68	279.90	232.75	220.86	301.00
Polyester	15	1182.73	879.61	750.11	653.54	870.54
Acrylic	8	153.00	81.23	79.51	72.08	95.22
Polypropylene	3	8.70	3.43	3.43	2.37	3.24
Total	32	1763.11	1244.17	1065.80	948.85	1270.00
FILAMENT YARN						
Viscose	7	80.10	51.07	42.42	32.02	42.86
Nylon#	11	32.00	27.62	28.07	22.40	29.66
Polyester##	43	2013.49	1420.14	1332.09	1081.48	1436.46
Polypropylene#	13	17.63	10.51	15.08	11.34	14.87
Total	74	2143.22	1509.34	1417.66	1147.24	1523.85

P-Provisional

=The exclusive capacity of N.F.Y. and P.P.F.Y.

= The Capacity under Broad Banding Scheme has been indicated against P.F.Y.

Source: Annual Report 2009-10, Ministry of Textiles.

GOVERNMENT INITIATIVE

According to the Ministry of Textiles, investment under the Technology Upgradation Fund Schemes (TUFS) has been increasing steadily. During the year 2009-10, 1896 applications have been sanctioned at a project cost of US\$ 5.23 billion. The cumulative progress as on December 31, 2009, includes 27,477 applications sanctioned, which has triggered investment of US\$ 45.5 billion and amount sanctioned under TUFS is US\$ 18.9 billion of which US\$ 16.4 billion has been disbursed so far till the end of April, 2010.

Moreover, in May 2010, the Ministry of Textiles informed a parliamentary panel that it proposes to allocate US\$ 785.2 million for the modernization of the textile industry.

The Scheme for Integrated Textile Park (SITP) was approved in July 2005 to facilitate setting up of textiles parks with world class infrastructure facilities. 40 textiles park projects have been sanctioned under the SITP.

INVESTMENTS

According to the Minister for Textiles, around US\$ 5.35 billion of foreign investment is expected to be made in India in the textile sector over the next five years.

The textiles industry has attracted foreign direct investment (FDI) worth US\$ 817.26 million between April 2000 and March 2010, according to data released by the Department of Industrial Policy and Promotion.

OPERATIONAL REVIEW

INTERNAL CONTROL SYSTEM

The Company believes that good internal control is an intrinsic part of the overall Governance process and freedom of management should be exercised within a framework of appropriate checks and balances. CIL NPL remains and committed to ensuring an effective internal control environment that provides assurance on the efficacy of operations and security of assets. The Company has robust systems for internal audit and risk assessment and mitigation and has an independent Internal Audit Department with well established internal control and risk management processes both at business and corporate level. The Head of Internal Audit Department reports directly to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring total independence.

The Corporate Audit function plays a key role in providing to both the operating management and the Audit Committee of the Board an objective view and reassurance of the overall control systems and effectiveness of the risk management process across CIL NPL and its subsidiaries. Corporate Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to operations.

The scope and authority of the Corporate Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audit at CIL NPL are performed by in house team of multi disciplinary professionals comprising Chartered Accountants, Engineers and MBAs. Reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee. The internal audit department which operates on a decentralized basis, continuously monitors the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirement.

HUMAN RESOURCES

Our employees are our most precious assets and we value their commitment in building CIL NPL. The Human Resources group has charted out a roadmap for developing talent, including ensuring a leadership pipeline, succession planning, executive training, and career paths that will make the Company an "Employer of choice". In turn the Company will provide "quality workspace and life space" to its people.

At CIL NPL, the focus of learning and development is on building the capabilities of employees so that they are fully geared to meet the expectations of different stakeholders of the Company. This is also combined with its strong belief that employees are central to the Company's transformation and growth. Having built a strong foundation on the culture of excellence, many capability and capacity building interventions were done for employees in the functional, managerial and leadership areas. Your Company concluded the year 2009-10 with 275 employees on the rolls.

FINANCIAL PERFORMANCE

During the year under review the turnover achieved was Rs.206.27 Crores as compare to previous year turnover of Rs.170.98 Crores registering a growth of 20.64% over the previous year. The profit before interest, depreciation and taxes stood at Rs. 17.62 Crores for the year 2009-10 as compared to Rs. 9.56 Crores during the year 2008-09 showing 84.32% over the previous year. The Net Profit for the year 2009-10 rose to 0.78 Crores as compared to the loss of Rs. 9.40 Crores over the previous year 2008-09. The Cash Profit during the year under review was achieved at Rs. 97.91 Crores evidenced by effective

management internal control, optimum utilization of resources and dedicated hard working of Human Resources.

RISK MANAGEMENT

Risk Management is looked upon as a facet of governance contribution towards greater predictability in performance and value creation. Identification, assessment, mitigation of various risks for every project, is done from pre-bid to completion stage. Your Company, however, foresees various risks from competitors, unorganized sectors operating in the industry, fluctuation in foreign exchange rate, interest rate, commercial risks, changes in the Government regulations related to textile policy and decision of the management about the business which may effect over all profitability of the Company. Measures such as advanced quantitative tools, global sourcing, standard operating procedures, and operational excellence initiatives have been implemented so as to protect the profitability & sustainability of the business. Your Company has framed such network so as to have minimum effect and to overcome such risk on the business of the Company.

CAUTIONARY STATEMENT

Statements in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward – looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price condition in the domestic markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance essentially is the system by which Companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Corporate Governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct, Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices. The Company, through its Board and Committee, endeavours to strike and deliver the highest governing standards for the benefits of its stakeholders.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

BOARD OF DIRECTORS:

COMPOSITION:

Your Company's Board consists of 4 (Four) Directors of which 2 are Executive and Promoter Directors and 2 are Non-Executive and Independent Directors. The Chairman of the Board is Executive Promoter Director. The composition of the Board of Directors was in compliance of Clause 49 of the listing agreement. The composition of the Board is as under:-

Name of Directors	Status i.e. Executive, Non-Executive and Independent	Numbers of Board Meetings.		Number of Membership in other Boards or other Committees as a Member or Chairman		
		Held during the year	Attended During the Year	Other Directorship (incl. CIL NPL)	Committee*	Whether attended last AGM
Shri Vedprakash D. Chiripal	Promoter, Executive	8	8	6	4	Yes
Shri Jyotiprasad D. Chiripal	Promoter, Executive	8	8	5	2	Yes
Shri Ambalal C Patel**	Non-Executive & Independent	8	4	13	10	No
Shri Murli R Goyal**	Non-Executive & Independent	8	2	Nil	2	No

* Audit Committee and Shareholders'/Investors' Committee have been considered for the Committee positions.

** Shri Ambalal C Patel & Shri Murli R Goyal were appointed on the Board on 5th October, 2009 as Additional Directors of the Company.

None of the Directors of Board is a member of more than 10 Committees and no Director is the Chairman of more than 5 committees across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

BOARD MEETINGS:

The Board normally meets once or twice in a quarter. Additional meetings are held as and when required during the year under review. The Board of Directors of CIL Nova Petrochemicals Limited met **8 times on 12/05/2009, 31/07/2009, 04/09/2009, 05/10/2009, 26/10/2009, 22/01/2010, 05/02/2010 and 26/03/2010**. The gap between any two meetings did not exceed 4 months.

BOARD MEETING, COMMITTEE MEETING AND PROCEDURES:

A. In order to setup the systems and procedures for the matter requiring discussions/ decisions by the Board, the Board of Directors has framed guidelines for the meeting of Board of Directors and Committee thereof. The said Guidelines seek to systematize the decision making process at the meetings of Board/Committees in most efficient manner.

B. Scheduling and selection of Agenda Items for Board Meeting:

- i) The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolutions by circulation.
- ii) The meetings are usually held at the Company's Registered Office / Corporate office at Ahmedabad.
- iii) All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/decision in the Board/Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board Meetings.
- iv) The Board is given presentation covering Finance, Sales and Marketing, and the major business segments and operation of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board Meeting. The Board's annual agenda includes recommending dividend keeping in view the dividend policy, determining Directors who shall retire by rotation and recommending appointment of Directors/Auditors, authentication of annual accounts and approving Directors Report, long term strategic plan for the Company and the principal issues that the Company expects to face in the future, Board Meetings also note and review functions of its Committees.
- v) The Chairman of the Board and the Company Secretary in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board Meetings.

BOARD MATERIAL DISTRIBUTION WELL IN ADVANCE:

- 1) Agenda papers are circulated to the Directors, well in advance, as per Agenda format. All material information is incorporated in Agenda papers for meaningful and effective discussions at the meeting. In case, any papers /document to the agenda is not possible to attach the same are placed on the table at the meeting with the specific reference in the agenda.
- 2) In case of urgency, additional item(s) in agenda are permitted with the permission of Chair and in that case the subject matter discussion may be discussed at the meeting without written material being circulated in advance.
- 3) The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion.

MINUTES OF PROCEEDINGS OF BOARD MEETING:

The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the members of the Board for their comments.

2) COMMITTEES OF BOARD:

AUDIT COMMITTEE:

The Audit Committee comprises of 3 members represented by 2 Non Executive Independent Director and 1 Executive Promoter Director. Shri Ambalal C Patel, acts as Chairman of the Committee and Shri Jyotiprasad D. Chiripal and Shri Murli R Goyal are the members of the Committee.

Broad Terms of Reference:

The Broad terms of reference as laid down by the board include the following requirement contained in the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

- Overseeing 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 to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- Reviewing, with the management, performance of Statutory And Internal Auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, 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.
- Discussions with internal auditors on any significant findings and follow up thereon.

- Reviewing internal audit reports and adequacy of the internal control systems.
- Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- Reviewing the findings of 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 Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The Audit Committee met once during the year under review on 22/01/2010.

The composition of Audit Committee and particulars are as under:

Name of Director	Category / Status	No. of Meetings held	No. of Meetings attended
Shri Ambalal C Patel – Chairman	Non Executive Independent Director	1	1
Shri Murli R Goyal – Member	Non Executive Independent Director	1	0
Shri Jyotiprasad D Chiripal - Member	Executive Promoter Director	1	1

* The Audit Committee was formed on 26/10/2009 during the year under review after the demerger.

REMUNERATION COMMITTEE

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/ Whole time Directors based on performance and defined criteria.

The remuneration policy is framed towards rewarding performance based on review of achievements from time to time. The remuneration policy is also in consistency with the industrial scenario.

Composition of Remuneration Committee.

Sr. No	Name of the Director	No. of meeting held / attended.		Nature of Directorship
1.	Shri Murli R Goyal - Chairman	Nil	Nil	Non-Executive, Independent
2.	Shri Ambalal C Patel – Member	Nil	Nil	Non-Executive, Independent
3.	Shri Jyotiprasad D Chiripal - Member	Nil	Nil	Executive, Promoter group

The remuneration committee has not met during the year under review.

Details of remuneration paid to directors for the year ended on March 31, 2010 are as follows:

Name of Director	Sitting Fees	Salaries & Perquisites	Commission (Rs.)	Total (Rs.)
Shri Vedprakash D. Chiripal	Nil	Nil	Nil	Nil
Shri Jyotiprasad D. Chiripal	Nil	Nil	Nil	Nil
Shri Ambalal C Patel	Rs.30,000/-	Nil	Nil	Rs.30,000/-
Shri Murli R Goyal	Rs.10,000/-	Nil	Nil	Rs.10,000/-

Details of shareholding of Directors as at 31st march, 2010:

Name of Directors	No. of shares held as on 31/03/2010	% holding
Shri Vedprakash D. Chiripal	820719	3.03%
Shri Jyotiprasad D. Chiripal	12500	0.05%
Shri Ambalal C Patel	700	0.002%
Shri Murli R Goyal	Nil	Nil

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE.

1. The Company has constituted an Investors Relations Committee comprising of three Directors with Chairman being a Non-Executive, Non-Promoter Director.
2. The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc. The Committee reviews the performance and recommends measures for overall improvement in quality of investor services.

Composition of Shareholders/ Investors Relations Committee

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	Shri Ambalal C Patel	Chairman	Non-Executive, Independent Director
2.	Shri Murli R Goyal	Member	Non-Executive, Independent Director
3.	Shri Jyotiprasad D Chiripal	Member	Executive, Promoter Director

The Committee met once on 22/01/2010 during the year under review.

During the year, the Company has received 1 complaint which was resolved in time and no complaints are pending. The status of complaints is periodically reported to the Committee.

The Equity Shares of the Company are compulsorily traded in electronic form on the Stock Exchanges and hence the handling of physical transfer of shares is minimal. The Board has delegated powers for approving transfer and transmission of shares and issue of duplicate shares to Shares Transfer Committee.

SHARE TRANSFER SYSTEM:

The Company's Registrar and Share Transfer Agents is M/s Link Intime India Private Limited, Mumbai. The shares lodged for physical transfer/transmission/transposition / rematerialisation are registered within the prescribed time period if the documents are complete in all respects. The shares in dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

SUBSIDIARY COMPANY:

The Company has no Subsidiary Company.

DISCLOSURES

a. Basis of Related Party Transaction

For significant related party transactions refer to Point no 17 of the Notes on Account contained in financial statements in this Annual Report.

b. Disclosure of accounting treatment in preparation of Financial Statement

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountant of India (ICAI) in preparation of its financial statements.

c. Details of non-compliance by the Company

The Company has complied with all the requirement of Regulatory Authorities. No penalty / structures were imposed on the Company by Stock Exchange or SEBI or any statutory on any matter related to capital market during the last three years except that the debarment order dated 12.01.2010 restraining erstwhile Nova Petrochemicals Limited from buying, selling and dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years from the date of the order.

d. Remuneration of Directors

The disclosure on remuneration of Directors, pecuniary relationship or transactions with Non-Executive Directors, details of notice period, severance fees, no. of shares held by Directors etc. have been provided earlier under the head "Remuneration Committee" in this Corporate Governance Report.

e. Shareholders

The information of Directors who are proposed to be appointed / re-appointed have been provided in Annexure to the Notice of Annual General Meeting.

f. Management Discussion and Analysis

The Management Discussion and Analysis Report have been separately given in this Annual Report as required under Clause 49 of the Listing Agreement.

Information about last 3 Annual General Meetings:-

AGM	Date	Venue	Time	No. of special resolutions passed
AGM	4 th September 2009	S. No. 391/403, Moraiya Village, Sarkhej - Bavla Highway, Tal Sanand, Ahmedabad-382 210.	11.30 A.M.	0
AGM	30 th September 2008	S. No. 391/403, Moraiya Village, Sarkhej - Bavla Highway, Tal Sanand, Ahmedabad-382 210	3.30 P.M.	1
AGM	9 th August 2007	S. No. 391/403, Moraiya Village, Sarkhej - Bavla Highway, Tal Sanand, Ahmedabad-382 210	3.00 P.M.	0

COMPLIANCE:

There has been no non-compliance of the provisions, requirements of Stock Exchanges, SEBI. No penalties/Structures have been imposed on the Company by the Stock Exchanges or SEBI or an other Statutory Authority on any matter relating to capital market except that the debarrment order dated 12.01.2010 restraining erstwhile Nova Petrochemicals Limited from buying, selling and dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years from the date of the order.

POSTAL BALLOT

The Company has not passed any resolution through postal ballot during the year under reference, none of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

DIRECTORS' CERTIFICATION

As per provision of Clause 49 of the Listing Agreement, the Director has certified to the Board in compliance with the Clause 49(V) of the Listing Agreement.

CODE OF CONDUCT

The Board of Directors of the Company has laid down Code of Conduct for Directors and Senior Management. The Code of Conduct are posted on the Company's Website www.chiripalgroup.com. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year under review.

MEANS OF COMMUNICATION

- Half Yearly report sent to each of shareholders : No
- Quarterly Results Which newspapers normally published in : No
- Any Web site, where displayed. : www.chiripalgroup.com
- Presentation made to Institutional Investors or to Analyst : No
- Whether Management Discussion and Analysis Report
Is a part of annual report or not : Yes

GENERAL INFORMATION FOR SHAREHOLDERS

- **ANNUAL GENERAL MEETING**

DATE & TIME : 23rd September 2010 at 3.30 P.M.
VENUE : Survey No. 391, 396 (P),
Moraiya Village,
Sarkhej – Bavla Highway,
Tal Sanad, Ahmedabad - 382 210

- **Financial Year** : **(tentative & subject to change)**

- **Proposed as per Listing Agreement**

(a) First Quarter Results : Before 15th August
(b) Second Quarter Results : Before 15th November
(c) Third Quarter Results : Before 15th February
(d) Results for the year ending March 2008 : Before 15th May

- **Date of Book Closure** : Saturday, 11th September, 2010 to
Saturday, 18th September, 2010,
(both days inclusive)

- **Dividend Payment Date** : NIL

- **Listing on Stock Exchange** : Proposed for Listing with:
1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.
3. Ahmedabad Stock Exchange Ltd.

- **Stock Code:**

1. Bombay Stock Exchange Limited : Proposed
2. The National Stock Exchange of India Limited : Proposed
3. Ahmedabad Stock Exchange Limited : Proposed

- **ISIN No. for NSDL and CDSL** : INE672K01017
-

MARKET PRICE DATA.

Monthly Highs and Lows for the period April 2009 to March 2010: Not yet listed, so not available as listing is proposed.

Distribution of Shareholding as of 31st March, 2010:

Sr. No.	Shares Range		Shareholders Number	% of Total	Shares Allotted	% To No. Of Holders
	From	To				
1	1	500	6440	86.16	1234918	4.56
2	501	1000	556	7.44	455922	1.68
3	1001	2000	221	2.96	363188	1.34
4	2001	3000	68	0.91	172311	0.64
5	3001	4000	40	0.54	147212	0.54
6	4001	5000	28	0.37	130572	0.48
7	5001	10000	32	0.43	230759	0.85
8	10001	999999999	89	1.19	24365118	89.91
TOTAL			7474	100.00	27100000	100.00

Shareholding Pattern (As of 31st March, 2010)

Sr No.	Category	No. of Shares	% to Share Capital
A	Promoters Holding		
	Individuals/HUF	5877839	21.69
	Bodies Corporate	6602917	24.37
B	Non Promoter holding		
	Financial Institution/Banks	600	0.002
	Bodies Corporate	11020800	40.67
	Indian Public	2946881	10.87
	Any Other (FII's, Trusts, Clearing Member, NRI – Rep, NRI – Non Rep, Overseas Bodies Corporate)	650963	2.40
	Total	27100000	100.00

DEMATERIALIZATION OF SHARES:

As on 31st March, 2010, 89.82% Shares were held in dematerialized form and balance 10.18% shares were held in physical form. The trading in the Company's Equity shares is compulsory in dematerialized mode. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has tied up with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Thus the investors can exercise dematerialization and transfer actions through a recognised Depository Participant (DP) who is connected to NSDL or CDSL. Requests for Dematerialization of Physical shares are processed and completed within an average period of 15 days from the date of receipt of documents provided that the same are in order.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity	Not issued	
• Plant Locations	Survey No. 391, 396 (P) Moraiya Village, Sarkhej – Bavla Highway, Tal Sanad, Ahmedabad - 382 210	
• Registrar and Share Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai – 400 078	
Address for correspondence should be addressed to :		
The Company Secretary CIL Nova Petrochemicals Ltd. Chiripal House, Shivranjani Cross Road, Satellite, Ahmedabad 380 015 Phone: 079- 26734660 Fax : 079-26768656 Email : cs.cilnova@chiripalgroup.com	Link Intime India Private Limited Unit : CIL Nova Petrochemicals Limited	
	211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad – 380 009 Phone : 079 - 2646 5179 Fax : 079-26465179 Email : ahmedabad@linkintime.co.in	C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai – 400 078 Phone: 022 - 25946970 Fax: 022 - 25946969

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

POLICY FOR PREVENTION OF INSIDER TRADING

In compliance with SEBI regulation on Insider Trading the Company has framed comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Policy laid down guidelines, which advise them on procedures to be followed and disclosure to be made while dealing with Shares of the Company and cautioning them on consequences of violations.

DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required under Clause 49 of the Listing Agreement Director's declaration on code of conduct is given below:

To,
The Members,
CIL Nova Petrochemicals Limited,
Ahmedabad

I, Jyotiprasad D Chiripal, Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For CIL Nova Petrochemicals Limited

Place : Ahmedabad
Date : 07.08.2010

**Sd/-
Jyotiprasad D Chiripal
Director**

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR):

The CSR activities of Chiripal Group are guided by the vision and philosophy of the Chairman of the group Shri Vedprakash D Chiripal, who got the inspiration from his parents, late Shri Devkinandan Chiripal and mother late Smt. Shanti Devi Chiripal. He enunciated the value of trusteeship in business and laid strong foundation for its ethical and value-based functioning.

The major CSR activities include ethical functioning, respect for all stake holders, care of the human beings and care for the environments. Chiripal group generally implements the above initiatives through its employees, welfare funds, charitable trust and bodies corporate. It also helps the poor and needy, local authorities and others, wherever deem necessary.

Some of the major initiatives taken up during the year under review are summarised below:

Through Charitable Trust and Group Companies

In addition to the activities carried out by the group companies, the numerous charitable and other activities carried out through its Trust and Companies are;

1. In the Education field by starting a School, in the name of Shanti Asiatic School.
2. In the field of Management, in the name of Shanti Business School relating to Business Management.
3. In the form of donation and helping poor people for their medical and education requirements.
4. Sponsoring Scholarship scheme for the poor children.
5. Running Employees Welfare scheme to help their families.
6. Organizing Blood Donation Camp for its group employees and collecting thousands of units of blood for he society.
7. Setting up Shanti Educational Initiatives Limited for small kids.

Chiripal group is also continuously striving and making its humble contribution to the society for its betterment.

AUDITORS' CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE

To,
The Members,
CIL Nova Petrochemicals Limited.

We have examined the compliance of conditions of Corporate Governance by CIL Nova Petrochemicals Limited for the year ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement entered into the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 explanation given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company and certificates issued by the Registrar, no investor grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance to the 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 & Co.
Chartered Accountants
(FRN No. 109616W)
Sd/-
(J.T. Shah)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 07.08.2010

AUDITORS' REPORT

To,
The Members of
CIL - NOVA PETROCHEMICALS LIMITED
(FORMERLY KNOWN AS NOVA POLY YARN LIMITED)
Ahmedabad

1. We have audited the attached Balance Sheet of **CIL-NOVA PETROCHEMICALS LIMITED** as at **31st March 2010**, 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, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2010, 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, 2010;
 - (ii) In the case of the Profit and Loss Account, of the **Profit** 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
(FRN No. 109616W)

PLACE : Ahmedabad
DATE : 07.08.2010

Sd/-

(J. T. SHAH)
PARTNER
[M. No. 3983]

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our Report of even date to the Members of **CIL-NOVA PETROCHEMICALS LIMITED** for the year ended **31st March, 2010**.

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 7 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. 1195.42 Lacs and the year-end balance of loans taken from such parties was Rs. 1114.42 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 by and large regular in depositing with appropriate authorities undisputed statutory dues including income tax, wealth tax, custom duty, Provident fund, excise duty, cess and other statutory dues applicable to it with the appropriate authorities, all though there have been delays in depositing Service Tax, Gujarat Valued Added Tax, Central Sales Tax, Professional Tax 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, Gujarat Valued Added Tax, Central Sales Tax and Excise Duty were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable except Wealth Tax of Rs. 5 Lacs has 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	34.29	Commissioner of Income Tax, Appeals
The Income Tax Act, 1961	Interest on Income Tax	2.72	The Income Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	2718.59	Custom Excise and Service Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	52.17	Commissioner of Excise and Customs (Appeals)
The Central Excise and Customs Act	Excise Duty and Penalty	1.64	Assistant Commissioner of Excise and Customs
Service Tax Act	Service Tax and Penalty	20.12	Commissioner of Service Tax (Appeals)
The Textile Committee Amendment Act, 1973	Textile Cess	50.90	Textiles Committee, Government of India, Ministry of Textiles

10. The accumulated losses at the end of the financial year are not more than fifty percent of its net worth. The Company has not incurred cash loss during the year under audit and in the immediately preceding financial year.

11. *In our Opinion and according to the information and explanations given to us, there was a delay ranging upto 4 months in repayment of principal of Rs.65.52 Lacs and a delay ranging up to 10 month in repayment of interest of Rs.176.20 Lacs to State Bank of India. Further there was a delay ranging up to 60 days in repayment of rescheduled principal of Rs. 62.79 Lacs and delay ranging up to 77 days in respect of interest of Rs.219.64 Lacs in respect other banks.*
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
(FRN No. 109616W)

PLACE: Ahmedabad
DATE : 07.08.2010

Sd/-
(J. T. SHAH)
PARTNER
[M. No. 3983]

CIL NOVA PETROCHEMICALS LTD
Audited Balance Sheet as at 31st March, 2010

Particulars	Sch No.	Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS				
1 Shareholders' Funds :				
(a) Share Capital	1	185500000		135500000
(b) Share Application Money		414000		414000
(c) Reserves and Surplus	2	529863446		118970013
			715777446	254884013
2 Loan Funds :				
(a) Secured Loans	3	621036991		603751834
(b) Unsecured Loans	4	344650270		358499932
			965687260	962251767
3 Deferred Tax Liability (Net)			Nil	Nil
Total.....			1681464706	1217135780
APPLICATION OF FUNDS :				
1 Fixed Assets :	5			
(a) Gross Block		2517238502		2018911416
(b) Less : Depreciation		1328436696		1238717439
Net Block			1188801806	780193977
Add: Capital Work in Progress			25858989	10656990
2 Investments :	6		12221	2221
3 Current Assets, Loans and Advances				
(a) Inventories	7	186678381		98387438
(b) Sundry Debtors	8	298084043		289923910
(c) Cash and Bank Balances	9	15167934		14762477
(d) Loans and Advances	10	74029748		73531407
		573960105		476605232
4 Less :Current Liabilities and Provisions				
(a) Current Liabilities	11	407881590		360086608
(b) Provisions	12	Nil		0
		407881590		360086608
Net Current Assets			166078515	116518624
3 Miscellaneous Expenditure	13			
(To the Extent not w/off or adjusted)				
(a) Profit and Loss Account			300713175	309763968
Total.....			1681464706	1217135780
Notes on Accounts	20			

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

FOR,

CIL NOVA PETROCHEMICALS LTD

Chairman

Director

(J.T.SHAH)

PARTNER

PLACE : AHMEDABAD

DATE : 07.08.2010

Co. Secretary

Profit and Loss Account for the year ended 31st March, 2010

Particulars	Sche No.	Rs.	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME				
1 Sales and Job Charges (Gross)			2062682882	1709783428
Less : Excise Duty			120546063	94023262
Sales (Net)			1942136819	1615760166
2 Other Income	14		8302518	3476351
3 Increase/(Decrease) in stock	15		90433429	(71252934)
Total.....			2040872766	1547983583
EXPENDITURE				
1 Materials	16		1279607294	931073975
2 Payments to and Provisions for Employees	17		26380654	29211048
3 Operational and Other Expenses	18		558635301	492106153
			1864623249	1452391176
Profit before Interest, Depreciation and Taxation			176249517	95592406
Less : Interest and Financial Charges	19		91065874	90285720
Profit before Depreciation and Taxation			85183643	5306687
Less : Depreciation	5		90079445	98331838
Profit / (Loss) before Taxation			(4895802)	(93025151)
Add: Exceptional Item			12730550	Nil
Profit / (Loss) before Taxation			7834748	(93025151)
Less : Provision for Taxation				
- Current including Wealth Tax			Nil	250000
- Fringe Benefit Tax			Nil	700000
- Deferred			Nil	Nil
Profit / (Loss) after Taxation			7834748	(93975151)
Notes on Accounts	20			
Basic and Diluted earning per share			0.29	(3.47)

As per our report of
even date attached herewith

FOR, J T SHAH & COMPANY
CHARTERED ACCOUNTANTS

CIL NOVA PETROCHEMICALS LTD

Chairman

Director

(J.T.SHAH)
PARTNER

Co. Secretary

PLACE : AHMEDABAD
DATE : 07.08.2010

SCHEDULES "1 TO 20" FORMING THE PART OF BALANCE SHEET AND PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31.03.2010

Particulars	Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE - 1			
SHARE CAPITAL			
1 <u>Authorised Capital</u>			
5,50,00,000 Equity Shares (Previous Year			
1,50,00,000 of Rs.10/- each) of Rs. 5/- each.	275000000		150000000
5,00,000 8% Non Cumulative Redeemable	50000000		Nil
Preference Shares (Previous Year Nil)			
of Rs. 100/- each.		325000000	150000000
2 <u>Issued, Subscribed and Paid-up Capital</u>			
2,71,00,000 (Pr. Year 50,000 of Rs.10/- each)			
Equity shares of Rs.5/- each fully paid up		135500000	500000
5,00,000 (Pr. Year Nil)8% Non Cumulative		50000000	Nil
Redeemable Preference shares of Rs.100/- each fully			
paid up		185500000	500000
3 <u>Share Capital Suspense</u>			
Pursuant to the scheme of demerger			
Nil(Pr.Year 50000 Equity Shares) of Rs.10/- each fully paid up to be		Nil	(500000)
cancelled after Balancesheet Date			
Nil(Pr. Year 27000000 Equity Shares) of Rs.5/- each fully paid up to		Nil	135000000
be issued after Balancesheet Date			
Nil(Pr. Year 100000 Equity Shares) of Rs.5/- each fully paid up to be		Nil	500000
issued after Balancesheet Date		Nil	135000000
4 <u>Share Application Money</u>		414000	414000
Total.....		185914000	135914000
SCHEDULE - 2			
RESERVES AND SURPLUS			
1 <u>Revaluation Reserve</u>			
Balance as per last year	Nil		Nil
Add: on Revaluation	410893433		Nil
	410893433		Nil
Less: Transferred to Profit & Loss Account	Nil		Nil
		410893433	Nil
1 <u>Share Premium</u>			
Balance as per last year	118970013		118970013
Add: Addition/Deduction during the year	Nil		Nil
		118970013	118970013
2 <u>General Reserve</u>			
Balance as per last year	22500000		22500000
Less :Adujusted against Debit balance of Profit &			
Loss	(22500000)		(22500000)
		Nil	Nil

Particulars	Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
3 Profit and Loss Account			
Balance as per last year	(331047922)		(237072771)
Add : Additions during the year	<u>7834748</u>		(93975151)
		(323213175)	(331047922)
Add: Amount adjusted against Credit balance of General Resreve		<u>22500000</u>	<u>22500000</u>
		(300713175)	(308547922)
Add : Transferred to Miscellaneous Expenditure		<u>300713175</u>	<u>308547922</u>
Total.....		<u><u>529863446</u></u>	<u><u>118970013</u></u>

SCHEDULE - 3

SECURED LOANS

1 Term Loans from Banks	550098646	429551924
2 Working Capital Loans from Banks	69553684	172410232
3 Other Loan	<u>1384660</u>	<u>1789677</u>
Total.....	<u><u>621036991</u></u>	<u><u>603751834</u></u>

1

Term Loans are secured by first charge of fixed assets (through mortgage/hypothication of Immovable and Movable assets), both present and future; subject to prior charge in favour of bankers/others on specified Assets for Working Capital loans/other loans and further secured by personal guarantee of Promoter Directors and Corporate guarantee of 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 charges on fixed assets specified under point 1 as above.

SCHEDULE - 4

UNSECURED LOANS

1 From Banks	Nil	33370757
2 Security Deposits	7199308	8484213
3 From Corporate Bodies	337396962	316590962
4 From others	<u>54000</u>	<u>54000</u>
Total....	<u><u>344650270</u></u>	<u><u>358499932</u></u>

SCHEDULE - 5 : FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK					DEPRICIATION				NET BLOCK	
		AS AT	ADDITION	ADDITION	DEDUCT	AS AT	AS AT	ADDITION	DEDUC	AS AT	AS AT	AS AT
			DURING	DUE TO	ION			DURING	TION			
		01/04/2009	THE YEAR	REVALUATION	THE YEAR	31/03/2010	01/04/2009	THE YEAR	THE YEAR	31/03/2010	31/03/2010	31/03/2009
				AS ON 31/03/2010								
1	Freehold Land	11493123	Nil	410893433	Nil	422386556	Nil	Nil	Nil	Nil	422386556	11493123
2	Building	225527404	1084937	Nil	Nil	226612341	63296758	7315639	Nil	70612397	155999944	162230646
3	Furniture & Fixtures	146576	Nil	Nil	Nil	146576	30316	9278	Nil	39594	106981	116260
4	Electrical Installation	250090141	1382029	Nil	Nil	251472170	82572233	11895293	Nil	94467526	157004644	167517908
5	Computer	3260460	142984	Nil	Nil	3403444	3031357	59738	Nil	3091095	312348	229103
6	Plant & Machinery	1507230614	84542905	Nil	Nil	1591773519	1076423522	69461745	Nil	1145885266	445888253	430807093
7	Equipments	14174259	35377	Nil	Nil	14209636	9639066	673860	Nil	10312926	3896710	4535193
8	Vehicle	6988839	716770	Nil	471349	7234260	3724187	663891	360188	4027890	3206370	3264652
	SUB TOTAL	2018911416	87905002	410893433	471349	2517238502	1238717439	90079444	360188	1328436696	1188801805	780193977
9	Capital Work In Progress	10656990	15201999	Nil	Nil	25858989	Nil	Nil	Nil	Nil	25858989	10656990
	SUB TOTAL	10656990	15201999	Nil	Nil	25858989	Nil	Nil	Nil	Nil	25858989	10656990
	GRAND TOTAL	2029568406	103107001	410893433	471349	2543097491	1238717439	90079444	360188	1328436696	1214660794	790850967
	PREVIOUS YEAR	2023895314	5673092	Nil	Nil	2029568406	1140385608	98331832	Nil	1238717439	790850967	883509706

Note: On 31/03/2010 Company has revalued its Freehold Land by Rs.410893433/- based on the reoprt issued by the Registered Valuer.

Particulars		Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE - 6				
INVESTMENTS				
<u>INVESTMENT IN SHARES (QUOTED)</u>				
1	1 (Previous Year 1) Equity Shares of Reliance Natural Resources Ltd., of Rs. 5/- each fully paid-up	3		3
2	50 (Previous Year 50) Equity Shares of Century Enka Ltd., of Rs. 10/- each fully paid-up	1890		1890
3	50 (Previous Year 50) Equity Shares of Garden Silk Mills Ltd., of Rs. 10/- each fully paid-up	328		328
			2221	2221
<u>LONG TERM INVESTMENTS (NON TRADE)</u>				
1	National Saving Certificate		10000	Nil
	Total...		12221	2221
	Aggregate value of Quoted Investments		12221	2221
	Market value of Quoted Investments		17220	5205
SCHEDULE - 7				
INVENTORIES				
1	Raw Materials	26254402		41458989
2	Stores, Spares and Fuel	37702697		32463236
3	Packing Materials	1054012		3344824
4	Work-In-Process	77007118		10425534
5	Finished Goods	29758568		1690385
6	Trading Stock	Nil		4216338
7	Goods-in-Transit	14901584		4788132
	Total...		186678381	98387438
SCHEDULE - 8				
SUNDRY DEBTORS				
(Unsecured except reported at Note no 27 of Schedule 19)				
Considered Good				
1	Outstanding for a Period exceeding 6 Months	Nil		5618650
2	Others	298084043		284305260
		298084043		289923910
Considered Doubtful				
1	Outstanding for a Period exceeding 6 Months	6346194		6870371
2	Others	Nil		Nil
		6346194		6870371
		304430237		296794281
Less:	Provision for Doubtful Debtors	6346194		6870371
	Total....		298084043	289923910
SCHEDULE - 9				
CASH AND BANK BALANCES				
1	Cash on hand	77984		204043
2	Balance With Scheduled Banks			
	- In Current Account	2633583		4026567
	- In Fixed Deposit	12454353		10529854
			15165920	14556420
3	Balance with Non Scheduled Bank in Current Accounts		2014	2014

Total....		15167934	14762477
SCHEDULE - 10			
LOANS AND ADVANCES			
(Unsecured)			
1	Advances Recoverable in Cash or Kind		
	Considered Good	35198896	37862653
	Considered Doubtful	5216917	5244671
		40415813	43107324
	Less: Provisiond for Doubtful Advances	5216917	5244671
		35198896	37862653
2	Deposits	23981538	24031037
3	Advance to Staff	347409	Nil
4	Balance with Excise authority (Payable on Demand)	573263	347
5	Advance Tax and TDS	20860215	18581179
	Less:Provision for Taxation	(6931573)	(6943810)
		13928642	11637369
Total....		74029748	73531407
SCHEDULE - 11			
CURRENT LIABILITIES			
1	Sundry Creditors	397093069	356517533
2	Book Overdraft	8910693	925456
3	Advance from Customers / Employees	984400	1746517
4	Unclaimed dividend	893428	897103
Total....		407881590	360086608
SCHEDULE - 12			
PROVISIONS			
1	Proposed Dividend	Nil	Nil
2	Provision for Tax on Proposed Dividend	Nil	Nil
Total....		Nil	Nil
SCHEDULE - 13			
MISCELLANEOUS EXPENDITURE			
Preliminary & Pre Operative Expense			
	Balance as per last year	1216046	1152012
	Add : Additions During The Year	19772	64034
		1235818	1216046
	Less: Preli. Exps. Written Off	(1235818)	Nil
			1216046
Profit & Loss Account			
	Net Deficit after adjustment of Reserves & Surplus (Refer Schedule 2)	300713175	308547922
Total....		300713175	309763968
SCHEDULE - 14			
OTHER INCOME			
1	Interest (TDS Rs. 322423/- Previous year Rs. 655218/)	1045343	2578044
2	Miscellaneous Balances Written off	590061	16500
3	Miscellaneous Income	6111557	384522
4	Dividend	3626	3297
5	Provision for Doubtful Debtors and Advances (Net)	551931	493988
Total..		8302518	3476351

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

1. Finished Goods	29758568	5906723
2. Work-In-Process	77007118	10425534
	106765686	16332257
Less : <u>Opening Stock</u>		
1. Finished Goods	5906723	17881543
2. Work-In-Process	10425534	69703648
	16332257	87585191
Total..	90433429	(71252934)

SCHEDULE - 16**MATERIALS**

Raw Materials Consumed	1195164612	910102119
Purchase of Finished Goods	84442682	20971856
Total..	1279607294	931073975

SCHEDULE - 17**PAYMENTS TO AND PROVISIONS
FOR EMPLOYEES**

1 Salary and Wages	24941452	27045678
2 Contribution to P.F. and other funds	1056383	1136925
3 Staff and Labour Welfare	382819	1028445
Total..	26380654	29211048

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

1 Stores and Spares Consumed	30205198	16411274
2 Power and Fuel Consumed	283380321	250837337
3 Packing Material Consumed	73331642	69197323
4 Freight, Cartage and Octroi	20271771	23021587
5 Insurance	3021820	3556152
6 Rent, Rates and Taxes	573623	533355
7 Vat Expense	88108265	72209613
8 Excise Duty Expenses	2531767	246445
9 Service Tax	496579	463677
10 Postage and Telephone Expenses	530712	634928
11 Stationery, Printing and Advertisement	721827	429962
12 Selling and Distribution Expenses	30499351	34002283
13 Travelling, Conveyance and Vehicle Expenses	2278043	2493137
14 <u>Repairs and Maintenance :</u>		
(a) Plant	3170166	10176789
(b) Building	81324	Nil
(c) Others	701939	1563271
	3953429	11740060
15 Legal and Professional Exps.	4883927	2218264
16 Exchange Rate Difference	Nil	2093800
17 <u>Auditor's remuneration :</u>		
(a) Audit fees	150000	150000
(b) Tax Audit fees	25000	25000
(c) Taxation and Others	25000	25000
(d) Certification	204000	Nil
	404000	200000
18 Miscellaneous Expenses	13397866	1816957
19 Loss on Sale of Fixed Asset	45161	Nil

		Total ...	558635301	492106153
SCHEDULE - 19				
INTEREST AND FINANCE CHARGES				
1	Interest on Term Loans		46825914	50966015
2	Interest on Working Capital Loans		18986467	16001258
3	Bank and Other Charges		18395270	17689961
4	Interest to Others		6858224	5628486
Total	Total ...		91065874	90285720

NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

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. Impairment of Assets

The Management Periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes the an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

l. Earning Per Share

Basic earning per share is calculated by dividing net profit after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity share holders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

m. Employee Benefits

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

As per the said scheme:

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

3. CONTINGENT LIABILITIES:

	2009-2010 Rs. (in Lacs)	2008-2009 Rs. (in Lacs)
a) Letters of Credit Outstanding	1738.53	1956.06
b) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of Rs. 20.00 Lacs)	272.60	272.60
c) Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of Rs. 202.77 Lacs)	2905.28	2741.62
d) Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles.	50.90	50.90
e) Service Tax demand disputed in appeal by the Company/Authority	33.48	Nil
f) Claims not acknowledged as debts by the company	1.13	1.13
g) Show Cause Notices received from various authorities (Against which	65.85	158.66

the Company has paid amount of Rs. 400.00 Lacs)

h)	Employees Demands pending before Labour Courts	Amount not ascertainable	Amount not ascertainable
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4. 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 2010 is Rs.694.75 Lacs (Previous Year Rs. 1326.32 Lacs).
5. Debtors include Rs. Nil Lacs (Previous Year Rs. Nil Lacs) due from private companies in which some of the directors are interested as directors and Rs. Nil Lacs (Previous Year Rs. Nil Lacs) due from firms in which some of the directors are interested as partners.
6. Secured loans where repayments are stipulated include Rs. 499.02 Lacs (Previous year Rs. 272.40 Lacs) repayable within a period of one year.
7. Unsecured loans where repayments are stipulated include Rs. Nil (Previous year Rs. Nil) repayable within a period of one year.
8. Traveling, Conveyance & Vehicle Expenses include Directors Traveling of Rs.1.42 Lacs (Previous Year Rs. 1.98 Lacs).
9. 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.
10. Maximum debit balance in Non Schedule Bank during the year is Rs. 0.02 Lacs (Previous year Rs 0.04 Lacs).
11. Exceptional items consist of amount written back on account of restructuring / settlement of some of the loans and interest thereon Rs. 127.31 lacs (Previous year Rs. Nil Lacs)
12. Particulars of Prior Period expense debited to respective head of expenditure:-

Particulars	31-03-2010	31-03-2009
(i) Raw Material Consumption	603,015	6,46,641
(ii) Payment to Employees	(648)	2,98,258
(iii) Freight & Cartage	820,660	67,134
(iv) Rent Rates and Taxes	(12598)	(1,93,749)
(v) Repairs & Maintenance Expense	68,190	8,64,562
(vi) Miscellaneous Expenses	266,999	98,473
(vii) Telephone Expense	1,529	Nil
(viii) Legal & Professional Expense	117,052	2,70,725
(ix) Traveling Expense	19,909	81,115
Total . . .	1,884,108	21,33,159

13. The Disclosure requirement as required by Accounting Standard 15 “Employee Benefits” is as follows :-

Sr. No.	Particulars	Gratuity (Funded) Defined benefit Obligation 31/03/10	Gratuity (Funded) Defined benefit Obligation 31/03/09
1.	Employee Benefit Obligations		
	The amounts (in Rs.) recognized in the balance sheet.		
	Present value of funded obligations	472,160	472,160
	Fair value of plan assets	472,160	472,160
	Present value of unfunded obligations	2,653,223	2,950,624
	Unrecognized past service cost	-	-
	Net liability	2,653,223	2,950,624

Sr. No.	Particulars	Gratuity (Funded) Defined benefit Obligation 31/03/10	Gratuity (Funded) Defined benefit Obligation 31/03/09
	Amounts in the balance sheet:		
	- Liabilities	3,125,383	2,950,624
	- Assets	472,160	-
	Net liability	2,653,223	2,950,624
2.	The amounts (in Rs.) recognized in the statement of profit and loss.		
	Current service cost	489,780	762,793
	Interest on obligation	282,380	231,091
	Expected return on plan assets	-	(73,541)
	Net actuarial losses (gains) recognised in year	(1,069,561)	340,820
	Past service cost	-	-
	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'employee benefit expense'	(297,401)	1,261,163
	Actual return on plan assets		88,651
3.	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
	Opening defined benefit obligation as on	3,422,784	2,921,508
	Service cost	489,780	762,793
	Interest cost		
	3422784*8.25%	282,380	231,091
	Actuarial losses (gains)	-	355,930
	Losses (gains) on curtailments	(1,069,561)	-
	Liabilities extinguished on settlement	-	-
	Liabilities assumed in an	-	-
	amalgamation in the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	-	(848,538)
	Closing defined benefit obligation	3,125,383	3,422,784
4.	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
	Opening fair value of plan assets	472,160	1,162,086
	Expected return		
	0*0%	-	73,541
	Actuarial gains and (losses)	-	15,110
	Assets distributed on settlements	-	-
	Contributions by employer	-	69,961
	Assets acquired in an amalgamation	-	-
	In the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	-	(848,538)
	closing balance of fair value of plan assets	-	472,160
5.	The major categories of plan assets as a percentage of total plan assets are as follows:		
	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%

Sr. No.	Particulars	Gratuity (Funded) Defined benefit Obligation 31/03/10	Gratuity (Funded) Defined benefit Obligation 31/03/09
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Policy of Insurance	100.00%	100.00%
	Bank Balance	0.00%	-
6.	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :		
	Discount rate	8.25%	7.91%
	Expected return on plan assets	0.00%	9.00%
	Proportion of employees opting for early retirement	-	-
	Annual increase in Salary costs	6.00%	6.00%
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.		
7.	Amount for the current period.		
	Defined benefit obligation	3,125,383	3,422,784
	Plan assets	472,160	472,160
	Surplus/(deficit)	(2,653,223)	(29,50,624)
	Experience adjustments on plan Liabilities	(1,069,561)	-
	Experience adjustments on plan assets	-	-
8.	Movement in net liability recognised in Balance Sheet.		
	Net opening liability	2,950,624	1,759,422
	P&L Charge	(297,401)	1,261,163
	Contribution paid	-	(69,961)
	closing net liability	2,653,223	2,950,624
9.	Transitional Liability		
	D.B.O. As on 1-4-2008	-	4,039,137
	Market value of Investment as on 1-4-2008	-	(1,763,846)
	Provision in books of Accounts maintained under the Accounting Standard.	-	(2,218,969)
	transitional liability (assets) as on 1-4-2008	-	56,322
	Note	-	
	Transitional liability (assets) as on 1-4-2008 Is worked out on the basis of discount rate	-	8.50

14. The Disclosure requirement as required by Accounting Standard 15 of "Leave Encashment" is as follows :-

Sr. No.	Particulars	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/10	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/09
1.	Employee Benefit Obligations		
	The amounts (in Rs.) recognized in the balance sheet.		
	Present value of funded obligations	-	-
	Fair value of plan assets	-	-

Sr. No.	Particulars	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/10	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/09
	Present value of unfunded obligations	779,516	1,526,442
	Unrecognized past service cost	-	-
	Net liability (Asset)	779,516	1,526,442
	Amounts in the balance sheet:		
	- Liabilities	779,516	1,526,442
	- Assets	-	-
	Net liability	779,516	1,526,442
2.	The amounts recognized in the statement of profit and loss are as follows.		
	Current service cost	282,865	664,937
	Interest on obligation 1526442*8.25%	125,931	69,819
	Expected return on plan assets	-	-
	Net actuarial losses (gains) recognised in year	(1,155,722)	(90,986)
	Past service cost		
	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'employee benefit expense'	(746,926)	643,770
	Actual return on plan assets		
3.	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows.		
	Opening defined benefit obligation	1,526,442	882,672
	Service cost	282,865	664,937
	Interest cost 1526442*8.25%	125,931	69,819
	Actuarial losses (gains)	(1,155,722)	(90,986)
	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	-	-
	Closing defined benefit obligation	779,516	1,526,442
4.	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	-	-

Sr. No.	Particulars	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/10	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/09
5.	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%
	Policy of Insurance	0.00%	0.00%
	Bank balance	0.00%	0.00%
6.	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :		
	Discount rate	8.25%	7.91%
	Expected return on plan assets	0.00%	0.00%
	Proportion of employees opting for early retirement	-	-
	Annual increase in Salary costs	6.00%	6.00%
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.	-	-
7.	Amount for the current period.		
	Defined benefit obligation	779,516	1,526,442
	Plan assets	-	-
	Surplus/(deficit)	(779,516)	(1,526,442)
	Experience adjustments on plan Liabilities	(1,141,851)	-
	Experience adjustments on plan assets	-	-
8.	Movement in net liability recognised in Balance Sheet.		
	Net opening liability	1,526,442	882,672
	P&L Charge	(746,926)	643,770
	Contribution paid	-	-
	closing net liability	779,516	1,526,442
9.	Transitional Liability		
	D.B.O. As on 1-4-2008	-	878,483
	Market value of Investment as on 1-4-2008	-	-
	Provision in books of Accounts maintained under the Accounting Standard.	-	(1,484,175)
	transitional liability (assets) as on 1-4-2008	-	(605,692)
	Note		
	Transitional liability (assets) as on 1-4-2008 Is worked out on the basis of discount rate	-	8.50

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	31-03-2010	31-03-2009
Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	78,34,748	(9,39,75,151)
Nominal Value per Share	5	5
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	27100000	27100000*
Basic and Diluted earning per share	0.29	(3.47)

***Note:** Due to the scheme of Demerger, the company issued and allotted 2,70,00,000 equity shares to the share holders of Nova Petrochemicals Ltd. in the ratio of one equity share of face value of Rs.5 each fully paid up in the company for every on equity share of Rs.10 each fully paid up held by the shareholders of Nova Petrochemicals Ltd , which have been considered as issued on the first day of the year for calculating Weighted average number of shares.

17. Related Party Disclosures**a) Key Management Personnel**

Sr. No.	Name	Designation
1	Shri Jyotiprasad Chiripal	Chairman
2	Shri Vedprakash Chiripal	Director

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

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

c) Details of Transactions with Key Management Personnel and Related Parties of the Key Management Personnel are as follows:**(Rs. in Lacs)**

Sr. No.	Nature of Transaction	Key Management Personnel	Other Related Parties	Relatives of Key Management Personnel	Total
1	Unsecured Loans				
	Taken during the year	NIL (NIL)	1.00 (2388.39)	NIL (NIL)	NIL (2388.39)
	Balance as at Balance Sheet Date	Nil (NIL)	1114.42 (1194.42)	NIL (NIL)	1114.42 (1194.42)
2	Advances Recoverable in Cash or Kind				
	Given during the year	NIL (NIL)	941.60 (NIL)	NIL (NIL)	941.60 (NIL)
	Balance as at Balance Sheet Date	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Advances Received from Customers				
	Received during the year	NIL (NIL)	234.03 (NIL)	NIL (NIL)	234.03 (NIL)

Sr. No.	Nature of Transaction	Key Management Personnel	Other Related Parties	Relatives of Key Management Personnel	Total
	Balance as at Balance Sheet Date	NIL (NIL)	234.03 (6.93)	NIL (NIL)	234.03 (6.93)
4	Expenditure				
	Purchase of Goods, Packing Material and Stores	NIL (NIL)	2506.88 (1447.47)	NIL (NIL)	2506.88 (1447.47)
	Jobwork Charges	NIL (NIL)	209.31 (388.23)	NIL (NIL)	209.31 (388.23)
	Purchase of Fix Asset	NIL (NIL)	770.40 (NIL)	NIL (NIL)	770.40 (NIL)
5	Income Received				
	Power & Fuel Income	NIL (NIL)	1315.91 (1263.46)	NIL (NIL)	1315.91 (1263.46)
	Jobwork Income	NIL (NIL)	426.75 (166.84)	NIL (NIL)	426.75 (166.84)
6	Stock in trade				
	Sold / Redeemed during the year	NIL (NIL)	574.34 (407.88)	NIL (NIL)	574.34 (407.88)
	Balance as at Balance Sheet Date	NIL (NIL)	150.22 (630.36)	NIL (NIL)	150.22 (630.36)
7	Other Transactions				
	Payment received on behalf of others	NIL (NIL)	Nil (1.08)	NIL (NIL)	Nil (1.08)
	Payment made on their behalf	NIL (NIL)	327.12 (0.02)	NIL (NIL)	327.12 (0.02)

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

1. Unsecured Loan	Rs. In Lacs
Taken :-	-----
- Chiripal Industries Ltd. (2375.30)	1.00
2. Advance Recoverable in cash or Kind	
Given :-	
- Chiripal Industries Ltd. (Nil)	941.60
3. Advance Received from Customer	
Advance Received:-	
- Chiripal Industries Ltd. (6.93)	234.02
4. Expenditure :-	
Purchase of Goods, Packing Material and Stores :-	
- Chiripal Industries Ltd (1405.19)	2496.36
Jobwork Expense:	
- GSL-Nova Petrochemicals Ltd. (388.23)	209.30
Purchase of Fix Asset :-	
- Chiripal Industries Ltd (NIL)	770.40
5. Income Received :-	
Power & Fuel Income:	
- GSL-Nova Petrochemicals Ltd. (1263.46)	1315.91
Jobwork Income:	
- Chiripal Industries Ltd. (166.84)	426.75

6. Stock in trade :-**Sold / Redeemed during the year**

-	Chiripal Industries Ltd.	574.01
		(373.26)

7. Other Transaction :-**Payment made on behalf of Others**

-	GSL-Nova Petrochemicals Ltd.	327.12
		(0.02)

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

19. Impairment of Asset

During the year, the company has impaired its assets to the tune of Rs. Nil (Previous Year Rs.Nil)

20. The amount of Exchange Difference

Credited to Profit and Loss Account Rs. 18.51 Lacs
(Previous Year Debited to Profit & Loss Account Rs. 20.94 Lacs)

21. The Gross Block of Fixed Asset includes Rs.4108.93 Lacs (Previous Year Rs.Nil Lacs) on account of revaluation of Freehold Land Carried out on 31/03/2010.

22. 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.64.98 Lacs (Previous year Rs. 48.75 Lacs) due to Small Scale and ancillary concerns.
- b) The undertakings to whom amounts outstanding for more than 30 days as on 31st March, 2010, 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, Balaji Polymers, Flexi Bond Industries, Fortune Fabrics Pvt Ltd, Nirmal Packaging, Nirmal Tube & Containers Pvt. Ltd, Pooja Plastic Ind., Pooja Paper Craft, Rajhans Traders.

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

24. 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 has been not given.

25. Sundry Debtors are Secured to the extent of Rs. 71.99 Lacs (Previous Year Rs. 7.50 Lacs)

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

a) Licensed & Installed Capacity :

Sr. No.	Product Name	Licensed Capacity	Installed Capacity
1	Partially Oriented Polyester Filament Yarn (POY)	License is not required	18325 Tons p.a.
		(License is not required)	15085 Tons p.a.
2	Polyester Texturised Yarn	License is not required	3011 Tons p.a.
		(License is not required)	3011 Tons p.a.
3	Draw Twisted Yarn	License is not required	3282 Tons p.a.
		(License is not required)	3282 Tons p.a.
4	Fully Draw Yarn	License is not required	14412 Tons p.a.
		(License is not required)	11532 Tons p.a.

b) Opening Stock & Closing Stock of Finished Goods

Sr. No.	Product	Unit	Opening Stock		Closing Stock	
			Quantity	Amount Rs.	Quantity	Amount Rs.
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	58775	15,45,032	213418	1,28,78,513
			(61368)	(27,13,743)	(58775)	(15,45,032)
2	Polyester Texturised Yarn	Kg.	14023	13,44,286	2683	2,47,942
			(35150)	(27,41,784)	(14023)	(13,44,286)
3	Draw Twisted Yarn	Kg.	13493	14,05,984	31690	34,94,175
			(36636)	(35,16,470)	(13493)	(14,05,984)
4	Fully Draw Yarn	Kg.	21400	16,11,421	140893	1,31,37,938
			(57912)	(46,93,208)	(21400)	(16,11,421)
5	Cloth	Mtr.	Nil	Nil	Nil	Nil
			(33176)	(42,16,338)	(Nil)	(Nil)
	Total . . .			59,06,723		2,97,58,568
				(1,78,81,543)		(59,06,723)

c) Production meant for Sale

Sr. No.	Product	Unit	Quantity
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	10145693
			(4958250)
2	Polyester Texturised Yarn	Kg.	213977
			(1329101)
3	Draw Twisted Yarn	Kg.	1996729
			(2469176)
4	Fully Draw Yarn	Kg.	8429828
			(7944631)
5	Polyester Chips	Kg	Nil
			(252300)

d) Purchase of Finished Goods

Sr. No.	Product	Unit	Quantity	Amount
1	Cloth	Mtr.	Nil	Nil
			(143881)	(55,62,958)
2	Polyester Chips		1038652	5,37,95,886
			(91767)	(49,00,978)
3	Partially Oriented Polyester Filament Yarn (POY)	Kg	387548	3,06,46,836
			(Nil)	(Nil)
4	Draw Twisted Yarn	Kg	Nil	Nil
			(97641)	(1,05,07,920)
			1426200	8,44,42,682
	Total . . .		(17525371)	(2,09,71,855)

e) Sales

Sr. No.	Product	Unit	Quantity	Amount
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	10378598	75,77,73,630
			(4960843)	(31,86,27,969)
2	Polyester Texturised Yarn	Kg.	228000	2,24,43,484
			(1350228)	(12,07,78,958)
3	Draw Twisted Yarn	Kg.	1978532	23,05,87,386
			(2589960)	(31,65,37,543)
4	Fully Draw Yarn	Kg.	8310335	81,44,51,075
			(7981142)	(78,40,31,680)

Sr. No.	Product	Unit	Quantity	Amount
5	Chips	Kg	1038652 (344067)	5,59,33,380 (1,87,93,296)
6	Cloth	Mtr.	Nil (177057)	Nil (93,22,422)
7	Others (including Job Charges & Power & Fuel Income)		-	18,14,93,927 (15,26,61,864)
	Total . . .		21934117 (17403294)	2,06,26,82,882 (1,72,07,53,732)

f) Consumption of Raw Materials

Sr. No.	Item	Unit	Quantity	Amount
1	Polyester Chips		16609317 (9620841)	88,52,83,793 (52,07,81,151)
2	Pure Terephthalic Acid (PTA)		3663570 (5883898)	15,74,11,596 (23,54,84,074)
3	Mono Ethylene Glycol (MEG)		1455650 (2308136)	5,31,17,609 (9,18,60,104)
4	Others		-	9,93,51,614 (6,19,76,790)
	Total . . .		21728537 (17812875)	1,19,51,64,612 (91,01,02,119)
Note:	The above figures do not include captive consumption.			

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

Sr. No.	Particulars	Imported	Indigenous	Total
1	<i>Raw Materials Consumed:</i>			
	Value Rs.	32,90,413 (Nil)	1,19,18,74,199 (91,01,02,119)	1,19,51,64,612 (91,01,02,119)
	Percentage	0.28% (0%)	99.72% (100%)	100% (100%)
2	<i>Stores & Spares Consumed</i>			
	Value Rs.	8,44,039 (Nil)	2,93,61,159 (1,64,11,274)	3,02,05,198 (1,64,11,274)
	Percentage	2.79% (0%)	97.21% (100%)	100% (100%)

h) C.I.F. Value of Imports

Sr. No.	Particulars	Amount (Rs.)
1	Capital Goods	1,29,946 (Nil)
2	Raw Materials	32,90,413 (Nil)
3	Stores and Spares	8,44,039 (Nil)
4	Purchase of Trading Goods	2,27,06,375 (Nil)

i) Expenditure in Foreign Exchange

<i>Sr. No.</i>	<i>Particulars</i>	<i>Amount (Rs.)</i>
<i>1</i>	<i>Foreign Traveling</i>	<i>Nil</i>
		<i>(Nil)</i>
<i>2</i>	<i>Interest and Bank Charges</i>	<i>Nil</i>
		<i>(Nil)</i>

j) Earning in Foreign Exchange:

<i>Sr. No.</i>	<i>Particulars</i>	<i>Amount (Rs.)</i>
<i>1</i>	<i>FOB Value of Exports</i>	<i>Nil</i>
		<i>(Nil)</i>

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

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

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

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

Signature to Schedules "1" to "20"

As per our report of
even date attached herewith

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

FOR, CIL NOVA PETROCHEMICALS LIMITED

**(J T SHAH)
PARTNER**

Chairman

Director

Co. Secretary

PLACE : AHMEDABAD

DATE : 07.08.2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code	04	Registration No.	043354
Balance Sheet Date	31/03/2010	CIN	U17111GJ2003PLC043354

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

Public issue	Nil	Right Issue	Nil
Bonus issue	Nil	Private Placement	50000000

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

Total Liabilities		Total Asset	
SOURCES OF FUNDS			
Paid-up Capital	185500000	Reserves & Surplus	530277446
Secured Loans	621036991	Unsecured Loans	344650270
APPLICATION OF FUNDS			
Net Fixed Assets	1214660795	Investments	12221
Net Current Assets	166078515	Miscellaneous Expenditure	300713174.6
Deferred Tax Liabilities	Nil		
Accumulated Losses	-323213174.6		

IV. Performance of Company (Amount in Rs.)

Turnover (Includint other income)	2070985400	Total Expenditure	2063150652
Profit Before Tax	7834748	Profit After Tax	7834748
Earning Per Share (Rs.)	0.29	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 and on behalf of the Board

Place : Ahmedabad
Date : 07.08.2010

Jyotiprasad D Chiripal **Vedprakash D Chiripal**
Director Director