

**17TH
ANNUAL REPORT
2009-2010**



[Formerly Known as Nova Petrochemicals Limited]

Your confidence is our biggest Asset

17th ANNUAL REPORT

Board of Directors	: Shyam Gupta Sunil Kumar Gupta R. C. Jain Sandeep Goyal Anil Singhal	<i>Chairman</i> <i>Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i>
Vice President (Finance)	: Rajendra M. Mehta	
Vice President (Technical)	: Mukesh Khandelwal	
Company Secretary	: Harish N. Motwani	
Bankers	: State Bank of India Bank of Baroda UCO Bank Central Bank of India State Bank of Indore (Since merged with State Bank of India)	
Registered Office & Plant	: Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad - 382 210. Gujarat. India Email : nova@novapetro.com	
Share Transfer Agent	: MCS Limited. 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Asharm Road, Ahmedabad – 380 009.	

www.novapetro.com

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **M/S GSL NOVA PETROCHEMICALS LIMITED (Formerly Known as NOVA PETROCHEMICALS LIMITED)** will be held on Wednesday, **the 29th day of December, 2010 at 3.30 p.m.** at Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210 to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on 31st March 2010 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Sandeep Goyal, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Shyam Gupta, who retires by rotation and being eligible offers himself for reappointment
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Anil Singhal who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th April, 2010 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass with or without modification the following Resolution as Special Resolution:
"RESOLVED that as per the recommendation of remuneration committee and subject to the provisions of section 198,269,309,310,311 and any other applicable provisions, if any, of the Companies Act,1956 and subject to the provisions of any other laws as may be applicable to the Company from time to time and as authorized by the Company in an Annual General Meeting held on 29th day of September,2007 to vary, enlarge, increase, modify and revise at any time and from time to time , the terms and conditions of appointment including remuneration in accordance with limits specified in Schedule XIII to the Companies Act,1956 or any revision, amendments or modifications there to or any re-enactment there of, during the currency of the tenure as may be agreed between the Board of Directors and Shri Sunilkumar Gupta without any further reference to the Company in General Meeting but in view of the requirements of Section 309(1) and Part III Schedule XIII contemplating specific approval of terms and conditions of appointment and remuneration and any other permissions and approvals of any other prescribed authorities as may be necessary including Central Government and subject to the Memorandum & Articles of Association of the Company, Shri Sunil Kumar Gupta, Managing Director of the Company be paid remuneration of Rs. 150000/- (Rupees One Lac Fifty Thousand) per month which comprise of Basic and other allowances & perks viz HRA, Medical & Children Allowance, Payment of gas, electricity, water charges at residence and reimbursement in lieu there of etc. w.e.f. 1st April,2010 for remaining term of his office for period of five years commencing from 28th May,2007 pursuant to resolution passed in Annual General Meeting held on 29th day of September,2007.
Further Resolved that Managing Director shall also be eligible to Perks which shall not be included in the computation of the ceiling on remuneration of Rs.150000/- per month allowable under Schedule XIII based on effective capital of Company and other perks (not to exceed ceiling of remuneration of Rs 150000 per month to the extent not allowable/ beyond the taxable limits under Income Tax Law) viz. payment of telephone bills for official purpose, Club Memberships, Provision of Car for official and personal use, LTA/ LTC for self and his family once in a year, Personal servant expenses at residence or reimbursement of expenses in lieu there of etc.
Further Resolved that any of the directors of the company be authorized to file necessary forms and returns under the provisions of Companies Act,1956 where ever required and sign the same either manually or by way of digital signature in accordance with requirements of laws and inform any other authorities including stock exchanges in the said respect and also issue notices, make applications etc. for availing necessary approvals, permissions thereto".
7. To consider and if thought fit, to pass with or without modification the following Resolution as Special Resolution:
"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act,1956 and any other laws as may be applicable to the company and subject to the Memorandum and Articles of Association of the Company the existing article 5 (a) of Articles of Association of the Company be substituted by new Article 5(a) which reads as follows:
"The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and / or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents."
8. To consider and if thought fit, to pass with or without modification the following Resolution as Special Resolution:
"RESOLVED THAT pursuant to Section 94 and other applicable provisions if any, of the Companies Act, 1956, the existing Authorised Share Capital of the Company of Rs. 32,50,00,000/- (Rupees Thirty Two Crores and Fifty Lacs only) divided into 6,50,00,000 (Six Crores Fifty lacs only) Equity Shares of Rs. 5/- (Rupees Five only) each be and is hereby reclassified whereby the Authorised Share Capital of the Company shall be Rs. 32,50,00,000/- (Rupees Thirty Two Crores and Fifty Lacs only) divided into 4,50,00,000 (Four Crores Fifty Lacs) Equity Shares of Rs. 5/- (Rupees Five only) each and 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each.

RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956 and in view of the aforesaid reclassification, the existing Authorised Share Capital Clause V of the Memorandum of Association of the Company, be and is hereby altered by substituting the following new Clause:

“The Authorised Share Capital of the Company is Rs. 32,50,00,000/- (Rupees Thirty Two Crores Fifty lacs only) dividend into 4,50,00,000 (Four Crores Fifty Lacs) Equity Shares of Rs. 5/- (Rupees Five only) each and 10,00,000/- (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each with power to the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights, or to any conditions or restrictions or as redeemable preference shares and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained, but, upon any increase in capital, new shares with preferential, deferred, qualified or special rights, privileges or conditions attached thereto, may not be issued so as to prejudice the then existing preferential shares, redeemable or otherwise.”

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

“RESOLVED THAT pursuant to the stipulation made by the Corporate Debt Restructuring Cell (CDR) requiring conversion of Unsecured Loans into capital in order that net worth remains positive all the time the unsecured loan standing to the credit of the Promoters/ Promoters group of the Company by way of issue of 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs.100/- each to the tune of Rs.10 Crores (Ten Crores) and pursuant to the provisions of Section 80,81 and any other applicable provisions of the Companies Act,1956 or any other laws as may be applicable to the company from time to time and subject to the Memorandum and Articles of Association of the Company and subject to such other approvals as may be required, consent of the company be and is hereby accorded to board of directors of the company (hereinafter referred to as the “Board”), which shall be deemed to be any duly authorized committee thereof, and in observance of SEBI Order dated 12.01.2010, to issue and allot 10,00,000 (Ten Lacs) 6% Redeemable Non Cumulative, Non Convertible Preference Shares of Rs.100/- each to the tune of Rs. 10 crores (Ten Crores), to the persons, in one or more trenches, on the terms and conditions as detailed below:

Terms of Issue:

- The Preference Shares to be issued and allotted by the Company in the manner aforesaid will be subject to the provisions of Section 80 and other applicable provisions of the Companies Act, 1956, and Memorandum and Articles of Association of the Company.
- The Preference Shares shall: (i) as respects dividend carry a Preferential right to be paid @ 6% p.a. non-cumulative on the paid up value of the preference shares. (ii) as respects capital carry, on a winding-up or repayment of capital, a preferential right to be repaid the amount of the capital paid up on the Preference Shares.
- The Preference Shares shall rank pari passu with one another in all respects.
- Dividend when declared on the Preference Shares shall be proportionate to the capital paid up thereon and to the period during which such capital is paid up.
- The Preference Shares will be redeemed at such price in one or more installments prior to expiry of ten years from the date of allotment.
- The Voting Rights if any, on such Preference share shall be govern by the provisions of Companies Act, 1956 as may be applicable from time to time.

Further Resolved that pursuant to the provisions of Section 80 of the Companies Act,1956 no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption and no such shares shall be redeemed unless they are fully paid up and the premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the Company's (Security) premium account, before the shares are redeemed and where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called (the capital redemption reserve account), a sum equal to the nominal amount of the shares redeemed ; and the provisions of this Act relating to the reduction of the share capital of the company shall, except as provided in this section, apply as if (the capital redemption reserve account)were paid up share capital of the company .

Further Resolved that pursuant to the provisions of Section 80 (5A) which provides that Notwithstanding anything contained in this Act, no company limited by shares shall, after the commencement of the Companies (Amendment) Act, 1996, issue any preference share which is irredeemable or is redeemable after the expiry of a period of twenty years from the date of its issue.], the redeemable preference shares shall be redeemed in a manner as may be decided by board of directors at relevant period of time within a period of ten years.

Further Resolved that the manner of redemption of preference shares shall be as provided in article 8 of Articles of Association of the company which reads as follows:

“The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, be giving not less than six month's previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect :

- The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid, where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore."

"RESOLVED FURTHER THAT the Board be and is hereby authorized in its entire discretion for the purpose of giving effect to this issue/allotment of Preference Shares, to agree to, and accept all such conditions, modifications, and alterations, if any, as may be stipulated by any other authorities and as may be deemed appropriate by the Board in compliance / concurrence with the direction of CDR, while according approval or consent to the issue /allotment or in granting any exemptions and to take all such actions as may be necessary, proper or expedient, for the issue /allotment of Preference Shares and to do all such acts, deeds, matters and things in connection therewith, as it may at its absolute discretion deem necessary or appropriate, including without limitation, to seek listing of the Preference Shares on the Ahmedabad Stock Exchange, Bombay Stock Exchange and National Stock Exchange of India Limited, with power on behalf of the Company to settle any question, difficulty or doubt that may arise in regard to such issue or allotment of Preference Shares and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to keep the Register of members, Index of members and copies of all returns prepared under Section 159 and 160 of the companies Act, 1956, together with copies of certificates and Documents required to be annexed there to under Section 160 and 161 of the Companies Act, 1956, at the office of M/s MCS LIMITED, Registrars and Securities Transfer Agents of the Company, situated at 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad- 380 009, the new registrar appointed in place of M/s Pinnacle Shares Registry Private Ltd. Near Ashoka Mills, Naroda Raod, Ahmedabad- 380 025 vide board meeting dated 29th January, 2010 w.e.f. 1st April, 2010.

Regd. Office:

Survey No. 396/403, Moraiya Village,
Sarkhej-Bavla Highway, Tal. Sanand,
Dist. Ahmedabad – 382 210
Dated : 13/11/2010

For & on behalf of the Board of Directors,

Company Secretary

Notes :-

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
- The Company has been granted extension of time period upto 30th December, 2010 for holding 17th Annual General Meeting by Registrar of Companies, Gujarat.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 27th December, 2010 to 29th December, 2010 (both days inclusive).
- Members desiring any information pertaining to Accounts are requested to write to the Company at least seven days before the date of the meeting in order that the information can be made available at the meeting.
- Members are requested to bring their copy of the Annual Report at the meeting and produce the Attendance Slip at the Entrance where the Annual General Meeting will be held.
- Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- Listing fees for the year 2010-2011 has been paid to Ahmedabad Stock Exchange Ltd., National Stock Exchange of India Ltd., and Bombay Stock Exchange Ltd., and Annual Custodian Fees has been paid to depositories namely Central Depository Services (India) Limited and National Securities Depository Limited.
- Members holding shares in physical mode are requested to immediately notify the Company or its Share Transfer Agent about any change of address and their bank particulars. Members holding shares in dematerialized form are requested to immediately notify their respective Depository Participants about any change of address and their bank particulars.
- Pursuant to Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for reappointment are furnished below :**
 - Shri Sandeep Goyal was appointed as an Additional Director on the Board of the Company w.e.f. 25th August, 2007 and thereafter regularized as Regular Director liable to retire by rotation in an Annual General Meeting held on 29th September, 2007. He had continued as a director on the Board since then as a Director liable to retire by rotation.
He is Commerce Graduate having vast experience in Textile Processing and Marketing.

Mr. Sandeep Goyal is a Director on the Board of the following Companies:

- a) Aviva Industries Limited
- b) Nova Petrofils Ltd
- c) Gupta Power Project Pvt. Ltd
- d) Comptel Infosys Pvt. Ltd.
- e) Polycoat India Pvt.Ltd
- f) Subhlaxmi Dyg. & Ptg. Mills Pvt. Ltd
- g) Numech Synthetics Pvt.Ltd
- h) Micro Filaments Pvt. Ltd
- i) Novarties Syntex Pvt. Ltd
- j) Nandan Dyg. Prints. Pvt. Ltd
- k) Tima Filament Pvt.Ltd
- l) Gupta Dyeing & Printing Mills Pvt. Ltd.
- m) Jatin Synthetics Private Limited

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

- (B) Shri Shyam Gupta, Director of the Company, is a Commerce Graduate having a rich experience in textile industry of more than 31 years. He has been associated with the Company since incorporation of the Company. He is the Chairman of Gupta Group of Companies, Surat one of the co-promoters of the Company. Under his able and mature leadership, the Company has achieved tremendous growth. Shri Sunilkumar Gupta, Managing Director of the Company is related to him.

Mr. Shyam Gupta, Director of the Company is holding directorship in other following Companies.

- a) Anamika Syntex Pvt. Ltd.
- b) Ellora Syntex Pvt. Ltd.
- c) Sangam Silk Mills Pvt. Ltd.
- d) Aviva Polyflex Pvt. Ltd.
- e) Subhlaxmi Dyeing & Printing Mills Pvt. Ltd.
- f) Nova Petrofils Limited
- g) Association of Synthetics Fibers Industries
- h) Bleuchip Builders Pvt. Ltd.
- i) Gupta Synthetics Limited (Resigned w.e.f. 19th April, 2010)
- j) Gupta Dyeing & Printing Mills Pvt. Ltd.
- k) Polycoat India Pvt. Ltd.
- l) Gupta Tex Print Pvt. Ltd.
- m) Gupta Education Foundation Institution
- n) Shikha Investments Pvt. Ltd.
- o) Aviva Power & Project Pvt. Ltd.

Shri Shyam Gupta retires by rotation and being eligible offers himself for re-appointment.

11. The Appointment of Shri Anil Singhal as Director on the board liable to retire by rotation is due for regularization in this Annual General Meeting pursuant to provision of section 260 read with section 257 of the Companies Act, 1956 and Article 155(a)&(b) of Articles of Association of the Company

Shri Anil Singhal, Director of the Company is holding directorship in other following Companies.

- a) Aviva Industries Limited
- b) Gupta Synthetics Limited
- c) Millennium Infosoft Pvt. Ltd. (Resigned w.e.f. 6th September, 2010)
- d) Gold Star Lease Financing Ltd.
- e) Subhlaxmi Dyeing & Printing Mills Pvt. Ltd.
- f) Evergreen Synthetics Pvt. Ltd.
- g) Sharp Synthetics Pvt. Ltd.

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

Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were transferred to the Fund which are unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

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

ITEM NO. 5

Pursuant to the provisions of Section 260 of the Companies Act, 1956, the term of office of Shri Anil Singhal, appointed as an additional director of the Company on the Board with effect from 30th April, 2010 expires on the conclusion of this Annual General Meeting .

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

Shri Anil Singhal Director of the Company is a Bachelor of Commerce. He has rich experience in the textiles industry.

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

Except Shri Anil Singhal no other Director of the Company is interested or concerned in the resolution.

The Board recommends this Resolution for approval of Members.

ITEM NO. 6

The board, as recommended by remuneration committee, propose to members to pay minimum remuneration to managing director payable in case of companies having no profits or inadequate profits under schedule XIII to the Companies Act, 1956 subject to approval of Shareholders in the general meeting. Shri Sunilkumar Gupta holds office of Managing Director for a period of five years with effect from 28th May, 2007 under schedule XIII to the Companies Act, 1956 pursuant to ordinary resolution passed in an Annual General Meeting of the Company held on 29th September, 2007. No remuneration was proposed to be paid to the Managing Director at that time, in view of lower revenues and consequent losses incurred by the company.

However, despite the downturn in the economy and continuing recession, the situation has improved and the company has achieved higher Net Sales and improved profitability since 2006-07. Further consequent to demerger of the Company, there is change in management structure resulting more responsibilities to be undertaken by managing director. Hence, it is desirable to pay minimum remuneration in case of companies having no profits or inadequate profits to the Managing Director of the company payable under the provisions of the Companies Act, 1956 read with schedule XIII.

The Board had been authorized vide resolution passed in an annual general meeting held on 29th day of September, 2007 to vary, enlarge, increase, modify and revise at any time and from time to time, the terms and conditions of appointment including remuneration in accordance with limits specified in Schedule XIII to the Companies Act, 1956 or any revision, amendments or modifications there to or any re-enactment thereof, during the currency of the tenure as may be agreed between the Board of Directors and Shri Sunilkumar Gupta without any further reference to the Company in General Meeting. The said authority to the board is also given under para 6 of agreement for appointment of managing director Shri Sunilkumar Gupta entered on 28th May 2007 between "Nova Petrochemicals Limited" (Now "GSL Nova Petrochemicals Limited") and Shri Sunilkumar Gupta which read as under:

"The present appointment of Shri Sunilkumar Gupta as Managing Director is without remuneration however, in future he will be entitled to receive remuneration as permissible pursuant to the provision of Section 198, 269, 309, 310 read with Schedule XIII & other applicable provisions, if any under the Companies Act, 1956 and subject to recommendation by remuneration Committee and approved by the Board."

However, it is emphasized that the provisions of sub section (1) of section 309 and Part-III Schedule XIII do not contemplate any blanket approval of the share holders and the same must be specific as to the terms and conditions of appointment and remuneration. Incidentally Part III of the Schedule XIII does not envisage prior approval or approval within 90 days. All that is required is an approval of the shareholders in General Meeting. It would, therefore, be appropriate if such approval is obtained in the first General Meeting held immediately after fixation of remuneration.

In case of company having no profits or inadequate profits, the remuneration to a managerial person by way of salary, dearness allowance, perquisites and any other allowances shall be payable in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956 limited to amounts (varying from Rs. 75000/- per month to Rs. 200000/- per month, depending on the effective capital of the Company) specified in Section II of Part II of the Schedule. Such remuneration may be paid as "Minimum Remuneration" without the approval of Central Government. Loss Making Companies or Companies with inadequate net profits have the freedom to work out suitable remuneration package(s) for their managerial personnel within the limits specified in Section II of Part II of the Schedule.

The minimum remuneration payable to Managing director(s) of the company be paid in case of companies having no profits or inadequate profits based on the effective capital (As defined by way of Explanation I to Section II of Part II of Schedule XIII to the Companies Act, 1956) of the Company worked out as Rs. 38.25 Crores as on 31st March, 2010 and accordingly the managerial remuneration payable to Shri Sunilkumar Gupta, Managing Director of the Company by way of salary, dearness allowance, perquisites and any other allowances shall not exceed Rs. 1,50,000/- per month (Rupees One lac Fifty thousand only) as prescribed under Para I (A) of Section II of Part II to Schedule XIII to the Companies Act, 1956 as eligible to be paid in case of companies having no profits or inadequate profits consequent to fulfillment of requirements of (i) payment of Remuneration being approved by a resolution passed by the remuneration committee and (ii) the Company has not made any default in repayment of any of its debts (including Public deposits) or debentures or Interest payable thereon for a continuous period of Thirty days in the preceding financial year before the date of appointment of such managerial personnel and accordingly the remuneration payable to Shri Sunil Kumar Gupta by way of salary, dearness allowance, perquisites and any other allowances not exceeding Rs.1,50,000/- per month w.e.f. 1st

April,2010 for remaining term of his office for a period of five years commencing from 28th May,2007 pursuant to resolution passed in board meeting held on 28th May,2007 and subsequent agreement entered there to with the Company as detailed hereunder.

Sr. No.	Particulars	Amount Rs. (Per Month)
1.	Basic	1,00,000
2.	Other Allowances Comprising HRA, Medical & Children Allowance, payment of gas, electricity, water charges at residence.	50,000
	Total	1,50,000

- I. Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration of Rs.1, 50,000/- per month allowable under Schedule XIII based on effective capital of Company.
- Contribution to Provident Fund, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act,1961.
 - Gratuity Payable at a rate not exceeding half a months salary for each completed year of service, and
 - Encashment of leave at the end of the tenure.
- II. Further perks in form of payment of telephone bills for official purposes to extent not allowable under income tax law, club memberships to the extent not allowable under income tax law and provision of car for personal use, LTA/LTC for self and his family once in year, personal servant expenses at residence or reimbursement of expenses in lieu thereof etc., beyond the taxable limits under income tax law shall also be included in ceiling of remuneration payable as managerial remuneration in a manner that the total monthly remuneration payable to managing director shall not exceed Rs.1,50,000/- per month being minimum remuneration eligible to be paid to managing director in case of company not having profits or inadequate profits pursuant to section II of part II of schedule XIII to the Companies Act,1956 based on effective capital of Rupees 38.25 crores worked out as at 31-03-2010 pursuant to Explanation I and Explanation II to Section II of Part II of Schedule XIII to the Companies Act,1956.

Pursuant to Explanation I to Section II of Part II of Schedule, "Effective Capital" means the aggregate of the paid up share capital (excluding share application money for advances against shares); amount, if any, for the time being standing to the credit of share premium account; reserves and surplus (excluding revaluation reserve); long term loans and deposits repayable after one year (excluding working capital loans, overdrafts, interest due on loan unless funded, bank guarantee, etc.; and other short term arrangements) as reduce by the aggregate of any investments(except in the case of investment by an investment company whose principal business is acquisition of shares, stock debentures or other securities), accumulated losses and preliminary expenses not written off.

Accordingly the remuneration payable to Shri Sunilkumar Gupta, Managing Director calculated depending on the effective capital as at 31st March,2010 worked out as hereunder .

Maximum remuneration payable based on effective capital as at 31-03-2010 in case of inadequate profits or loss:

Rs. In Lacs

Sr. No.	Particulars	Amount	Remarks
1.	Paid up Share Capital	1350.00	
2.	Share Premium Account	1189.70	
3.	Reserves and Surplus (excluding revaluation reserves)	NIL	
4.	Long Term loans and Deposit Repayable after 1 year (excluding working capital loans, over drafts, interest due on loans unless funded, bank guarantee etc. and other short term arrangements)	4161.55	
	A. Total	6701.25	
	Less:		
5.	Aggregate of any Investments	3.34	
6.	Accumulated losses and Preliminary Expenses not written off	2872.81	
	B. Total	2876.15	
	Effective Capital (A-B)	3825.10	
	Maximum Remuneration in case of inadequate profits or loss Payable per Month	1,50,000/-	

The Board recommends the resolution to the share holders for their approval . No other director except Shri Sunilkumar Gupta and Shri Shyamsunder Gupta as relative of Shri Sunilkumar Gupta are interested or concerned in the resolution. The draft of the agreement to be entered into between the company and Shri Sunilkumar Gupta for payment of minimum remuneration shall be available for inspection during working hours on working days at the registered office of the Company.

The above shall also form the abstract of the terms of the contract or valuation pursuant to section 302 of the Companies Act, 1956.

ITEM NO. 7

The Change in Authorised share capital of the company shall be authorized by Articles of Association of the Company. The Present Article 5(a) of Articles of Association of the Company classify the authorized capital into equity shares only. Hence, it is advisable to amend the Articles of Association of the Company, which authorizes the company to amend the authorized share capital in Memorandum of Association of the Company in a manner as the company deems fit in the interest of the Company. The present amendment in the Articles of Association of the Company shall enable the Company to change authorized share capital clause as may be required by the Company subject to any other permissions required of members, share holders and other authorities.

The Special Resolution set out at Item No.8 in the notice is intended to obtain such approval of the members.

The Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.8 of the notice to the extent of preference shares that may be subscribed and allotted to them or to the Companies of which they are directors or members.

ITEM NO. 8

The existing authorised share capital of the Company is Rs. 32,50,00,000/- (Rupees Thirty Two Crores Fifty Lacs only) divided into 6,50,00,000 (Six Crores Fifty Lacs) Equity Shares of Rs.5/- (Rupees Five only).

In order to comply with CDR stipulations as laid down by banks, where by the unsecured loans given by promoters / promoters Groups are required to be converted so that net worth remains positive all the times and at the same time in observance of the order of Securities and Exchange Board of India (SEBI) bearing reference no. WTM/PS/34/IVD/ID-4/JAN/10 dated 12th January,2010 *restraining the company from buying, selling and dealing or accessing the securities market directly or indirectly in any manner what so ever for a period of two years from the date of the order*, it is now proposed to issue preference shares to the extent of Rs. 10 Crores (Rupees Ten Crores) presently. Consequently the net worth of the Company shall become positive. Hence, it is felt advisable to reclassify the Authorised Share Capital of the Company to Rs. 32,50,00,000/- (Rupees Thirty Two Crores and Fifty Lacs only) divided into 4,50,00,000 (Four Crores Fifty Lacs) Equity Shares of Rs. 5/- (Rupees Five only) each and 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each and thereby serve the purpose of observance of SEBI Order as well as direction of CDR. The reclassification of Authorised Share Capital requires change in Clause V of the Memorandum of Association of the Company with the permission of the Shareholders in the General Meeting pursuant to the provisions of Section 94 & other applicable provisions if any, of the Companies Act, 1956.

The Special Resolution set out at Item No.7 in the notice is intended to obtain such approval of the members.

The Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.7 of the notice to the extent of preference shares that may be subscribed and allotted to them or to the Companies of which they are directors or members.

ITEM NO. 9

As you are aware, the Company has taken considerable finance from banking institutions, which are also secured on the assets of the Company. In view of losses incurred by the company the financial arrangement with banks had been restructured under CDR mechanism and therefore the terms of financial arrangement and the repayment schedules are regulated by Corporate Debt Restructuring Cell (CDR).

The Company had vide board resolution passed on 28th May,2007 had authorized to make a reference under Corporate Debt Restructuring System (CDR) for restructuring of debts of the company in terms of Reserve Bank of India (RBI) Guidelines. Accordingly, CDR approved the restructuring package vide its letter dated 19th November,2007. All the banks had thereafter got the approval of their competent authorities for the restructuring package as approved by the CDR and also implemented the same by June, 2008.

However, in the face of economic downturn, continuous loss, inadequate cash-flow, the company had again approached the banks in October 2008, for further restructuring under CDR Mechanism and requested for extension of moratorium period by further one year i.e. up to March 2010, funding of interest till March 2010, rescheduling of Term Loan, concession in rate of interest and bank charges etc.

Considering the Global downturn in December 2008, the Reserve bank of India has permitted, as a one time measure, second restructuring by Banks up to June 30,2009.

The request of the company with regard to restructuring was approved by the CDR-Empowered Group on 25th March,2009. The approval was conveyed to all banks by CDR Cell vide their letter dated 31.03.09.

While approving restructuring package, CDR has stipulated following **Critical/Additional Condition**

“It is being stipulated that unsecured loans from associates to the extent of Rs.44.34 crores as on 31.03.2008 be converted into equity in a phased manner at the earliest to the extent required, so that the TNW remains positive all the time. Company to set in motion, immediate steps in this regard. We propose to stipulate that the same be converted into equity by September 2009, after obtention of SEBI approvals, if any.”

Further the bank vide its letter addressed to the company under ref no. SAMB/2009-10/RMC/2916 dated March, 15,2010 received from lead banker State Bank of India , Stressed Assets Management Branch, “Paramsiddhi” Complex, 2nd Floor, Opp. V.S. Hospital, Ellisbridge, Ahmedabad-380006 again modified the stipulation regarding conversion of unsecured loans from associates to the extent of Rs. 44.34 crores as on 31st

March,2008 into equity in a phased manner at the earliest to the extent required, so that total net worth remains positive all the time from September,2009.after obtention of SEBI approval, if any, as under:

“Consequent upon de-merger of NPL into GSL Nova Petrochemicals Ltd. (GNPL) and CIL Nova Petrochemicals Ltd. (CNPL) , the new Companies viz. GNPL and CNPL to convert the above –mentioned Unsecured Loans from associates into Equity by 31/03/2010, so that the Net Worth remains positive.”

The Company had immediately applied to stock exchanges for in principle approval in view of above stipulation of CDR/Banks though, the Securities and Exchange Board of India (SEBI) passed order under reference no. WTM/PS/34/IVD/ID-4/JAN/10 dated 12th January,2010 restraining the company from buying, selling and dealing or accessing the securities market directly or indirectly in any manner what so ever for a period of two years from the date of the order. However, Company filed appeal against the said order before Hon’ble SEBI Appellate Tribunal (SAT) which was rejected vide SAT order dated 7th June,2010. The Company has however moved to Hon’ble Supreme Court. The matter is presently pending for hearing.

Hence the issue of equity shares by the company to the Promoters Associates will be restrained by said SEBI order. Hence the Company made a request to bank to further change the condition for issue of Non Cumulative, Non convertible preference shares in place of equity shares. CIL Nova Petrochemicals Limited , Resultant Company, has already converted Rs. 5 crores (Rupees Five crores) into preference shares prior to 31st March,2010 to comply with CDR stipulation .

In view of the above, it is proposed for consideration and approval of the members that unsecured loans from promoters/promoters group to the tune of Rs. 10 Crores (Rupees Ten Crores) be converted into capital in trenches as may be decided by board of Directors so that net worth of the company remains positive all the time. The issue of 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs.100/- each by the Company shall not carry voting rights except in respect of the matters concerning them as preference shareholders. Accordingly, the SEBI (Issue of Capital and Disclosure Requirements) Regulations,2009 relating to preferential issue shall not apply to the preference shares as the same being not covered under definition of “Specified Securities” which means Equity shares and convertible securities. Further SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 applies only when any acquirer acquires shares or voting rights and voting rights on preference share is circumstantial and not blanket right to vote. As defined under SEBI take over regulations “Shares” means shares in the share capital of a company carrying voting rights and includes any security which would entitle the holder to receive shares with voting rights [but shall not include preference shares].

Hence, it is advisable, prudent & expedient to issue 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs.100/- each upto Rs. 10 crores by private placement to promoters and/or Companies, persons of the promoter group, directors and their relatives in one or more trenches as may be decided by Board of Directors. The preferential allotment of the 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs.100/- each upto Rs. 10 crores would be made in terms of the Special Resolution proposed under Item No.9 and would be in compliance with the provisions of Section 80 and other applicable provisions of the Companies Act, 1956 and any other laws rules and regulations as may be applicable to the company from time to time and subject to the Memorandum & Articles of Association of the Company particularly in relation to the the source of redemption, period of redemption and manner of redemption.

The Directors recommend the Special Resolution under Item No.9 to the members for their approval.

The Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.9 of the notice to the extent of preference shares that may be subscribed and allotted to them or to the Companies of which they are directors or members.

ITEM NO.10

The Company had appointed new registrar M/s MCS Ltd in place of existing share transfer registrar namely M/s Pinnacle Shares Registry Private Ltd. in view of SEBI order passed against existing registrar in October,2009 to wind up the business of Share transfer Registry.

The Company, therefore, vide board resolution passed on 29th January, 2010 authorised the Managing Director Shri Sunilkumar Gupta, to appoint new share transfer registrar in place of existing share transfer registrar of the company. The Managing director of the Company, accordingly,decided to appoint the new Registrar & Transfer Agent (RTA) of the Company namely M/s MCS Ltd. having registered office at Mumbai and back office operations of new RTA viz. M/s MCS Ltd. are being carried out from its Ahmedabad office situated at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-09 w.e.f. 01/04/2010 in place of M/s Pinnacle Shares Registry Pvt. Ltd. , Ahmedabad in compliance with SEBI directions to the said effect. .

The Approval of the share holders by way of special resolution is required for keeping the index of members, copies of all annual returns prepared under section 159 and 160 , together with the copies of certificates and documents required to be annexed there to under section 160 and 161 at any other place than the registered office of the Company but within the city, town or village in with the registered office is situated.

The board recommends to the share holders to pass the resolution. None of the directors of the company are interested or concerned in the passing of said resolution.

Regd. Office:

Survey No. 396/403, Moraiya Village,
Sarkhej-Bavla Highway, Tal. Sanand,
Dist. Ahmedabad – 382 210
Dated : 13/11/2010

For & on behalf of the Board of Directors,

Company Secretary

DIRECTORS' REPORT

To the Members,
GSL NOVA PETROCHEMICALS LTD.
 (Formerly Known as NOVA PETROCHEMICALS LTD.)

Your Directors have pleasure in presenting the 17th Annual Report and Audited Statement of Accounts for the year ended 31st March 2010.

OPERATIONAL & FINANCIALS '

The highlights are as under: -

Particulars	2009-2010 (After Demerger)	*2008-09 (Before Demerger)
Net Sales& Other Income	22056.14	34867.64
Profit before Interest, Depreciation & Tax(PBDIT)	930.03	1893.67
Less : Interest & Financial Charges	810.65	1708.95
Less : Depreciation	634.56	1686.55
	<u>1445.21</u>	<u>3395.50</u>
Profit/(Loss) before Exceptional Item	(515.18)	(1501.83)
Profit/(Loss) on Exceptional Item	106.07	—
Profit / (Loss) before Tax	(409.11)	(1501.83)
Less : Provision for Tax	Nil	14.50
Add : Provision for Deferred Tax	Nil	Nil
	<u>(409.11)</u>	<u>(1516.33)</u>
Profit After Taxation/(Loss)	(409.11)	(1516.33)
Add : Balance Brought from Previous Year (for the year 2009-10 : share of demerged company. pursuant to demerger)	(2688.70)	(4482.85)
	<u>(3097.81)</u>	<u>(5999.18)</u>
Profit Available for Appropriations	(3097.81)	(5999.18)
Less : Appropriations		
(a) Dividend	Nil	Nil
(b) General Reserve	Nil	Nil
	<u>(3097.81)</u>	<u>(5999.18)</u>
Balance Carried to Balance Sheet	(3097.81)	(5999.18)

* The figures of Corresponding previous year are not comparable as the results for the referred previous year are of combined financial results of erstwhile NPL (prior to demerger) and are regrouped/rearranged, wherever necessary.

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

PERFORMANCE:

Despite the downturn in the economy and continuing recession, your company has achieved Net Sales and Other Income of Rs.220.56 crores as compared to previous year's Net Sales and Other Income of Rs 202.37 crores (company's share out of combined of Rs. 348.67 crores - prior to demerger). The profit before Interest, Depreciation and Tax (PBDIT) was Rs 9.30 crores for the FY 2009-10 as compared to combined PBDIT of Rs 18.94 crores for the FY 2008-09 (prior to demerger). The net loss during the year under review placed at Rs.4.09 crores as compared to net loss of Rs. 15.16 crores in the previous year of the combined company prior to Demerger. The *operations of the company are influenced due to prices of raw materials, fuel prices, sales realization etc.*

COURSE OF BUSINESS AND OUTLOOK:

The Management's discussion and analysis report , as required under corporate governance, forming a part of this report, is a reflection of the current state of business. It also deals with the opportunities and threats faced by your company and the company outlook.

The Prospect of synthetic yarn industries is linked with the movement of crude oil prices in international market as the raw material of synthetic yarn are derivatives of crude oil. However the prospect of chips plant based on old aged batch processing technology are bleak in view of high conversion cost and competition arisen from creation of large capacity based on continuous process technology. Your company is exploring the possibility of converting its chips plant on continuous process with capability of manufacturing other grade of chips viz., bottle grade, film grade etc. where margins are better.

REVALUATION OF THE FREE HOLD LAND:

At the instance of banks, the revaluation of Fixed Assets viz. free hold land & Building and Plant & Machinery was carried out by the registered valuers appointed by Lender banks. As per the valuation report the market value and realizable value of free hold land & Building and Plant & Machinery continued with the company after demerger was derived at Rs. 4018 lacs and Rs. 12600 lacs respectively.

For better presentation of your company's worth, it has been prudently decided to revalue free hold land in books of accounts at realizable value of Rs 34.64 crores. As a result of this revaluation reserve of Rs 33.70 crores was created in company's Books.

DE-MERGER:

The Scheme of Arrangement in the nature of demerger, Reorganisation of Capital and transfer of demerged undertaking had been sanctioned by Hon'ble High Court of Gujarat on 27th day of August, 2009 and certified copy of the order received by the Company on 18th day of September, 2009. Pursuant to the Scheme of Demerger being approved by Hon'ble High Court of Gujarat, your Company fixed 1st October, 2009 as effective date to give effect to various clauses of the Scheme.

During the year under review, your company had given effect to various clauses of the demerger scheme. The major changes effected thereof are as follows:

1. On Scheme becoming effective, the directors belonging to Chiripal Group resigned from the Board of Company w.e.f 5th October, 2009. Similarly Directors belonging to Gupta Group resigned from Nova Poly yarn Limited -Resultant Company
2. The new shares of Face Value of Rs.5/- each (Rupees five each) of the demerged company viz. Nova Petrochemicals Limited (Now GSL Nova Petrochemicals Limited) and of resultant company viz. Nova Poly yarn Limited (Now CIL Nova Petrochemicals Limited) issued on 26th October, 2009 in lieu of Rs 10/- Shares of demerged company to the members whose names appeared in Register of Members of demerged company on record date dated 22nd October, 2009. The new shares of your company got relisted on Stock Exchanges w.e.f. 14th December, 2009.
3. Authorised Share Capital of your Company reduced from 5,00,00,000 (five Crores) Equity Shares of Rs.10/- (Rupees Ten) each amounting to Rs. 50,00,00,000 (Rupees Fifty Crores) to 6,50,00,000 (Six Crores Fifty lacs) Equity Shares of Rs. 5/- (Rupees Five) each amounting Rs. 32,50,00,000/- (Rupees Thirty Two Crores Fifty lacs) and the Issued, Subscribed & paid up Capital reduced from 2,70,00,000 (Two Crores Seventy Lacs) Equity Shares of Rs 10/- (Rupees Ten) each amounting Rs. 27,00,00,000 (Rupees Twenty Seven Crores) to 2,70,00,000 (Two Crores Seventy Lacs) Equity Shares of Rs.5/- (Rupees Five) each amounting Rs. 13,50,00,000(Rupees Thirteen Crores Fifty lacs only)
4. The name of your Company was changed from NOVA PETROCHEMICALS LIMITED to GSL NOVA PETROCHEMICALS LIMITED and the name of NOVA POLY YARN LIMITED - Resulting Company was also changed to CIL NOVA PETROCHEMICALS LIMITED.

RESTRUCTURING OF BANK DUES UNDER CDR MECHANISM :

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

As the members are aware, the Company has taken considerable finance from banking institutions, secured by the assets of the Company. In view of losses incurred by the company, the CDR and Banks have stipulated that the unsecured loan from Promoters group/associates be converted in to capital so that TNW remain positive all the time. Consequent upon demerger of NPL, it was further stipulated that both the companies to convert the unsecured loans from associates in to capital by 31.03.2010, so that Net worth remain positive. In turn your company had applied to Stock Exchanges for in-principle approval for preferential issue of Equity shares. However in view of SEBI order dated 12.01.2010 restraining the company to access capital market for two years, the company proposes issuance of Preference Shares as per Item No. 9 of Notice of Annual General Meeting in order to comply with the CDR stipulations. Further in order to enable the company to issue preference shares, the board has also proposed for reclassification of authorized share capital in Memorandum and Articles of Association of the Company in Item No. 7 & 8 of Notice of Annual General Meeting.

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

In view of accumulated losses exceeding entire net worth of the Company as on 31.03.09 (prior to demerger) and pursuant to compliance of Section 15 of SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 the Company made a reference dated 14th September, 2009 to Board for Industrial And Financial Reconstruction (BIFR) for the purpose of enabling the BIFR to take suitable measures for rehabilitation of the Company after adoption of accounts for the year ended 31.03.2009 by the shareholders at the 16th Annual General Meeting.

In view of demerger order passed by Gujarat High Court, the BIFR dismissed the reference filed by the Company pursuant to Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 vide its order issued on December 10, 2009. Consequently, the company had preferred an appeal under the provisions of section 25 of the Sick Industrial Companies (Special Provisions) Act, 1985 before The Appellate Authority For Industrial and Financial Reconstruction against the impugned order passed by Hon'ble BIFR and the appeal is pending with the said authorities.

DIVIDEND:

Due to loss incurred by the Company during the year 2009-10 coupled with accumulated lossess, your directors regret their inability to recommend any dividend on the Equity Share Capital.

DIRECTORS:

The Board of Directors of the Company was reconstituted in compliance with the demerger scheme approved by Hon'ble High Court of Gujarat on 27th Day of August, 2009 by way of :

- resignation tendered by the directors belonging to Chiripal Family/ Group w.e.f . 5th October, 2009 namely Shri Ved Prakash Chiripal and Shri Jyotiprasad Chiripal
- Shri V.D. Gupta and Shri Murli Goyal had also resigned from the Board w.e.f. 5th October, 2009 due to their pre occupancy.
- Shri Shyam Sunder Gupta has been appointed as chairman of Board of Directors in place of Shri Jyotiprasad Chiripal, who has resigned as director.

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

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

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

Shri Sandeep Goyal, and Shri Shyam. Gupta, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, have offered themselves for the re-appointment. Brief resume of all the two Directors and names of companies in which they hold the Directorship as stipulated under Clause 49 of the Listing Agreement are given in the notes attached to the Notice calling 17th Annual General Meeting of the Company.

The Board of Directors decided to pay remuneration to Managing Director Shri Sunilkumar Gupta w.e.f. 1st April, 2010 in accordance with Schedule XIII to the Companies Act, 1956. The Board recommends to the members to pass the resolution in the interest of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) That in the preparation of the annual accounts for the financial year ended 31st March 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year ended 31st March, 2010.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts have been prepared for the financial year ended 31st March, 2010 on a going concern basis.

INSURANCE:

The Company has adequately covered all assets against all risks.

AUDITORS:

Auditors of the company M/s. J. T. Shah & Co. Chartered Accountants of Ahmedabad, will retire from the office of the Auditors at the conclusion of ensuing 17th Annual General Meeting and being eligible, offer themselves for re-appointment from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The Company had pursuant to section 224 (1B) of the Companies Act, 1956, received a certificate that their appointment, if made, will be within the limits as laid down in the section.

EXPLANATION TO THE QUALIFICATION IN AUDITORS' REPORT:

The Directors submit their explanation to the qualifications made by the Auditors in their report for the year 2009-10. The para nos. of Auditors' Report and reply are as under:

Para 9 (a) : There is delay in the payment of Wealth tax of Rs.5 lacs, Investor Education and Protection fund of Rs 2.85 lacs and tax deducted at source of Rs.0.14 lacs., The Company is arranging to make the payment of the same shortly.

Para 11 : There had been marginal delay in repayment of loan and installment on some occasions due to slow recovery / collection and also non split of limits by banks consequent to demerger.

Besides, other qualification and the notes to the Accounts are also self explanatory and give suitable explanation to qualifications in Auditors' Report.

AUDIT COMMITTEE:

During the year under review, the Audit Committee was reconstituted in accordance with the provisions of the Companies Act, 1956 and listing agreement entered into by the Company with the Stock Exchanges and consequent to change in composition of the Board made for implementing the demerger scheme as approved by Hon'ble High Court of Gujarat on 27th August, 2009,

SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE:

Due to change in composition of the Board made for implementing the demerger scheme as approved by Hon'ble High Court of Gujarat on 27th August, 2009, the Shareholders Transfer and Grievances Committee was reconstituted in accordance with Listing Agreement with Stock Exchanges.

REMUNERATION COMMITTEE:

Due to change in composition of the Board made for implementing the demerger scheme as approved by Hon'ble High Court of Gujarat on 27th August, 2009, the Remuneration Committee was reconstituted in accordance with Listing Agreement with Stock Exchanges. The same was further reconstituted w.e.f 30th April, 2010 comprising of all three Independent Directors .

FIXED DEPOSITS:

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

CORPORATE GOVERNANCE: -

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

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

PARTICULARS OF EMPLOYEES: -

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

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

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

ACKNOWLEDGEMENT: -

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

Registered Office :
Survey No. 396, 403, Moraiya Village,
Sarkhej-Bavla Highway, Tal. Sanand,
Dist. Ahmedabad - 382 210
Date : 13/11/2010

By Order of the Board of Directors,

Shyamsunder Gupta
Chairman

Sunil Kumar Gupta
Managing Director

ANNEXURE

Information under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2010.

(A) Conservation of Energy

1. Installed one Centrifugal compressor intended primarily for energy conservation point of view. Annual saving expected with the same will be Approx. Rs.65 Lacs.
2. Requirement of Poly Air condition & Poly cooling was shifted to POY/FDY Process System .The same resulted in annual saving in the Range of Rs.28 Lacs.
3. Use of Natural gas in place of Furnace oil in Thermic fluid Heaters started. Though, the same started at the end of year 2009-10 but projected annual saving for the same will be in the range of about Rs.28 Lacs based on prevailing rates.
4. Use of Natural gas in place of HSO in pack furnace. The projected annual Savings with said switch over will be approximately Rs. 2.25 Lacs per Annum.
5. Various modifications done to bring down the Poly Chips Processing cost. Fuel Oil consumption reduced from 0.085 Kg. per Kg. of chips to 0.72 Kg. per Kg. of Chips. Approximately Rs. 55.00 Lacs per annum saved. This is one of the major achievement in Poly Plant.
6. Major load of Poly chilled water was shifted to Cooling Tower by changing in Granulation Process in Poly Plant. Except summer season, Poly VAC remained idle. Due to common source of Chilled water, Cooling Tower Pump stopped. This modification leads to reduce power consumption of 3000 KWH/ Day i.e. Rs. 30 Lacs per annum saved in Poly Plant and total steam of 30 MT/Day also saved, that saved Rs. 63.00 Lacs Per annum.

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

I. Power and Fuel Consumption :-

	Current Year 2009-10	Previous Year# 2008-09
1. Electricity purchased		
(a) Units (KWH)	7669980	4592305
Total Amount (Rs.)	45284216	24365707
Average Rate per Unit (Rs.)	5.90	5.30
(b) Own generation		
i. Through Generator Unit (KWH)	2667544	2776521
Units per Liter of Fuel/Oil	3.80	2.51
Cost/Unit (Rs.)	7.75	8.76
ii. Through Steam Turbine/Generator		
Units (KWH)	23380412	58873200
Units Per Kg. of Coal	—	0.71
Cost / Unit (Rs.)	4.82	3.91
2. Coal*		
Quantity (Kg.)	—	82307765
Total Cost (Rs.)	—	2302.22
Average Rate (Rs./kg.)	—	2.80
3. Furnace Oil (K. Liters)		
Quantity	3288621	4431942
Total Amount (Rs. in lacs)	720.61	978.04
Average Rate (Rs./KL)	21.91	22.06
4. Others / Internal Generation	Nil	Nil

II. Consumption per unit of production: -

Products (with details) Unit

Electricity (KWH/Ton of Product)

(a) P.O.Y.	786.26	777.78
(b) Draw Twisting **	—	3455.90
(c) Draw Texturising **	—	1430.00
(d) Fully Drawn Yarn ***	1037.58	1627.36

The previous year figures are those of inclusive of demerged undertaking prior to demerger.

* The power plant was transferred to Resultant company pursuant to Scheme of Arrangement in the nature of demerger approved by Hon'ble High Court of Gujarat.

** The products were exclusively produced by demerged undertaking which was transferred to resulting company pursuant to Scheme of Arrangement in the nature of demerger approved by Hon'ble High Court of Gujarat.

*** Energy consumption from last year in FDY is substantially reduce as the previous year figures are of prior to demerger and the heating system in your company (demerged Company) is having thermic fluid method and in CIL Nova Petrochemicals limited (Resultant Company) is having Electrical heating. Further the average denier has been increased in FDY from 70 denier to 110 denier that effect the increase in production quantity which make the decrease in power consumption per unit.

(B) Technology Absorption

FORM B

Form for disclosure of particulars with respect to technology absorption

I. Research and Development (R & D)

1. Specific areas in which R & D carried out by the company:-
 - a. Super bright chips developed for improved frictional properties of yarn. Study of various process parameter and trial conducted to improve the Quality of Polyester Chips. Detailed study and trials started to reduce conversion cost.
 - b. FDY capacity is now fully operational. Development of process technology and engineering were done in house.
 - c. Study of process bottlenecks of poly plant to improve productivity.
 - d. Dope Dyed FDY commercialized.
 - e. 30 D/14 DT products was optimized to meet market requirement.
2. Benefits derived as a result of the above R & D.
 - a. There has been distinct improvement in Quality of Polychips through change in parameters and now it is well accepted by POY & FDY plant. This in turn has improved the Quality of yarn and help in reducing the waste.
 - b. After completion of detailed study and inducing trials, the conversion cost of POY Chips will come down.
 - c. In house development of process technology for FDY has resulted in saving on know-how fee.
 - d. The FDY so produced has been well accepted in the market.
3. Future Plan of Action
 - a. Study and trials to be continue to improve Quality and reduction of consumption of energy, additive and other inputs to bring down the conversion cost of Poly Chips.
 - b. Various options are being studied to produce NEW POLYMER, NEW PRODUCT in POLY to overcome from the threatening of large size Continuous Plants.
 - c. Development of new product range in POY, FDY and Chips.
 - d. Trials with different types of spin finish for POY/Draw Wrapping to improve on texturising operating speeds.
4. Expenditure on R & D : Nil

II. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
 - a. Continuous interaction is maintained with equipment and machinery suppliers and new ideas and developments are adopted in the operations.
 - b. Pellet Packing started in POY to reduce packing cost.
2. Benefits derived as a result of the above efforts.
 - a. New ideas gathered from equipment and know-how supplier have been used to improve productivity and quality on a continuous basis. Also development of new products both in Semi Dull as well as bright POY, FDY, DT & D.Tex.
 - b. Introduction of Additional Deniers in POY and FDY.
 - c. Optimization of Process Parameters to improve the Product quality.
 - d. Continuous Analysis of Feedback from Customers to improve products and service.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year): Nil

C. Foreign Exchange Earning and Outgo

Total Foreign Exchange used and earned;	(Rs. In Lacs)	
	2009-10	<u>2008-09</u>
Outgo in Foreign Exchange	366.89	1564.04
Earning in Foreign Exchange	Nil	Nil

Registered Office :
 Survey No. 396, 403, Moraiya Village,
 Sarkhej-Bavla Highway, Tal. Sanand,
 Dist. Ahmedabad - 382 210
 Date : 13/11/2010

By Order of the Board of Directors,

Shyamsunder Gupta
Chairman

Sunil Kumar Gupta
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

• Industry Structure and Development

Textile Industry occupies a unique place in the economy of the country by virtue of its contribution to the Industrial output, Employment generation and Foreign exchange earnings.

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

In line with GDP growth following a period of slow down in 2008, global textile consumptions has steadily but slowly improving. In 2009, textile demand showed signs of gathering momentum and registered a marginal growth of 0.2% against a drop of 6% into 2008. The textile demand for the next five years is expected to grow at more than 3% CAGR, with polyester growing at a faster rate than any other fibre. Polyester is expected to grow at 4% to garner 50% of the total fibre demand from the current 46% during the same period.

In order to achieve better-cost economics, many polyester texturisers implemented backward integration to produce polyester yarn during the year and commissioned new polymerization plants. This is expected to continue in the coming years as well. This has also resulted into excess supply for the time being.

Among other developments, the Government of India partially rolled back stimulus package by raising the excise duty on polyester from 4% to 8% in July, 2009 and further increased by 2% in recent union budget. However downstream textile industry continue to enjoy the option of not being in the excise net. Further new fiber policy expected to provide a level playing field to man made fibres vis-à-vis natural fibres.

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

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

• Opportunities, Threats and Outlook

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

Industry Growth Rate in Indian GDP has been impressive in the last few years. The Growth Rate of the Industry in the Indian GDP has grown due to sustained manufacturing activity over the years. This has given a major boost to the Indian economy.

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

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

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

Further Indian economy is on a higher growth trajectory with low per capita consumption base, a large domestic consumer base, a healthy ratio of young population, emerging middle-class and rising income levels etc. These are signs of good growth opportunities and augur well for the industry.

The initial inflationary pressure was predominantly conditioned by rising food and fuel prices, reflecting the impact of a deficient monsoon on agricultural output and the increase in international crude prices. In the second half of the year, with persistent supply side pressures, inflation became increasingly generalised. This is evident from the acceleration of inflation in non-food manufactured products from -0.4 percent in November 2009 to 4.7 per cent in March 2010. Inflation, as measured by consumer price indices (CPIs) also remained high, though there was some moderation in February 2010. These inflationary conditions, coupled with the stronger momentum seen in the pace of economic recovery, created the compelling ground for altering the Reserve Bank's policy focus to anchoring inflation expectations.

The sharp increasing trend in raw material and energy cost is a cause of concern affecting profitability.

Raw material prices have out paced the rise in crude oil prices more on account of supply side short fall. In July, 2008 just before the global recession took effect, crude oil was at all time high and raw material prices were also at peak. In March, 2010 crude oil was trading at \$83 per barrel, however, raw material were at a high of -PTA at \$ 980 per ton, MEG at \$ 930 per ton.

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

Further, addition of capacity by other competitors of the company will result into more competition to be faced by your company. Moreover polymerization plants based on continuous process technology were commissioned and this results in to uneconomic operations of our chips plant which will have bearing on profitability. However, in view of availability of market, the sales and profitability of the company from POY/FDY will not be affected very much.

- **Outlook**

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

- **Internal control system and their adequacy**

The company has adequate system of internal control procedures commensurate with the size of the company and the nature of its business to keep check on the activities of the various departments. The Demerger of the company during the year under review further decentralized the activities. Hence a better internal control over its activities will further strengthen internal control system and stimulate productivity in view of improvement in carrying out its operations more efficiently and effectively. The Company had, during the year under review, appointed a firm of Chartered Accountants as an internal auditor to check further the internal control system and to report any deficiencies to the management.

- **Financial Performance**

Last five years of operations of the Company are summarised as under

(Rupees in lacs)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
	(after Demerger for demerged company only)	Joint performance of Demerged Company and Demerged under taking prior to approval of Demerger Scheme (Before Demerger)			
INCOME					
Sales	23568	36856	37168	29982	53540
Other Income	42	97	126	148	152
	23610	36953	37294	30130	53692
Less : Excise Duty	1554	2086	2796	2172	4731
	22056	34867	34498	27958	48961
EXPENDITURE					
Materials & overheads (+/- Stock Adj.)	21126	32973	33845	26524	44858
PROFIT BEFORE INTEREST, DEPRECIATION, TAXATION	930	1894	653	1434	4103
Less : Interest (Net)	811	1709	1705	1923	1973
GROSS PROFIT/(LOSS)	119	185	(1052)	(489)	2130
Less : Depreciation	634	1687	1927	2151	2475
Profit / (Loss) before Exceptional Item	(515)	(1502)	(2979)	(2640)	(345)
Exceptional Item	106	Nil	Nil	Nil	Nil
Profit before Tax	(409)	(1502)	(2979)	(2640)	(345)
Less : Provision for Taxation	Nil	14	10	14	7
Less: Provision for Deferred Taxation	Nil	Nil	Nil	(1001)	171
NET PROFIT/(NET LOSS)	(409)	(1516)	(2989)	(1653)	(523)
APPROPRIATIONS					
Opening Balance	(2689)	(4483)	(1494)	299	848
Less : Provision for Taxation & Expenses for earlier years	Nil	Nil	Nil	140	26
Less : Final/Interim Dividend	Nil	Nil	Nil	Nil	Nil
Less : Tax on Dividend	Nil	Nil	Nil	Nil	Nil
Transferred to General Reserves	Nil	Nil	Nil	Nil	Nil
Closing Balance	(3098)	(5999)	(4483)	(1494)	299
Earning per share	(1.52)	(5.62)	(11.07)	(6.64)	(4.07)

(Rupees in lacs)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
SOURCES & APPLICATION OF FUNDS					
SOURCES OF FUNDS					
Shareholders' Funds	1350	2700	2700	2700	1350
Reserves & Surplus	4559	0	0	1336	4479
	5909	2700	2700	4036	5829
Loan Funds	6325	16529	16448	13821	15170
Funds Employed	12234	19229	19148	17857	20999
APPLICATION FUNDS					
Fixed Assets (Gross)	20136	36642	36515	36129	35989
Depreciation	11999	23770	22089	20174	18029
Fixed Assets (Net)	8137	12872	14426	15955	17960
Capital work in progress	Nil	109	101	306	304
Investments	3	3	2	7	27
Current Assets (Net)	1221	3075	2966	1589	3709
Deferred Tax Liability	0	0	0	0	(1001)
Misc. Expenditure (To the extent not written off) Profit and Loss Account	2873	3170	1653	0	0
Net Assets Employed	12234	19229	19148	17857	20999

- Human Resources/Industrial Relations:**

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

- Product wise performance**

Product wise performance of the Company in terms of turnover stands outstanding as under:

(Rupees in lacs)

Product	2009-2010		2008-2009		2007-08		2006-07		2005-06		
	(After Demerger)		(Joint performance by Demerged Company and Demerged undertaking prior to approval of Demerger Scheme)								
	Quantity (M.T.)	Value	Quantity (M.T.)	Value	Quantity (M.T.)	Value	Quantity (M.T.)	Value	Quantity (M.T.)	Value	
Partially Oriented Polyester Filament Yarn (P.O.Y.)	15800.05	11975.03	18002.49	12894.05	17728.82	12738.09	8789.74	6317.57	21201.58	15132.56	
Texturised Yarn*	*	*	1350.23	1207.79	1345.39	1157.27	1038.53	894.87	2362.21	2021.16	
Draw Twisted Yarn*	*	*	2589.96	3165.37	1520.70	1672.29	2844.13	3684.36	1982.36	2292.91	
Fully Drawn Yarn	11665.96	10023.50	15486.83	14415.18	14757.60	13204.16	16163.40	15381.20	16690.98	15389.74	

* The products were exclusively produced by demerged undertaking which was transferred to resulting company pursuant to Scheme of Arrangement in the nature of demerger approved by Hon'ble High Court of Gujarat on 27th August, 2009.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

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

2. Board of Directors

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

During the financial year 2009-2010, the Board met seven times on the following dates 18-05-2009,31-07-2009, 04-09-2009, 05-10-2009, 26-10-2009, 31-10-2009 and 29-01-2010

Details of Directors, Attendance of Directors at the Board Meetings, as well as at the Annual General Meeting held on 04.09.2009 and number of memberships held by Directors in the Board/Committee of other Companies

Sr. No.	Name of Director	Designation Category	Attendance Particulars		Number of other Directorship and Committee Member/Chairmanship in other public companies		
			Board Meetings	AGM held on 04.09.2009	Other Directorship	Committee Membership	Committee Chairmanship
1	Shri Vedprakash Chiripal #	NED/NID	4	Yes	—	—	—
2	Shri Shyam Gupta	NED/NID	5	Yes	2	—	—
3	Shri Jyotiprasad Chiripal #	NED/NID	4	Yes	—	—	—
4	Shri Sunilkumar Gupta	MD	7	Yes	1	—	—
5	Shri R. C. Jain	IND/NE	4	No	1	—	—
6	Shri V.D. Gupta \$	IND/NE	4	Yes	—	—	—
7	Shri Sandeep Shiv Goyal	IND/NE	3	No	2	—	—
8	Shri Murli Goyal \$	IND/NE	1	Yes	—	—	—
9.	Shri Anil Singhal *	IND/NE	—	—	3	3	3

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

Shri Vedprakash Chiripal and Shri Jyotiprasad Chiripal resigned as a Directors w.e.f. 05/10/2009 due to change in management structure made effective w.e.f. 5th October,2009 pursuant to Scheme of Arrangement in the nature of demerger approved by Hon'ble High Court of Gujarat on 27th August,2009.

\$ Shri V.D. Gupta and Shri Murli Goyal resigned as a Directors w.e.f. 05/10/2009 due to pre occupation.

* Shri Anil Singhal Appointed as an Additional Director w.e.f. 30/04/2010

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

3. Details of Remuneration paid to the Directors during the Financial Year ended as on 31-03-2010

Executive Directors including Managing Director are not paid any remuneration and sitting fees. The Board has on recommendation of remuneration committee proposed to members in this Annual General Meeting to pay minimum remuneration payable under schedule XIII to the Companies Act,1956 to Managing Director w.e.f 1st April,2010.

4. Audit Committee

During the year under review, the Audit Committee reconstituted in accordance with the provisions of the Companies Act, 1956 and listing agreement entered into by the Company with the Stock Exchanges and in view of board of directors of the company being reconstituted in accordance with demerger scheme having become effective on availing approval of Hon'ble High Court of Gujarat on 27th August,2009 and also due to resignation of Directors during the year under review. The reconstituted Committee as on 31.03.2010 was as follows: .

Name of Director	Designation	Category
Shri R.C. Jain	Chairman	Independent & Non Executive
Shri Sunilkumar Gupta	Member	Non Independent & Executive
Shri Sandeep Goyal	Member	Independent & Non Executive

The same was further reconstituted w.e.f 30th April, 2010 inducting Mr Anil Singhal appointed as an Additional Director by Board of Directors on 30th April, 2010 as Member of Audit Committee.

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

1. Quorum for the meeting of the Committee will be either Two Members or 1/3rd of the Members of the Audit Committee, whichever is higher
2. Two third members of the Audit Committee are independent Directors
3. The Audit Committee shall have meeting periodically as it may deem fit with, at least four meetings in a year, and not more than four months shall elapse between two meetings.
4. The Audit Committee shall invite such of the Executives of the Company particularly Head of Finance Department whenever required.
5. The Finance Director, head of internal audit and the auditors of the Company shall attend and participate at the meetings without right to vote.
6. The Audit Committee shall have the following powers:
 - It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
 - To investigate any activity within its terms of reference.
 - To seek information from any employee.
 - To obtain outside legal or other professional advice.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
 - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings 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 external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
 - Review in the Company's financial and risk management policies.
 - To look into the reasons for substantial defaults in the payment to the depositors, debentures, shareholders (in case of non-payment of declared dividend) and creditors.
 - It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submissions to the Board.
 - It shall ensure compliance of internal control systems.

Audit Committee met Four times on 18-05-2009, 31-07-2009,31-10-2009 and 29-01-2010.

Presence of the members of the Audit Committee in its meeting

Sr.no.	Name of the member of the Audit Committee	No. of the meeting attended
1	Shri Sunilkumar Gupta	4
2.	Shri R.C. Jain	3
3	Shri V.D. Gupta*	2
4	Shri Murli Goyal*	0
5	Shri Sanddep Goyal**	2

Notes: * Shri V.D.Gupta and Shri Murli Goyal resigned as a directors with effect from 05/10/2009.

** Shri Sandeep Goyal appointed as Audit Committee Member with effect from 26/10/2009.

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

5. Remuneration Committee

Due to change in composition of the Board made for implementing the demerger scheme as approved by Hon'ble High Court of Gujarat on 27th August,2009, the Remuneration Committee was reconstituted in accordance with Listing Agreement with Stock Exchanges comprising of Shri R.C. Jain, Chairman, Shri Shyam Gupta, Member and Shri Sandeep Goyal, Member . The same was further reconstituted w.e.f 30th April,2010 comprising of all three Independent Directors in accordance with Schedule XIII to Companies Act,1956.

The Remuneration Committee presently consists of three independent directors viz. Shri R.C. Jain, Shri Sandeep Goyal and Shri Anil Singhal. Shri R.C. Jain was appointed as a Chairman of the Committee.

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

6. Shareholders Transfer and Grievances Committee

Due to change in composition of the Board made for implementing the demerger scheme as approved by Hon'ble High Court of Gujarat on 27th August,2009, the Shareholders Transfer and Grievances Committee was reconstituted in accordance with Listing Agreement with Stock Exchanges.

Share Holders Grievances Committee consisting of Shri. Sunilkumar Gupta as Chairman of the Committee, Shri. R.C.Jain and Shri Sandeep Goyal as its members.

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

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

7. General Meeting

Meeting	Date of meeting	Time of the meeting	Place of the meeting
14th Annual General Meeting	29th September, 2007	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210
Extra Ordinary General Meeting	11th January, 2008	11.00 a.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210
15th Annual General Meeting	30th September, 2008	3.30 p.m	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210
16th Annual General Meeting	4thSeptember, 2009	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist.Ahmedabad – 382 210

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

8. Disclosures

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

During the year under review, the Securities and Exchange Board of India (SEBI) vide its order under reference no. WTM/PS/34/IVD/ID-4/JAN/10 dated 12th January,2010 *restraining the company from buying, selling and dealing or accessing the securities market directly or indirectly in any manner what so ever for a period of two years from the date of the order.* The Company filed appeal against the said order before Hon'ble SEBI Appellate Tribunal (SAT). However the same was rejected vide SAT order dated 7th June,2010. The Company has however moved special leave petition to Hon'ble Supreme Court. The matter is presently pending for hearing.

9. Means of Communication

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

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

Website of the Company is www.novapetro.com

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

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

9. General Shareholder Information

(a) AGM : Date, time and venue –

to be held on **Wednesday, the 29th day of December, 2010** at 3.30 p.m. at the Registered Office of the Company at Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210. The Company got extension of time period upto 30th December, 2010 to hold 17th Annual General Meeting for financial year ended 31st March, 2010 from Registrar of Companies, Gujarat in accordance with the provisions of Companies Act, 1956.

(b) Financial Calendar – From April to March (Tentative):

Results for the Quarter ending:

June 30, 2010 : Second week of August, 2010.
 September 30, 2010 : Second week of November, 2010.
 December 31, 2010 : Second week of February, 2011.
 March 31, 2011 : Second week of May, 2011.

(c) Listing on Stock Exchanges

Listing Fee for the year 2010-11 has been paid by the Company and Equity Shares of the Company are listed at:

The Ahmedabad Stock Exchange Ltd.

The National Stock Exchange of India Ltd.

The Bombay Stock Exchange Ltd.

(d) Stock Code –

The Ahmedabad Stock Exchange Ltd. - Code - 41029
 The Bombay Stock Exchange Ltd. - Code - 530605
 The National Stock Exchange of India Ltd. - GSLNOVA
 ISIN No. of the Company - INE787A01022

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

Highest & Lowest Share Price of Nova Petrochemicals Ltd. as quoted on The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of (India) Ltd. (NSE) during the period from April – 2009 to March – 2010

Month & Year	High (Rs.) BSE	Low (Rs.) BSE	High (Rs.) NSE	Low (Rs.) NSE
April-2009	14.00	12.80	14.15	12.65
May – 2009	16.20	13.35	16.45	13.35
June – 2009	16.30	14.50	16.30	14.50
July – 2009	16.95	14.00	17.00	14.05
August-2009	19.65	16.00	19.35	15.50
September-2009	28.80	17.50	28.70	17.50
October-2009*	32.90	25.20	32.90	25.50
November-2009***	—	—	—	—
December-2009**	32.15	10.75	39.50	10.75
January-2010	12.80	9.25	12.80	9.00
February-2010	10.45	7.48	10.35	7.50
March-2010	9.75	7.40	9.65	7.30

Remarks:

* As per Exchange Notice No 20091012-18 dated October 12, 2009 the company has fixed the "Record date" as October 22, 2009 for giving effect to the scheme of arrangement and accordingly dealing in the abovementioned securities of the company was stopped with effect from October 21, 2009.

** Further, 2,70,00,000 Equity shares of Rs.5/- each fully paid-up issued pursuant to the scheme of Arrangement of the company were listed and permitted for trading on the Exchange with effect from Monday, December 14, 2009.

*** Hence the price of the scrip of the Company was unquoted w.e.f October 21, 2009 to December 13, 2009. The New ISIN No. INE787A01022 duly activated w.e.f 2nd December,2009. The ISIN No. of the Company was changed consequent to change in name of the Company and change in face value of equity shares of the company from Rs.10/- to Rs. 5/- per share pursuant to the scheme of arrangement.

(f) Registrar and Transfer Agent

The Registrar of Transfer Agent (RTA) of the Company has been changed w.e.f. 01/04/2010 from M/s Pinnacle shares Registry Pvt. Ltd., Ahmedabad to M/s MCS Ltd. having registered office at Mumbai. The back office operations of new RTA viz. M/s MCS Ltd. are carried out from its Ahmedabad office situated at 101, shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-09. The Shareholders /Investors are requested to kindly take note of the same.

(g) Share Transfer System

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

(h) Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDINGS AS ON 31-03-2010

Number of Shares held (1)			Number of Share Holders		Total Number of Share	
			Number (2)	% to Total Nos (3)	Total Shares (4)	% to Total Shares (5)
1	To	1000	9359	88.88	2601407	9.63
1001	To	2000	562	5.34	916767	3.39
2001	To	4000	295	2.80	871418	3.23
4001	To	6000	102	0.97	509871	1.89
6001	To	8000	39	0.37	277150	1.03
8001	To	10000	40	0.38	365042	1.35
10001	To	20000	66	0.63	939172	3.48
20001	and	Above	66	0.63	20519173	76.00
Total			10529	100.00	27000000	100.00

SHAREHOLDING PATTERN AS ON 31-03-2010

Category	No. of Shares	% of Total Shares
Promoters Holding		
Indian promoters	2348480	8.70
Bodies Corporate	9664400	35.79
Non- Promoters Holding		
Institutional		
Financial institutions/Banks	600	0.002
Mutual Funds	0	0
FII's	0	0
Non-Institutional		
Bodies Corporate	8727452	32.32
Individual	5442632	20.16
NRI	703822	2.61
Clearing member	21643	0.08
HUF	90971	0.34
TOTAL	27000000	100.00

***Note: Pursuant to Clause 29 (e) of Scheme of Demerger approved by Hon'ble High Court of Gujarat on 27th August,2009 , inter-se transfer of shares carried out by Chiripals and Guptas of their part holding in Demerged Company (GSL Nova Petrochemicals Ltd.) and Resultant Company (CIL Nova Petrochemicals Ltd.).**

(i) Dematerialisation of Shares

2,60,55,746 Equity Shares of the Company are dematerialised as on 31st March,2010.

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

Company has not issued any GDR/ADR/Warrant.

(n) Plant Location

Plant located at: -

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

(o) Address for correspondence

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

CONFIRMATION BY MANAGING DIRECTOR ABOUT COMPLIANCE OF CODE OF CONDUCT

I hereby confirm that

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

13th November, 2010

Sd/-
Sunilkumar Gupta
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
GSL Nova Petrochemicals Limited
(Formerly Known as Nova Petrochemicals Limited)

We have examined the compliance of conditions of Corporate Governance by GSL Nova Petrochemicals Limited (Formerly Nova Petrochemicals Limited) for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

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

Place : Ahmedabad
Date : 13th November,2010

(J.T. Shah)
Partner

AUDITORS' REPORT

To,
The Members of
GSL-NOVA PETROCHEMICALS LIMITED
(Formerly Known as Nova Petrochemicals Limited)
Ahmedabad

1. We have audited the attached Balance Sheet of **GSL-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 **Loss** of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For, **J. T. SHAH & COMPANY**
Chartered Accountants
(FRN No. 109616W)

(J.T. Shah)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 13th November, 2010

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our Report of even date to the Members of
GSL-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. There is 1 party covered in the register maintained under section 301 of the Companies Act, 1956 to whom the company has granted loans/advances. The maximum amount involved during the year was Rs. 18.13 Lacs and the year-end balance of loans taken from such parties was Rs. Nil Lacs.
 - b. In our opinion and according to the information and explanations given to us, in case of loans/advances granted 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.
 - c. In respect of loans/advances granted by the company, the company has granted 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.
 - d. There are 4 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. 577.98 Lacs and the year-end balance of loans taken from such parties was Rs. 442.30 Lacs.
 - e. 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.
 - f. In respect of loans taken by the company, the company has taken interest free loans and in case of principal, the terms of repayment have not been stipulated hence the question of regularity of payment of interest and principal does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

9. In respect of Statutory Dues:

- a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities all though there has been delay in depositing Service Tax, Gujarat Value Added Tax, Central Sales Tax, Provident fund, Professional Tax, Income tax deducted at source and Tax Collected at Source. According to the information and explanations given to us, Wealth Tax of Rs. 5 Lacs, Investor Education & Protection Fund of Rs.2.85 Lacs and Tax deducted at Source of Rs.0.14 Lacs have not been deposited till balance sheet date except that no undisputed amounts payable in respect of Income Tax, Service Tax, Customs Duty, Value Added 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.
- 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	Period	Amount (Rs. In Lacs)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax & Interest	1998 to 2001	34.29	Commissioner of Income Tax, Appeals
The Income Tax Act, 1961	Interest on Income Tax	2001-02	2.72	The Income Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	2001-2002 to 2006-07	2508.96	Custom Excise and Service Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	2006-07, 2007-08 & 2009-10	197.50	Commissioner of Excise and Customs (Appeals)
The Central Excise and Customs Act	Excise Duty and Penalty	2005-06	1.46	Assistant Commissioner of Excise and Customs Act
Service Tax Act	Service Tax and Penalty	2006-07 & 2007-08	29.39	Commissioner of Service (Appeals)
The Textile Committee Amendment Act, 1973	Textile Cess	1995 to 2005	50.90	Textiles Committee, Government of India, Ministry of Textiles

10. The accumulated losses of the company 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 15 days in repayment of principal of Rs.59.36 Lacs and a delay ranging up to 67 days in repayment of interest of Rs.280.82 Lacs.
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)

(J.T. Shah)
Partner

[M. No. 3983]

Place : Ahmedabad
Date : 13th November, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

Particulars	Schedule No.	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME			
1 Sales and Job Charges (Gross)		23567.86	21300.62
Less : Excise Duty		1553.86	1145.72
Sales (Net)		22014.00	20154.90
2 Other Income	14	42.14	82.12
3 Increase/(Decrease) in stock	15	380.53	(463.78)
Total.....		22436.67	19773.24
EXPENDITURE			
1 Materials	16	15909.39	14009.50
2 Payments to and Provisions for Employees	17	304.20	266.58
3 Operational and Other Expenses	18	5293.05	4559.42
		21506.64	18835.50
Profit before Interest, Depreciation and Taxation		930.03	937.74
Less : Interest and Financial Charges	19	810.65	806.09
Profit before Depreciation and Taxation		119.38	131.65
Less : Depreciation	5	634.56	703.23
		(515.18)	(571.58)
Add : Exceptional Item(Refer Note No.11)		106.07	Nil
Profit / (Loss) before Taxation		(409.11)	(571.58)
Less : Provision for Taxation			
- Current including Wealth Tax		Nil	2.50
- Fringe Benefit Tax		Nil	2.50
- Deferred		Nil	
Profit / (Loss) after Taxation		(409.11)	(576.58)
Add : Balance Brought from Previous Year		(2688.70)	(2112.12)
Balance Carried to Balance Sheet		(3097.81)	(2688.70)
Notes on Accounts	20		
Basic and Diluted earning per share		(1.52)	(2.14)

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

(J. T. Shah)
Partner
Membership No. 3983
Place : Ahmedabad
Date : 13.11.2010

For, GSL NOVA PETROCHEMICALS LIMITED
(Formerly Known as NOVA PETROCHEMICALS LIMITED)

Shyam Sunder Gupta **Sunil Kumar Gupta**
Chairman Managing Director

Harish Motwani
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
A) CASH FLOW FROM OPERATING ACTIVITIES:-		
Net Profit after Tax and Extraordinary Items	(409.11)	(576.58)
Adjustment for:-		
1) Prior Year Adjustment	Nil	Nil
2) Loss on Sale of Fixed Assets	(3.40)	(0.93)
3) Depreciation	634.56	703.23
4) Interest Paid	810.65	806.09
5) Interest Received	(24.06)	(49.29)
6) Provision for Taxation	Nil	5.00
(Incl. Provision for Deferred Tax Liability)		
7) Provision for Doubtful Debtors and Advances	(4.16)	(3.95)
8) Dividend Received	Nil	Nil
	<u>1413.59</u>	<u>1460.15</u>
Operating Profit Before Working Capital Changes	1004.49	883.57
Adjustment for:-		
1) Trade & Others Receivable	(834.77)	(410.48)
2) Inventories	(58.48)	207.33
3) Loans & Advances	178.73	(523.60)
4) Current Liabilities	1388.66	550.09
	<u>674.14</u>	<u>(176.66)</u>
Cash Generated From Operation	1678.63	706.91
Adjustment for:-		
1) Prior year adjustment	Nil	Nil
2) Tax Paid	(7.34)	(7.48)
	<u>(7.34)</u>	<u>(7.48)</u>
NET CASH FROM OPERATING ACTIVITIES (1)	<u>1671.29</u>	<u>699.43</u>
B) CASH FLOW FROM INVESTMENT ACTIVITIES:-		
1) Purchase of Fixed Assets	(335.23)	(99.04)
2) Interest Received	85.65	(9.96)
3) Sale of Fixed Assets	20.20	2.28
4) Dividend Received	Nil	Nil
5) Decrease in Investment	Nil	(1.00)
	<u>(229.37)</u>	<u>(107.72)</u>
NET CASH USED IN INVESTMENT ACTIVITIES (2)	<u>(229.37)</u>	<u>(107.72)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES:-		
1) Increase/(Decrease) of Long term borrowings	268.60	101.68
2) Increase/(Decrease) of Short term borrowings	(850.05)	120.86
3) Interest Paid	(810.65)	(806.09)
4) Dividend Paid (incl. Div.Tax)	(1.35)	(0.01)
	<u>(1393.45)</u>	<u>(583.56)</u>
NET CASH FROM FINANCING ACTIVITIES (3)	<u>(1393.45)</u>	<u>(583.56)</u>
Net Increase/(Decrease) in Cash & Cash Equivalent	48.47	8.15
Opening Cash & Cash Equivalent as on 1st April	200.62	192.47
Closing Cash & Cash Equivalent as on 31st March	249.09	200.62

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- (2) Cash and Cash Equivalents at the end includes Rs.611479/- (Previous Year Rs.746023/-) in respect of un claimed dividend and Rs.9191485/- (P. Y. Rs.8756529/-) in respect of Fixed Deposit Pledged with the Bank which are not available for use by the Company.

As per our report of even date attached herewith

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

(J. T. Shah)

Partner

Membership No. 3983

Place : Ahmedabad

Date : 13.11.2010

For, GSL NOVA PETROCHEMICALS LIMITED
(Formerly Known as NOVA PETROCHEMICALS LIMITED)

Shyam Sunder Gupta
Chairman

Sunil Kumar Gupta
Managing Director

Harish Motwani
Company Secretary

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

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 1 : SHARE CAPITAL		
1 Authorised Capital		
6,50,00,000 Equity Shares of Rs. 5/- each (Previous Year 5,00,00,000 of Rs. 10/- each.)	3250.00	5000.00
	3250.00	5000.00
2 Issued, Subscribed and Paid-up Capital		
2,70,00,000 (Pr. Year 2,70,00,000 of Rs.10/- each) equity shares of Rs.5 each fully paid up.	1350.00	2700.00
Out of which 1,35,00,000 shares of Rs.5/- each were issued as bonus shares by way of capitalisation of Share Premium bonus shares by way of capitalisation of Share Premium		
Sub Total.....	1350.00	2700.00
Share Capital Suspense		
Pursuant to the Scheme of arrangement for demerger		
27000000 Equity Shares of Rs. 10/- each fully paid up to be cancelled after Balancesheet Date	Nil	(2700.00)
27000000 Equity Shares of Rs. 5/- each fully paid up to be issued after Balancesheet Date	Nil	1350.00
Total.....	1350.00	1350.00
Note: In terms of scheme of arrangement for demerger 27000000 Equity shares of Rs.10/- each fully paid up have been cancelled being reduction in share capital and 27000000 Equity shares of Rs.5/- have been issued pursuant to the above Scheme.		
SCHEDULE - 2 : RESERVES AND SURPLUS		
1 Revaluation Reserve		
Balance as per last year	Nil	Nil
Add : on Revaluation	3369.62	Nil
	3369.62	Nil
Less : Transferred to Profit & Loss Account	Nil	Nil
	3369.62	Nil
2 Share Premium		
Balance as per last year	1189.70	1189.70
	1189.70	1189.70
3 General Reserve		
Balance as per last year	225.00	225.00
Less :Adujusted against Debit balance of Profit & Loss	(225.00)	(225.00)
4 Profit and Loss Account		
Balance as per last year	(2688.70)	(2112.12)
Add : Additions during the year	(409.11)	(576.58)
	(3097.81)	(2688.70)
Add:Amount adjusted against Credit balance of General Resreve	225.00	225.00
	(2872.81)	(2463.70)
Add : Transferred to Miscellaneous Expenditure	2872.81	2463.70
Total.....	4559.32	1189.70

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 3 : SECURED LOANS		
1 Term Loans from Banks	4574.56	3572.12
2 Working Capital Loans from Banks	755.53	1630.36
3 Other Loan	24.78	Nil
Total.....	5354.87	5202.48

- 1 Term Loans are secured by first charge of Fixed Assets (through mortgage/ hypothecation of all Immovable and Movable Assets), both present and future; subject to prior charge in favour of bankers/ other on specified Assets for Working Capital loans / other loans and further secured by personal guarantee of the Promoter Directors and corporate guarantee of the Promoter's group companies and also further secured by second charge on Book debts and Stocks.
- 2 Working Capital loans are secured by first charge on Book Debts and Stocks, and further secured by personal guarantee of the Promoter Directors and corporate guarantee of the Promoter's group companies and also further second charge on Fixed assets specified under point 1 as above

SCHEDULE - 4 : UNSECURED LOANS

1 From Banks	Nil	277.51
2 Security Deposits	527.59	72.59
3 From Corporate Bodies	442.30	1353.64
4 From others	Nil	Nil
Total....	969.89	1703.74

SCHEDULE - 5 : FIXED ASSETS

(Rs. In Lacs)

Sr. No.	Particulars	GROSS BLOCK				As at 31-03-10	DEPRECIATION			NET BLOCK		
		As at 01-04-09	Addition during the year	Addition due to revaluation As on 31-03-10	Deduction during the year		As at 01-04-09	Addition during the year	Deduction during the year	As at 31-03-10	As at 31-03-10	As at 31-03-09
1	Freehold Land	94.25	Nil	3369.62	Nil	3463.87	Nil	Nil	Nil	Nil	3463.87	94.25
2	Building	1396.68	6.25	Nil	Nil	1402.94	354.22	44.72	Nil	398.95	1003.99	1042.46
3	Furniture & Fixtures	135.74	1.36	Nil	Nil	137.10	90.82	8.65	Nil	99.47	37.63	44.92
4	Electrical Installation	856.48	6.55	Nil	Nil	863.02	374.84	40.76	Nil	415.59	447.43	481.64
5	Computer**	101.48	3.38	Nil	Nil	104.87	99.82	2.03	Nil	101.85	3.02	1.66
6	Plant & Machinery	13554.99	284.01	Nil	19.75	13819.25	10264.12	518.60	17.89	10764.83	3054.42	3290.87
7	Equipments	248.93	0.41	Nil	Nil	249.34	146.04	11.83	Nil	157.88	91.46	102.89
8	Vehicle	64.26	47.02	Nil	15.43	95.85	53.04	7.97	0.49	60.51	35.33	11.22
	Sub Total	16452.81	348.98	3369.62	35.18	20136.23	11382.90	634.56	18.38	11999.08	8137.15	5069.91
9	Capital Work In Progress	1.95	Nil	Nil	1.95	Nil	Nil	Nil	Nil	Nil	Nil	1.95
	Sub Total	1.95	Nil	Nil	1.95	Nil	Nil	Nil	Nil	Nil	Nil	1.95
	Grand Total	16454.76	348.98	3369.62	37.13	20136.23	11382.90	634.56	18.38	11999.08	8137.15	5071.86
	Previous Year	16376.69	85.83	Nil	7.76	16454.76	10685.31	703.23	5.65	11382.90	5071.86	5691.38

Note : On 31/03/2010 Company has revalued its Freehold Land by Rs. 336,961,804/- based on the report issued by the Registered Valuer.

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 6 : INVESTMENTS		
LONG TERM INVESTMENTS (NON TRADE)		
INVESTMENT IN SHARES (QUOTED)		
1 100 (P.Y. 100) Equity Shares of Mahendra Suitings Ltd., of Rs. 10/- each fully paid-up	0.00150	0.00150
2 50 (P.Y. 50) Equity Shares of JCT Ltd., of Rs. 2.5/- each fully paid-up	0.00308	0.00308
3 100 (P.Y. 100) Equity Shares of Rajasthan Petro Synthetics Ltd., of Rs. 10/- each fully paid-up	0.00175	0.00175
4 100 (P.Y. 100) Equity Shares of JBF Industries Ltd., of Rs. 10/- each fully paid-up	0.00905	0.00905
5 100 (P.Y. 100) Equity Shares of Sanghi Polyester Ltd., of Rs. 10/- each fully paid-up	0.00370	0.00370
6 8 (P.Y. 8) Equity Shares of Indo Rama Synthetics (India) Ltd., of Rs. 10/- each fully paid-up	0.00080	0.00080
7 2 (P.Y. Nil) Equity Shares of Spentex Industries received due to merger of Indo Rama textiles Ltd., of Rs. 10/- each fully paid-up	0.00020	0.00020
8 2 (P.Y. 1) Equity Shares of Reliance Industries Ltd., of Rs. 10/- each fully paid-up	0.00185	0.00185
9 2800 (P.Y. 2800) Equity Shares of Uco Bnak Ltd., of Rs. 10/- each fully paid-up	0.33600	0.33600
10 1 (P.Y. Nil) Equity Shares of Reliance Communication Ltd., of Rs. 5/- each fully paid-up received on merger of Reliance Communication Venture Ltd in to Reliance Communication Ltd	0.00137	0.00137
	0.35930	0.35930
INVESTMENT IN SHARES (UNQUOTED)		
1 19800 (P.Y. 19800) Equity Shares of NPL Power Pvt. Ltd., of Rs. 10/- each fully paid-up	1.98000	1.98000
2 4000(P.Y. Nil) Equity Shares of The Kalupur Commercial Co-Operative Bank Ltd . of Rs.25/- each fully paid - up.	1.00000	1.00000
Total...	3.33930	3.33930
Aggregate value of Quoted Investments	0.35930	0.35930
Market value of Quoted Investments	1.72896	0.77510
SCHEDULE - 7 : INVENTORIES		
1 Raw Materials	143.32	208.32
2 Stores, Spares and Fuel	385.98	456.50
3 Packing Materials	8.25	8.31
4 Work-In-Process	752.43	472.26
5 Finished Goods	275.75	175.40
6 Trading Stock	42.16	42.16
7 Goods-in-Transit	89.55	276.00
Total...	1697.44	1638.95
SCHEDULE - 8 : SUNDRY DEBTORS		
(Unsecured except reported at Note no 24 of Schedule 20)		
Considered Good		
1 Outstanding for a Period exceeding 6 Months	439.96	457.49
2 Others	2100.30	1242.19
	2540.26	1699.68
Considered Doubtful		
1 Outstanding for a Period exceeding 6 Months	53.13	58.95
2 Others	Nil	Nil
	53.13	58.95
Less: Provision for Doubtful Debtors	53.13	57.29
Total....	2540.26	1701.34

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 9 : CASH AND BANK BALANCES		
1 Cash on hand	21.38	5.44
2 Balance With Scheduled Banks		
- In Current Account	135.78	107.60
- In Fixed Deposit	91.92	87.56
	227.70	195.16
3 Balance with Non Scheduled Bank in Current Accounts	0.01	0.02
Total....	249.09	200.62
SCHEDULE - 10 : LOANS AND ADVANCES (Unsecured)		
1 Advances Recoverable in Cash or Kind		
Considered Good	751.87	1004.18
Considered Doubtful	43.61	43.61
	795.48	1047.79
Less: Provisiond for Doubtful Advances	43.61	43.61
	751.87	1004.18
2 Deposits	217.51	198.20
3 Advance to Staff	0.19	0.75
4 Balance with Excise authority (Payable on Demand)	0.21	0.21
5 Advance Tax and TDS	146.24	138.90
Less:Provision for Taxation	(55.58)	(55.58)
	90.66	83.32
Total.....	1060.44	1286.66
SCHEDULE - 11 : CURRENT LIABILITIES		
1 Sundry Creditors	4090.35	2872.25
2 Bank Overdraft	12.35	22.25
3 Advance from Customers / Employees	217.64	18.59
4 Unclaimed dividend @	3.26	7.46
5 Investor Education & Protection Fund	2.85	Nil
Total....	4326.45	2920.55
@ There is no amount due to be transferred to Investor Education & Protection Fund.		
SCHEDULE - 12 : PROVISIONS		
1 Provision for Dividend	Nil	Nil
2 Provision for Tax on Proposed Dividend	Nil	Nil
Total....	Nil	Nil
SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE		
1 Profit and Loss Account		
Net Deficit after adjustment of Reserves & Surplus (Refer Schedule 2)	2872.81	2463.70
Total....	2872.81	2463.70

(Rs. in Lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
SCHEDULE - 14 : OTHER INCOME		
1 Interest (TDS Rs. 1.26 Lacs Previous year Rs. 0.67 Lacs)	24.06	49.29
2 Miscellaneous Income	7.28	28.88
3 Provision for Doubtful Debtors and Advances (Net)	4.16	3.95
4 Profit on Sale of Fixed Asset	6.64	
Total..	42.14	82.12
SCHEDULE - 15 : INCREASE / (DECREASE) IN STOCK		
Closing Stock :		
1. Finished Goods	317.91	217.56
2. Work-In-Process	752.44	472.26
	1070.35	689.82
Less : Opening Stock		
1. Finished Goods	217.56	180.98
2. Work-In-Process	472.26	972.62
	689.82	1153.60
Total..	380.53	(463.78)
SCHEDULE - 16 : MATERIALS		
Raw Materials Consumed	15390.67	13815.40
Purchase of Finished Goods	518.72	194.10
Total..	15909.39	14009.50
SCHEDULE - 17 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
1 Salary and Wages	284.90	248.18
2 Contribution to P.F. and other funds	12.68	11.97
3 Staff and Labour Welfare	6.62	6.43
Total..	304.20	266.58

(Rs. in Lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
SCHEDULE - 18 : OPERATIONAL, ADMINISTRATIVE AND SELLING EXPENSES		
1 Stores and Spares Consumed	294.96	224.19
2 Power and Fuel Consumed	2548.82	2175.40
3 Packing Material Consumed	689.41	538.75
4 Freight, Cartage and Octroi	280.40	245.58
5 Loss on Sale of Fixed Asset	3.24	0.93
6 Insurance	29.53	34.75
7 Rent, Rates and Taxes	3.73	2.96
8 Vat Expense	999.70	842.21
9 Excise Duty Expenses	18.18	(2.89)
10 Service Tax	8.77	7.67
11 Postage and Telephone Expenses	6.11	7.63
12 Stationery, Printing and Advertisement	7.15	5.80
13 Selling and Distribution Expenses	261.06	285.20
14 Travelling, Conveyance and Vehicle Expenses	64.33	56.83
15 Repairs and Maintenance :		
(a) Plant	24.14	16.45
(b) Building	2.83	2.75
(c) Others	11.95	9.62
	<u>38.92</u>	<u>28.82</u>
16 Legal and Professional Exps.	35.92	28.59
17 Exchange Rate Difference	(2.54)	51.56
18 Auditor's remuneration :		
(a) Audit fees	1.50	1.50
(b) Tax Audit fees	0.25	0.25
(c) Taxation and Others	0.25	0.25
(d) Certification	2.00	Nil
	<u>4.00</u>	<u>2.00</u>
19 Miscellaneous Expenses	23.40	23.44
20 Miscellaneous Balances Written off	(22.04)	0.01
Total ...	<u>5293.05</u>	<u>4559.42</u>
SCHEDULE - 19 : INTEREST AND FINANCE CHARGES		
1 Interest on Term Loans	485.00	384.94
2 Interest on other Loans	196.25	321.32
3 Bank and Other Charges	129.40	99.83
Total ...	<u>810.65</u>	<u>806.09</u>

SCHEDULE - 20 : 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/value added tax and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. 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

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

2. Pursuant to the scheme of Arrangement for Demerger (the Scheme'), as approved by the Hon'ble Gujarat High Court on 27th August, 2009 (being effective from the date of filling of order with the Registrar of Companies), the Unit-II situated at Survey Number 395/4, 396 (Paiki) at Village Moraiya, Taluka Sanand, Dist. Ahmedabad is demerged as a going concern w.e.f. 1st April, 2007, being the appointed date.

In terms of the scheme, the assets and liabilities relating to the demerged undertaking have been transferred at value appearing in the books of accounts as on the closure of business on 31st March, 2007. Accordingly, net asset of Rs. 2018 Lacs were transferred to the resulting entity.

3. CONTINGENT LIABILITIES:

	2009-2010 (Rs. in Lacs)	2008-2009 (Rs. in Lacs)
a) Letters of Credit Outstanding	1684.34	1588.85
b) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of Rs.20 Lacs)	272.60	272.60
c) Disputed demand of Custom Duty	Nil	Nil
d) Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of Rs. 202.77 Lacs)	2994.21	2741.61
e) Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles.	50.90	50.90
f) Service Tax demand disputed in appeal by the Company/Authority	42.75	Nil
g) Claims not acknowledged as debts by the company	1.12	1.12
h) Show Cause Notices received from various authorities	169.53	158.66
i) Employees Demands pending before Labour Courts	Amount not ascertainable	Amount not ascertainable
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 includes Rs. 343.82 lacs (Previous Year Rs. 379.22 Lacs) due from private companies in which some of the directors are interested as directors and Rs. Nil (Previous Year Rs. Nil) due from firms in which some of the directors are interested as partners.		
6. Loans and Advances includes Rs. Nil Lacs (Previous Year Rs. Nil) due from private companies in which some of the directors are interested as directors and Rs. Nil (Previous Year Rs. Nil) due from firms in which some of the directors are interested as partners.		
7. Secured loans where repayments are stipulated include Rs. 413.00 Lacs (Previous year Rs. 272.40 Lacs) repayable within a period of one year.		
8. Unsecured loans where repayments are stipulated include Rs. Nil (Previous year Rs. Nil) repayable within a period of one year.		
9. Traveling, Conveyance & Vehicle Expenses include Directors Traveling Rs. 12.30 Lacs (Previous Year Rs. 10.01 Lacs).		
10. Maximum debit balance in Non Schedule Bank during the year is Rs. 0.01 Lacs (Previous year Rs. 0.04 Lacs).		
11. Exceptional items consist of amount written back on account settlement of some of the loans of Rs. 79.88 Lacs (Previous year Rs. Nil Lacs) and interest thereon Rs. 26.20 lacs (Previous year Rs. Nil Lacs).		
12. Particulars of Prior Period expense debited to respective head of expenditure:-		(Rs. In Lacs)

Particulars	31-03-2010	31-03-2009
i) Raw Material Consumption	0.69	0.13
ii) Payment to Employees	0.15	(7.15)
iii) Freight & Cartage	3.67	Nil
iv) Rent Rates and Taxes	(0.20)	(83.99)
v) Repairs & Maintenance Expense	1.16	Nil
vi) Miscellaneous Expenses	0.62	0.26
vii) Interest Received	(1.91)	Nil
viii) Legal & Professional Expense	0.65	0.17
ix) Telephone Expense	0.00	1.36
x) Traveling Expense (Including director traveling)	2.77	2.12
xi) Service Tax	(3.75)	Nil
xii) Power & fuel consumed	0.17	Nil
xiii) Insurance Expense	0.07	Nil
xiv) Selling & distribution exps	0.71	Nil
xv) Stationery Expense	0.03	Nil
Total . . .	4.83	(87.10)

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

(Rs. In Lacs)

Sr. No.	Particulars	Gratuity (Funded) Defined benefit Obligation 31/03/10	Gratuity (Funded) Defined benefit obligation 31/03/09
i)	Employee Benefit Obligations The amounts (in Rs.) recognized in the balance sheet.		
	Present value of funded obligations	0.38	9.57
	Fair value of plan assets	0.38	9.57
	Present value of unfunded obligations	32.36	26.45
	Unrecognized past service cost	—	—
	Net liability	32.36	26.45
	Amounts in the balance sheet:	0.00	0.00
	- Liabilities	32.36	26.45
	- Assets	—	—
	Net liability	32.36	26.45
ii)	The amounts (in Rs.) recognized in the statement of profit and loss.		
	Current service cost	6.07	5.99
	Interest on obligation	2.99	2.74
	Expected return on plan assets	(0.45)	(1.24)
	Net actuarial losses (gains) recognized in year	(2.70)	3.10
	Past service cost		
	Losses (gains) on curtailments and settlement	—	—
	Total, included in 'employee benefit expense'	5.91	10.59
	Actual return on plan assets	0.39	1.04
iii)	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof.		
	Opening defined benefit obligation	36.02	34.67
	Service cost	6.07	5.99
	Interest cost	2.99	2.74
	Actuarial losses (gains)	(2.76)	2.90
	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	(9.58)	(10.28)
	Closing defined benefit obligation	32.74	36.02
iv)	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof.		
	Opening fair value of plan assets	9.57	17.99
	Expected return	0.45	1.24
	Actuarial gains and (losses)	(0.06)	(0.20)
	Assets distributed on settlements	—	—
	Contributions by employer	—	0.82
	Assets acquired in an amalgamation	—	—
	In the nature of purchase	—	—
	Exchange differences on foreign plans	—	—
	Benefits paid	(9.58)	(10.28)
	closing balance of fair value of plan assets	0.38	9.57
v)	The major categories of plan assets as a percentage of total plan assets.		
	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Insurance Company	100.00%	100.00%

Sr. No.	Particulars	Gratuity (Funded) Defined benefit Obligation 31/03/10	Gratuity (Funded) Defined benefit obligation 31/03/09
vi)	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :		
	Discount rate	8.30%	7.91%
	Expected return on plan assets	9.00%	9.00%
	Proportion of employees opting for early retirement	—	—
	Annual increase in Salary costs	6.00%	6.00%
	Future changes in maximum state health care benefits	—	—
	Employment Market.	—	—
vii)	Amount for the current period.		
	Defined benefit obligation	32.74	36.02
	Plan assets	0.38	9.57
	Surplus/(deficit)	(32.36)	(26.45)
	Experience adjustments on plan Liabilities	—	—
	Experience adjustments on plan assets	—	—
viii)	Movement in net liability recognised in Balance Sheet.		
	Net opening liability	26.45	16.68
	P&L Charge	5.91	10.59
	Contribution paid	—	(0.82)
	closing net liability	32.36	26.45
ix)	Transitional Liability		
	D.B.O. As on 1-4-2008	—	—
	Market value of Investment as on 1-4-2008	—	—
	Provision in books of Accounts maintained under the Accounting Standard.	—	—
	transitional liability (assets) as on 1-4-2008	—	—
	Note	—	—
	Transitional liability (assets) as on 1-4-2008 is worked out on the basis of discount rate	—	—

14. The Disclosure requirement as required by Accounting Standard 15 of "Leave Encashment" is as follows :- (Rs. In Lacs)

Sr. No.	Particulars	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/10	Leave Encashment (Unfunded) Defined benefit obligation 31/03/09
i)	Employee Benefit Obligations The amounts (in Rs.) recognized in the balance sheet.		
	Present value of funded obligations	—	—
	Fair value of plan assets	—	—
	Present value of unfunded obligations	14.66	12.56
	Unrecognized past service cost	—	—
	Net liability	14.66	12.56
	Amounts in the balance sheet:	0.00	0.00
	- Liabilities	14.66	12.56
	- Assets	0.00	0.00
	Net liability	14.66	12.56
ii)	The amounts (in Rs.) recognized in the statement of profit and loss.		
	Current service cost	4.79	5.50
	Interest on obligation	1.04	0.74
	Expected return on plan assets	—	—
	Net actuarial losses (gains) recognised in year	(3.74)	(2.99)
	Past service cost	0.00	0.00
	Losses (gains) on curtailments and settlement	—	—
	Total, included in 'employee benefit expense'	2.10	3.25
	Actual return on plan assets	0.00	0.00
iii)	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof.		
	Opening defined benefit obligation	12.56	9.31
	Service cost	4.79	5.50
	Interest cost	1.05	0.74
	Actuarial losses (gains)	(3.74)	(2.99)
	Losses (gains) on curtailments	—	—
	Liabilities extinguished on settlement	—	—

Sr. No.	Particulars	Leave Encashment (Unfunded) Defined benefit Obligation 31/03/10	Leave Encashment (Unfunded) Defined benefit obligation 31/03/09
	Liabilities assumed in an amalgamation in the nature of purchase Exchange differences on foreign plans	—	—
	Benefits paid	—	—
	Closing defined benefit obligation	14.66	12.56
iv)	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof.		
	Opening fair value of plan assets	—	—
	Expected return	—	—
	Actuarial gains and (losses)	0	0
	Assets distributed on settlements	—	—
	Contributions by employer	—	—
	Assets acquired in an amalgamation In the nature of purchase	—	—
	Exchange differences on foreign plans	—	—
	Benefits paid	—	—
	closing balance of fair value of plan assets	—	—
v)	The major categories of plan assets as a percentage of total plan assets.		
	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Insurance Company	0.00%	0.00%
vi)	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) :		
	Discount rate	8.30%	7.91%
	Expected return on plan assets	—	—
	Proportion of employees opting for early retirement	—	—
	Annual increase in Salary costs	6.00%	6.00%
	Future changes in maximum state health care benefits Employment Market.	—	—
vii)	Amount for the current period.		
	Defined benefit obligation	14.66	12.56
	Plan assets	—	—
	Surplus/(deficit)	(14.66)	(12.56)
	Experience adjustments on plan Liabilities	—	—
	Experience adjustments on plan assets	—	—
viii)	Movement in net liability recognised in Balance Sheet.		
	Net opening liability	12.56	9.31
	P&L Charge	2.10	3.25
	Contribution paid	—	—
	closing net liability	14.66	12.56
ix)	Transitional Liability		
	D.B.O. As on 1-4-2008	—	—
	Market value of Investment as on 1-4-2008	—	—
	Provision in books of Accounts maintained under the Accounting Standard.	—	—
	Transitional liability (assets) as on 1-4-2008	—	—
	Note		
	Transitional liability (assets) as on 1-4-2008 is worked out on the basis of discount rate	—	—

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)	(409.11)	(576.58)
Nominal Value per Share	5	5
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	270.00	270.00*
Basic and Diluted earning per share	(1.52)	(2.14)

***Note:** Pursuant 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 one 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 Shyam Gupta	Chairman
2	Shri Sunilkumar Gupta	Managing Director
3	Shri Ved Prakash Chiripal	Director**
4	Shri Jyoti Prasad Chiripal	Chairman**

** Resigned w.e.f. 5th October, 2009. Pursuant to scheme of demerger (the Scheme).

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

Sr. No.	Name	Sr. No.	Name
1	Gupta Dying and Printing Mills Pvt. Ltd.	2	Gupta Synthetics Limited
3	ShubhLaxmi Dying and Print Mills P. Ltd	4	Poly Coat India Pvt. Ltd
5	Aviva Industries Ltd	6	Ellora Syntex Pvt. Ltd
7	Sharp Synthetics Pvt. Ltd	8	CIL-Nova Pertochemicals Ltd
9	Basant Bahar Properties Pvt Ltd	10	Vishal Fabrics Pvt Ltd

c) Details of Transactions with Related Parties during the existence of related party relationship are as follows:

(Rs. in Lacs)

Sr. No.	Nature of Transaction	Key Management Personnel	Other Related Parties Personnel	Relatives of Key Management	Total
1	Unsecured Loans				
	Taken during the year	NIL	54.00	NIL	54.00
	Balance as at Balance Sheet Date	(NIL)	(68.85)	(NIL)	(68.85)
2	Advances Recoverable in Cash or Kind				
	Given during the year	NIL	15.28	NIL	15.28
	Balance as at Balance Sheet Date	(NIL)	(NIL)	(NIL)	(NIL)
3	Advances Received from Customers				
	Received during the year	NIL	NIL	NIL	NIL
	Balance as at Balance Sheet Date	(NIL)	(NIL)	(NIL)	(NIL)
4	Expenditure				
	Agency Commission Paid	NIL	11.02	NIL	11.02
	Purchase of Goods, Packing Material and Stores	(NIL)	(16.36)	(NIL)	(16.36)
	Jobwork Charges	(NIL)	10.88	(NIL)	10.88
	Power & Fuel Expense	(NIL)	(953.29)	(NIL)	(953.29)
5	Income Received				
	Interest Received	NIL	Nil	NIL	Nil
	Jobwork Income	(NIL)	(9.53)	(NIL)	(9.53)
	Miscellaneous Income	NIL	1313.91	NIL	1313.91
	Stock in trade	(NIL)	(1153.75)	(NIL)	(1153.75)
6	Income Received				
	Interest Received	NIL	1.71	NIL	1.71
	Jobwork Income	(NIL)	(11.81)	(NIL)	(11.81)
7	Income Received				
	Jobwork Income	NIL	203.61	NIL	203.61
	Miscellaneous Income	(NIL)	(388.23)	(NIL)	(388.23)
8	Income Received				
	Jobwork Income	NIL	Nil	NIL	Nil
	Miscellaneous Income	(NIL)	(10.86)	(NIL)	(10.86)
9	Stock in trade				
	Sold / Redeemed during the year	NIL	3864.94	NIL	3864.94
	Balance as at Balance Sheet Date	(NIL)	(4696.41)	(NIL)	(4696.41)
10	Other Transactions				
	Payment received on behalf of others	NIL	1035.53	NIL	1035.53
	Payment made on their behalf	(NIL)	(428.31)	(NIL)	(428.31)

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

	Rs. In Lacs
1. Unsecured Loan Taken :-	
- Shubhlaxmi Dyeing & Printing Mills Pvt. Ltd.	44.00
- Gupta Synthetics Ltd.	10.00
2. Advance Recoverable in cash or Kind :-	
- Basant Bahar Properties Ltd.	15.29
3. Expenditure :-	
Agency Commission Paid:	
- Sharp Synthetics Pvt. Ltd	4.21
- Ellora Syntex Pvt. Ltd	6.81
Purchase of Goods, Packing Material and Stores :-	
- CIL Nova Petrochemicals Ltd.	8.72
- Gupta Synthetics Ltd.	1.88
Power & Fuel Expense:-	
- CIL-Nova Petrochemicals Ltd.	1313.91
4. Income Received :-	
Interest Received :	
- Gupta Dyeing and Printing Mills Pvt Ltd.	0.21
- Shubhlaxmi Dyeing & Printing Mills Pvt. Ltd.	1.50
Jobwork Income:	
- CIL-Nova Petrochemicals Ltd.	203.61
5. Stock in trade :-	
Sold / Redeemed during the year	
- Gupta Dyeing and Printing Mills Pvt Ltd.	1270.16
- Shubhlaxmi Dyeing & Printing Mills Pvt. Ltd.	1884.67
6. Other Transaction :-	
Payment Received on behalf of Others	
- CIL Nova Petrochemicals Ltd.	9.38
18. The Company is entitled for set off of carried forward losses and unabsorbed depreciation against the future income under the Income Tax Act. However as a matter of prudence, the company is not recognizing the deferred tax asset as provided in the Accounting Standard 22 issued by The Institute of Chartered Accountant of India.	
19. The amount of Exchange Difference	
Credited to Profit and Loss Account Rs. 2.54 Lacs (Previous Year Debited to Profit & Loss Account Rs. 51.55 Lacs)	
20. The Gross Block of Fixed Asset includes Rs.3369.62 Lacs (Previous Year Rs.Nil Lacs) on account of revaluation of Freehold Land Carried out on 31/03/2010.	
21. 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.94.19 Lacs (Previous year Rs. 117.57 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:	
Akshat Trader, Anushree Paper Packs Pvt. Ltd., Arjun Packaging, Flexi Bond Industries, Nirmal Tubes & Containers P. Ltd., Pooja Paper Craft, Pooja Plastic Ind., Rajhans Trader, Wonder packaging, Wimpack, Jagdishwar packaging.	
22. Balance in Current Account with Scheduled Banks includes Rs. 3.31 Lacs (Previous Year Rs. 4.66 Lacs) in the unpaid dividend account with various banks.	
23. The Company has not received information from vendor regarding their status under the Micro, Small & Medium Enterprise Development Act, 2006 and hence disclosure relating to amount unpaid as at year end together with interest paid/payable under this act have been not given.	
24. Sundry Debtors are Secured to the extent of Rs. 25.33 Lacs (Previous Year Rs. 8.24 Lacs)	

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

a) **Licensed & Installed Capacity :**

Sr. No.	Product Name	Licence Capacity	Installed Capacity	
			2009-10	2008-09
1	Partially Oriented Polyester Filament Yarn (POY)	License is not required	27435 Tons p.a.	24135 Tons p.a.***
2	Fully Draw Yarn	License is not required	7380 Tons p.a.***	7380 Tons p.a.***
3	Polyester Chips	License is not required	52800 Tons p.a.***	52800 Tons p.a.***

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

b) **Opening Stock & Closing Stock of Finished Goods**

(Rs. In Lacs)

Sr. No.	Products	Unit	Opening Stock				Closing Stock			
			Quantity		Value		Quantity		Value	
			2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	141725	169611	47.30	106.35	322861	141725	224.35	47.30
2	Fully Draw Yarn	Kg.	41014	40014	30.23	32.47	49864	41014	43.96	30.23
3	Cloth	Mtr.	33176	33176	42.16	42.16	33176	33176	42.16	42.16
4	Polyester Chips	Kg.	175170	Nil	97.87	Nil	19635	175170	7.44	97.87
Total . . .					217.56	180.98			317.91	217.56

c) **Production meant for Sale**

(Rs. In Lacs)

Sr. No.	Products	Unit	Quantity	
			2009-10	2008-09
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	15981184	12810263
2	Fully Draw Yarn	Kg.	11674807	7506683
3	Polyester Chips	Kg.	785593	7649688

d) **Purchase of Finished Goods**

(Rs. In Lacs)

Sr. No.	Products	Unit	Quantity		Value	
			2009-10	2008-09	2009-10	2008-09
1	Partially Oriented Polyester Filament Yarn (POY)	Kg	Nil	203499	Nil	163.84
2	Polyester Chips	Kg	710600	33000	448.72	20.73
3	Cloth	Mtr.	70558	Nil	70.00	Nil
4	Others				Nil	9.53
Total . . .			710600	236499	518.72	194.10

e) **Sales**

(Rs. In Lacs)

Sr. No.	Products	Unit	Quantity		Value	
			2009-10	2008-09	2009-10	2008-09
1	Partially Oriented Polyester Filament Yarn (POY)	Kg.	15800048	13041648	11975.03	9707.77
2	Fully Draw Yarn	Kg.	11665957	7505684	10023.50	6574.87
3	Polyester Chips	Kg	1651728	7507518	989.51	4098.13
4	Cloth	Mtr.	70558	Nil	72.31	Nil
5	Others (including Job Charges)		—	—	507.51	919.86
Total . . .					23567.86	21300.63

f) Consumption of Raw Materials

(Rs. In Lacs)

Sr. No.	Products	Quantity		Value	
		2009-10	2008-09	2009-10	2008-09
1	Polyester Chips	6205660	2516200	3597.06	1578.55
2	Pure Terephthalic Acid (PTA)	18926030	22048362	8311.81	8301.80
3	Mono Ethylene Glycol (MEG)	7577980	8720219	2641.82	3177.97
4	Others	—	—	839.98	757.08
Total . . .				15390.67	13815.40

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:

(Rs. In Lacs)

	Imported		Indigenous		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1. Raw Materials Consumed:						
Value Rs.	222.82	1343.82	15167.85	12471.58	15390.67	13815.40
Percentage	1.45%	9.73%	98.55%	90.27%	100%	100%
2. Stores & Spares Consumed						
Value Rs.	41.85	26.92	253.11	197.27	294.96	224.19
Percentage	14.19%	12.01%	85.81%	87.99%	100%	100%

h) C.I.F. Value of Imports

	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
1 Capital Goods	130.33	32.66
2 Raw Materials	196.13	1475.65
3 Stores and Spares	39.75	26.92

i) Expenditure in Foreign Exchange

	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
1 Foreign Traveling	0.68	3.14
2 Interest and Bank Charges	—	25.67

j) Earning in Foreign Exchange: (Rs. In Lacs)

	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
FOB Value of Exports	Nil	Nil

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

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

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

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

Signature to Schedules "1" to "20"

As per our report of even date attached herewith

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

Chartered Accountants

(J. T. Shah)

Partner

Membership No. 3983

Place : Ahmedabad

Date : 13.11.2010

For, GSL NOVA PETROCHEMICALS LIMITED
(Formerly Known as NOVA PETROCHEMICALS LIMITED)
Shyam Sunder Gupta
Chairman

Sunil Kumar Gupta
Managing Director

Harish Motwani
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	20927	State Code	04
Balance Sheet Date	31/03/2010		

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

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

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

Total Liabilities	1223408	Total Assets	1223408
SOURCES OF FUNDS			
Paid-up Capital	135000	Reserves & Surplus	455932
Secured Loans	535487	Unsecured Loans	96989
APPLICATION OF FUNDS			
Net Fixed Assets	813715	Investments	334
Net Current Assets	122078	Miscellaneous Expenditure	287281
Deferred Tax Liability	NIL		
Accumulated Losses	NIL		

IV. Performance of Company (Rs. in Thousands)

Turnover (Including other Income)	2360999	Total Expenditure	2401910
Profit / (Loss) Before Tax	(40911)	Profit / (Loss) After Tax	(40911)
Earning per Share (Rs.)	(1.52)	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, GSL NOVA PETROCHEMICALS LIMITED
(Formerly Known as NOVA PETROCHEMICALS LIMITED)**

Shyam Sunder Gupta
Chairman

Sunil Kumar Gupta
Managing Director

Place : Ahmedabad
Date : 13.11.2010

Harish Motwani
Company Secretary

GSL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA PETROCHEMICALS LIMITED)

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

ATTENDANCE SLIP

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

Name and Address of the Shareholder :

Folio No. : DP Id : Client Id :

No. of Shares held :

I hereby record my presence at the Seventeenth Annual General Meeting of the Company held on Wednesday, 29th December, 2010 at 3.30 p.m. at Survey No. 396/403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad - 382 210.

SIGNATURE OF THE SHAREHOLDER/PROXY :

Strike out whichever is not applicable

.....TEAR HERE

GSL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA PETROCHEMICALS LIMITED)

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

PROXY FORM

I/We ofbeing a member/ members of the
GSL NOVA PETROCHEMICALS LIMITED hereby appoint
of..... or failing him of.....as
my/our proxy to vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting to be held on Wednesday, 29th December,
2010 at 3.30 p.m. or at any adjournment thereof.

Signed day of 2010

Affix One
Rupee
Revenue
Stamp

Folio No. : DP Id : Client Id :

No. of Shares held.....

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

TEAR HERE

BOOK-POST

To,

If undelivered please return to :

GSL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA PETROCHEMICALS LIMITED)

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