

**20TH  
ANNUAL REPORT  
2012-2013**



**[Formerly Known as Nova Petrochemicals Limited]**

**Your confidence is our biggest Asset**

## 20<sup>th</sup> ANNUAL REPORT

Board of Directors	: Shyam Gupta Sunil Kumar Gupta Anil Singhal Sandeep Goyal	<i>Chairman</i> <i>Managing Director</i> <i>Director</i> <i>Director</i>
Company Secretary	: Dhvani Shah	
Bankers	: State Bank of India Bank of Baroda UCO Bank Central 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, Ashram Road, Ahmedabad – 380 009.	

[www.novapetro.com](http://www.novapetro.com)

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## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of **M/S GSL NOVA PETROCHEMICALS LIMITED (Formerly Known as NOVA PETROCHEMICALS LIMITED)** will be held on 30<sup>th</sup> Day of September 2013 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 31<sup>st</sup> March 2013, the Profit and Loss Account for the year ended on 31<sup>st</sup> March 2013 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Sunil Kumar Gupta, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Anil Singhal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Special Business by Special Resolution :

### **5. To consider and if thought fit to pass the following Resolution with or without modification, if any, as a Special Resolution:**

“RESOLVED THAT pursuant to the provision of section 149(2A) of the Companies Act, 1956 the consent of the members of the company be and is hereby accorded to carry on activities/business as covered under the Other Objects Clause III (C) 21 of the memorandum of association of the company and the Board of directors of the company be and is hereby authorized to take all such effective steps to implement the decision of the members of the company as they may consider appropriate in the interest of the company and do all such acts, deeds and things from time to time for and on behalf of the company.”

### **Regd. Office:**

Survey No. 396/403, Moraiya Village,  
Sarkhej-Bavla Highway, Tal. Sanand,  
Dist. Ahmedabad – 382 210  
Dated : 14/08/2013

**By order of the Board of Directors,**

Company Secretary

### **Notes :-**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).
4. Members desiring any information pertaining to Accounts are requested to write to the Company at least seven days before the date of the meeting in order that the information can be made available at the meeting.
5. Members are requested to bring their copy of the Annual Report at the meeting and produce the Attendance Slip at the Entrance where the Annual General Meeting will be held.
6. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA M/s MCS Limited, 101, Shatdal Complex, 1<sup>st</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009 and also notify the e-mail address as and when there is any change.
8. Members holding shares in physical mode are requested to immediately notify the Company or its Share Transfer Agent about any change of address and their bank particulars. Members holding shares in dematerialized form are requested to immediately notify their respective Depository Participants about any change of address and their bank particulars.
9. **Pursuant to Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for reappointment are furnished below :**
  - (A) Shri Sunilkumar Gupta was appointed as an Additional Director of the Company on 30-09-1996 and thereafter appointed as Regular Director liable to retire by rotation w.e.f. 29<sup>th</sup> September, 1997 in 4<sup>th</sup> Annual General Meeting. He is appointed as a Managing Director w.e.f. 28<sup>th</sup> May, 2007 and thereafter reappointed w.e.f. 28<sup>th</sup> May, 2012 for a period of 5 years in the Company on the terms and

conditions as mentioned in the agreement. At present he is voluntarily not drawing any remuneration in view of operational losses. Shri Sunilkumar Gupta retires by rotation and being eligible offers himself for re-appointment and his appointment pursuant to the provision of section 198,269,309 & 310 read with Schedule XIII & other applicable provisions if any under the Companies Act, 1956 by the Board and subject to the approval of the members in General Meeting, his appointment pursuant to the provision of section 198,269,309 & 310 read with Schedule XIII & other applicable provisions if any under the Companies Act, 1956 by the Board and subject to the approval of the members in General Meeting.

He is a Commerce Graduate having more than two decades of business experience of Trade & Industry and also of Textile Line.

Shri Shyam Gupta, the Chirman of the Company is related to him.

Mr. Sunil Kumar Gupta is a Director on the Board of the following Companies:

- a) Supernova Exim Private Limited
- b) Supernova Polyfab Private limited
- c) Gupta Education Foundation Institute.

(B) Shri Anil Kumar Singhal, Director of the Company, is a Commerce Graduate having a rich experience in textile industry.

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

- a) Gupta Synthetics Limited
- b) Gold Star Lease Financing Ltd.
- c) Evergreen Synthetics Pvt. Ltd.
- d) Sharp Synthetics Pvt. Ltd.
- e) Sterlite Synthetics Private limited

Shri Anil Singhal retires by rotation and being eligible offers himself for re-appointment.

11. 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.

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**By order of the Board of Directors,**

Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM No 5**

The company is engaged in the business of manufacturing synthetic yarn viz. POY and FDY but due to non operational of chips plant since couple of years and of sluggish market of Polyester yarn and creation of large capacity of POY your company had incurred sizable losses. During the year under review the production of POY/FDY suspended since the end of September 2012 due to continuous losses and non availability of power at remunerative price. Moreover the company is not in a position to service the debts from the current operation.

In view of the above, the company has submitted a revival plan to banks for reduction of debt to the extent of ₹ 56.50 crores through development of affordable housing on surplus land of the company jointly with reputed builder through JV and sale of unusable Chips plant & other Machinery and also to recommence the production of yarns.

As the banks have agreed in principal for the revival plan, your Company proposed to enter into real estate business jointly with reputed builder through JV and the proposed activity covered under the other object of the object Clause of the Memorandum of Association (Clause III. C. 21)

Pursuant to Section 149(2A) of the Companies Act, 1956 approval of the shareholders is necessary by way of a Special Resolution before commencement of any activity under the other object. Accordingly, approval of the shareholders is sought for commencement and to carry out business/activity under the other object all or any of the new business activities proposed in Clause III.C.21 of the Memorandum of Association of the Company, as set out in the accompanying resolution.

None of the Directors are, in any way, concerned or interested in the resolution set out at Item no. 5 of the Notice.

The resolution mentioned in Item no. 5 of the Notice is recommended for your approval as a Special Resolution.

**Regd. Office:**

Survey No. 396/403, Moraiya Village,  
Sarkhej-Bavla Highway, Tal. Sanand,  
Dist. Ahmedabad – 382 210  
Dated : 14/08/2013

**By order 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 20<sup>th</sup> Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2013.

### OPERATIONAL & FINANCIALS

The highlights are as under: -

<b>Particulars</b>	<b>2012-2013</b>	<b>(₹ in Lacs) 2011-2012</b>
Net Sales& Other Income	<b>5326.62</b>	15844.15
Profit / (Loss) before Tax	<b>(1305.42)</b>	(1856.61)
Less: Provision for Tax	<b>Nil</b>	Nil
Add: Provision for Deferred Tax	<b>Nil</b>	Nil
 Profit After Taxation/(Loss)	<b>(1305.42)</b>	(1856.61)
Add: Balance Brought from Previous Year.	<b>(5541.15)</b>	(3684.54 )
 Profit Available for Appropriations	<b>(6846.57)</b>	(5541.15)
Less: Appropriations		
(a) Dividend	<b>Nil</b>	Nil
(b) General Reserve	<b>Nil</b>	Nil
 Balance Carried to Balance Sheet	<b>(6846.57)</b>	(5541.15)

### PERFORMANCE:

Your company has achieved Net Sales and other income of ₹53.26 crores as compared to previous year's Net Sales and other income of ₹ 158.44 crores. Due to continuing recession & bad market for Polyester Yarn and operational loss coupled with non availability of power the production remained suspended end of September, 2012. The net loss during the year under review was placed at ₹13.05 crores as compared to net loss of ₹ 18.57 crores for the previous year.. *The operations of the company are influenced from change in prices of raw materials , fuel prices, lower demand of yarn as well as lower rate of sales realization due to excess supply over demand resulting in to overall lower sales and capacity utilization etc.*

### PRESENT 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 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.

As 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 huge capacity from new plants based on continuous process technology the company had shut down the plant since couple of years. As the honorable members are aware that to overcome the said situation, the management of your company had decided to purchase chips directly from the market. Though management had further explored the possibility of modernization of the chips plant and also of manufacturing other than textile grade of chips but the same was not materialised as the banks had reservations for further financing in view of delay in split of bank facilities between two companies and continuous losses.

The company has submitted a revival plan to banks for recommencing the production of yarn and to reduce debt burden of ₹ 56.50 crores through sale of unusable Plant & Machinery and development of affordable housing on surplus land of the company jointly with reputed builder through JV. We are glad to inform that the banks have agreed in principal for the same.

### RESTRUCTURING OF BANK DUES UNDER CDR MECHANISM :

As the members are aware, the Company has taken considerable finance from banking institutions, which are also secured by the assets of the Company and personal guarantee of Promoters and associate companies. In view of losses incurred by the company, the company could not

adhered to serve the interest and repayment of the loans. The Banks will have right to recompense in respect of waivers/sacrifice made by them for restructured debts under CDR mechanism.

**DIVIDEND:**

Due to loss incurred by the Company during the year 2012-13, your directors regret their inability to recommend any dividend on the Equity Share Capital.

**DIRECTORS:**

Shri Sunilkumar Gupta, Managing Director and Shri Anil Kumar Singhal, Director 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 the 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 20<sup>th</sup> Annual General Meeting 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 31<sup>st</sup> March 2013; 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 31<sup>st</sup> March, 2013.
- (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 31<sup>st</sup> March, 2013 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 20<sup>th</sup> Annual General Meeting and being eligible, offer themselves for re-appointment from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The Company had pursuant to section 224 (1B) of the Companies Act, 1956, received a certificate that their appointment, if made, will be within the limits as laid down in the section.

**Explanation to the qualification in Auditors' Report.**

The Directors submit their explanation to the qualification made by the Auditors in their report for the year 2012-13. The para nos. and reply are as under:

- 9(b) There has been delay in the payment of Wealth tax of ₹5 lacs, Investor Education & Protection fund of ₹ 2.85 lacs, Tax deducted at source of ₹4.74 lacs, TCS of ₹ 0.22 lacs, Service Tax of ₹2.18 lacs, PF of ₹ 2.51 lacs and Professional Tax of ₹ 1.22 lacs. The Company paid part of some of the dues and is arranging to make the payment of the same shortly.
- 10 The accumulated losses are more than fifty percent of its net worth and the company has incurred cash losses during the year under audit and in the immediately preceding financial year. The Company will take appropriate action in consultation with the experts.

There was a delay for more than 90 days in the repayment of principal and interest to banks. The Company has already approached the Banks for approving revival plan as stated in other para of Directors' Report.

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

**AUDIT COMMITTEE:**

Due to change in company's Board of Directors 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.

**COMPLIANCE REPORT BY COST ACCOUNTANT:**

Pursuant to Section 209(1)(d) and Rule 2 of The Companies (Cost Accounting Records) Rules, 2011 the company shall file compliance report duly authenticated and signed by Kirna J.Mehta & Co. Cost Accountants having office at Ahmedabad for financial year 2012-13 in prescribed Form-A along with the annexure to the Central Government within prescribed time period from the close of the company's financial year to which the compliance report relates.

**APPOINTMENT OF THE COST AUDITOR:**

As required under Cost Audit Branch Order dated 24<sup>th</sup> January, 2012 issued under reference no. F.No. 52/26/CAB-2010 by Ministry of Corporate Affairs, Government of India, the industries engaged in the production, processing or manufacturing of Jute, Cotton, Silk, Woolen or Blended Fibers/Textiles as covered under Chapters 50 to 63 of The Central Excise Tariff Act, 1985 where in the aggregate value of the turn over made by the company from sale or supply of all its products/activities during the immediately preceding financial year exceed 100 crores of rupees or wherein the company's equity or debt securities are listed or are in process of Listing on any stock exchange, whether in India or outside India, shall get its Cost Accounting Records, in respect of each of its financial year commencing on or after the 1<sup>st</sup> day of April, 2012, audited by a cost auditor who shall be either a cost accountant or a firm of cost accountant, holding valid certificate of practice under the provision of Cost and Works Accountants Act, 1959. Accordingly the company in its board meeting held on 11<sup>th</sup> May, 2012 had appointed Shri Kiran J. Mehta, Partner of M/s Kiran J. Mehta & Co., Cost accountant having its office at 257, 2<sup>nd</sup> Floor, Ellis bridge Shopping Centre, Opp. M.J. Library, Ahmedabad-380 006 to conduct the cost audit for financial year commencing from 1<sup>st</sup> April, 2012 and ending on 31<sup>st</sup> March, 2013.

**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 and CDR authorities, all State and Central Government Departments, Shareholders, valued Customers and Suppliers etc. of the Company. Your Directors also wish to express their sincere thanks for the contribution rendered by the employees of the Company at all levels.

**Regd. Office:**

Survey No. 396/403, Moraiya Village,  
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Dist. Ahmedabad - 382 210  
Dated : 14/08/2013

**By order of the Board of Directors,**

**Sunilkumar 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 31<sup>st</sup> March, 2013.

**(A) Conservation of Energy**

Various modification done and steps taken for conservation of energy have been continued

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

	<b>Current Year</b> <b>2012-13</b>	Previous Year <u>2011-12</u>
1. Electricity purchased		
(a) Units (KWH)	<b>271225</b>	901515
Total Amount (₹)	<b>1724420</b>	6004090
Average Rate per Unit (₹)	<b>6.36</b>	6.66
(b) Own generation		
i. Through Generator Unit (KWH)	<b>160360</b>	11720
Units per Liter of Fuel/Oil	<b>3.50</b>	3.80
Cost/Unit (₹)	<b>13.16</b>	10.50
ii. Through Steam Turbine/Generator		
Units (KWH)	<b>7164064</b>	18014457
Units Per Kg. of Coal	-	-
Cost / Unit (₹)	<b>5.92</b>	5.53
2. Fire Wood		
Quantity	<b>Nil</b>	1994490
Total Cost (₹)	<b>Nil</b>	4990930
Average Rate (₹/Kg)	<b>Nil</b>	2.50
3. CNG		
Quantity	<b>94631</b>	612140
Total Cost (₹ in lacs)	<b>43.28</b>	212.58
Average Rate (₹/KL)	<b>45.73</b>	34.73

**II. Consumption per unit of production: -**

Products (with details) Unit

Electricity (KWH/Ton of Product)

(a) P.O.Y.	<b>1698.35</b>	989.62
(b) Fully Drawn Yarn	<b>2356.03</b>	1852.08

**(B) Technology Absorption**
**FORM B**
**Form for disclosure of particulars with respect to technology absorption**
**I. Research and Development (R & D)**

The benefits of past research and Development have been continued. However no new R &amp; d was carried out.

1. Expenditure on R &amp; 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 wherever possible in the operations.
  - b. Pellet Packing started in POY to reduce packing cost continued.
2. Benefits derived as a result of the above efforts.
  - a. Introduction of Additional Deniers in POY and FDY.
  - b. Optimization of Process Parameters to improve the Product quality.
  - c. 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**

	<b>2012-13</b>	(₹ In Lacs) <u>2011-12</u>
Total Foreign Exchange used and earned;		
Outgo in Foreign Exchange	<b>45.37</b>	102.08
Earning in Foreign Exchange	<b>Nil</b>	Nil

**Regd. Office:**

 Survey No. 396/403, Moraiya Village,  
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 Dist. Ahmedabad – 382 210  
 Dated : **14/08/2013**
**For & on behalf of the Board of Directors,**
**Sunilkumar Gupta**  
 Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY SCENARIO AND STRUCTURE

The Indian Textile Industry rallied under declining domestic demand and high input cost in the current year. Drop in demand from external market created panic among manufacturers, who have started production in the fresh manner.

India is the one of the world's largest producers of textiles and garments. Cotton and polyester are the major raw materials for India's textile industry. Cotton and polyester together account for around 90% of India's textile mill consumption of all fibers. The domestic prices of polyester and cotton witnessed volatility during the year. The downstream polyester demand remained depressed in the year, amidst subdued ,global markets due to high polyester inventories, lower margins.

In the short term, volatility in crude oil prices may impact the growth of the industry. The profit margins of the industry eroded in last two years mainly due to addition of large capacity of Polyester POY and import of Nylon Filament Yarn (NFY). Substantial import duty concessions, under FTAs signed by the Government of India with ASEAN member countries has become the bane of the industry and emerged as a major threat for the Synthetic Fiber Industry.

### OPPORTUNITIES & THREATS

Polyester has overtaken cotton as the dominant fiber, but the cost and availability still plays a significant role in the inter fiber substitution. Rising oil prices and moderating cotton prices will lead the polyester industry to grow at a slower rate in the near Future.

Textile Industry which is country's second largest employment generation sector after agriculture, employs over 3.5 crores people has been hit hard since the global economic slowdown in 2008. It is also facing problems of risk of high volatility in raw material prices and fluctuation in dollar prices and high cost of credit. India's textile export declined 5.7 % year to year during April to September because of slow down in major markets like the USA & Europe.

Policy of Indian Government in respect of textile will have substantial effect on the growth of the industry. The present policy of the Government also 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.

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

### CHALLENGES, RISKS AND CONCERNS

Apart above the Company perceives the following main business risks:

- a) Unfavorable Exchange rate fluctuation
- b) High volatility in raw material prices and inconsistent raw material supply
- c) Downstream industries might witness a slowdown, affecting demand for products
- d) Overcapacity of domestic PFY industry
- e) Volatility in crude oil prices
- f) International competition

### OVERVIEW

The Global events had negative impact on demand particularly in fuels and petrochemicals product. High Oil Prices hit the whole industry and with that Raw material prices increased from time to time and with that it resulted in reduced profitability of all yarn manufacturing company and it effect our company badly during the last year and reduced our profitability in-spite of turnover. The global economy after recession, witnessed lower economic growth. The European economies stagnated and the US witnessed downgrade in its credit rating while the growth engines of global economy, China and India were forced to tighten liquidity to tame rising inflation.

### HUMAN RESOURCES/ INDUSTRIAL RELATION

The Company provides a congenial and productive work environment with an aim to retaining those who are capable of translating challenges into opportunities and weakness into strength. Your Company is successful in maintaining the cordial and peaceful relationship with the employees at all level and reciprocation it has received wholehearted support at all levels of operation by all employees.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place effective systems of internal control ensuring accurate, reliable and speedy compilation of financial information, safeguarding the assets and interest of the Company and ensuring compliance with laws and regulations. The Company have its internal Audit to Check the internal control system and report on any deficiencies to the management.

## 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 has well qualified and experienced Board Members. 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 Four Directors, the Board consists of one Executive Director as Managing Director, one Non-Executive Non Independent Director and Two Non-Executive Independent Directors.

During the financial year 2012-2013, the Board met five times on the following dates 11/05/2012, 13/08/2012, 31/08/2012, 09/11/2012 and 09/02/2013.

Details of Directors, Attendance of Directors at the Board Meetings, as well as in an Annual General Meeting held on 28.09.2012 and number of memberships held by Directors in the Board/Committee of other Companies are as under:

Sr. No.	Name of Director	Designation Category	Attendance Particulars		Number of other Directorship and Committee Member/Chairmanship in other public companies		
			Board Meetings	AGM held on 28.09.12	Other Directorship	Committee Membership	Committee Chairmanship
1	Shri Shyam Gupta	NED/NID	5	Yes	-	—	—
2	Shri Sunilkumar Gupta	MD	5	Yes	-	—	—
3	Shri Sandeep Shiv Goyal	NE	5	No	1	—	—
4	Shri Anil Singhal	NE	4	No	2	2	1
5	Shri Piyush Vyas*	NE	1	No	1	1	1

**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 Piyush R. Vyas due to ill health he resigned as Director w.e.f. 20th June, 2012.

### 3 Details of Remuneration paid to the Directors during the Financial Year ended as on 31-03-2013

Sr. No.	Name of Director	Category	Salary (₹)	Total (₹)
1	Shri Sunilkumar Gupta	MD	Nil*	Nil*

\* *In view of operational Losses, the Managing Director has voluntarily desired not to receive any remuneration from the date of his reappointment of fresh tenure of Five years from 28<sup>th</sup> May, 2012*

Managing Director is not paid any sitting fees. Other Directors are entitled to receive sitting fee of ₹ 5000/- for attending board and committee meetings.

### 4. Audit Committee

Due to change in company's directorate 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. The reconstituted Committee effective from 13/08/2012 is as follows:

Name of Director	Designation	Category
Shri Sandeep Goyal	Chairman	Independent & Non Executive
Shri Anilkumar Singhal	Member	Independent & Non Executive
Shri Sunilkumar Gupta	Member	Non Independent & Executive

Shri Sandeep Goyal was appointed as chairman of Audit Committee due to resignation of Shri Piyush R. Vyas.

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 greater, but there should be a minimum of two independent members present.
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 out side legal or other professional advise.
  - To secure attendance of outsiders with relevant expertise, if it considers necessary.
  - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
  - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
    - Any changes in accounting policies and practices.
    - Major accounting entries based on exercise of judgment by management.
    - Qualification in draft audit report.
    - Significant adjustments arising out of audit.
    - The going concern assumption.
    - Compliance with accounting standards.
    - Compliance with stock exchange and legal requirements concerning financial statements.
    - Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
  - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings if any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  - Review in the Company's financial and risk management policies.
  - To look into the reasons for substantial defaults in the payment to the depositors, debentures, shareholders (in case of nonpayment of declared dividend) and creditors.

- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submissions to the Board.
- It shall ensure compliance of internal control systems.

Audit Committee met five times on 11/05/2012, 13/08/2012, 31/08/2012, 09/11/2012 and 09/02/2013

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	5
2	Shri Sandeep Goyal	5
3	Shri Anil Singhal	4
4	Shri Piyush Vyas*	1

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

\* Shri Piyush R. Vyas due to ill health he resigned as Director w.e.f. 20th June, 2012.

#### 5. Remuneration Committee

The Remuneration Committee comprised of three Non Executive Directors viz. Shri Sandeep Goyal, Chairman, Shri Shyam Gupta, Member and Shri Anil singhal, Member in accordance with Listing Agreement with Stock Exchanges and in accordance with schedule XIII to the Companies Act,1956.

Remuneration Committee met one time on 30-08-2012. All the members of the committee were present in the meeting.

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

#### 6. Shareholders Transfer and Grievances Committee

Share Holders Grievances Committee comprised of Shri Sunilkumar Gupta as Chairman of the Committee, Shri. Anil Singhal 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.

Miss Dhvani Shah, Company Secretary of the Company has now been appointed as the Compliance Officer. There is no pending Share Transfer for a period above one month.

#### 7. General Meeting

Meeting	Date of meeting	Time of the meeting	Place of the meeting
16th Annual General Meeting	4th September, 2009	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist.Ahmedabad – 382 210
17th Annual General Meeting*	29th December, 2010*	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist.Ahmedabad – 382 210
18th Annual General Meeting	30th September, 2011	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist.Ahmedabad – 382 210
19th Annual General Meeting	28th September, 2012	3.30 p.m.	Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist.Ahmedabad – 382 210

\* The Company got extension of time period up to 30th December,2010 to hold 17th Annual General Meeting for financial year ended 31st March,2010 from The Registrar of Companies, Gujarat in accordance with the provisions of Companies Act,1956.

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.

#### 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](http://www.novapetro.com).

- The Company supplies copies of the Financial Results and Annual Report of the Company to various Analysts, registered Share Brokers, various Government Departments & Agencies, and other Investors and all those interested in getting the same as and when requested.
- Management Discussion & Analysis is a part of Annual Report attached herewith.

## 10. General Shareholder Information

### (a) AGM: Date, time and venue –

to be held on **30<sup>th</sup> day, the September, 2013** at 3.30 p.m. at the Registered Office of the Company at Survey No. 396, 403, Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Dist. Ahmedabad – 382 210.

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

#### Results for the Quarter ending:

June 30, 2012	Second week of August, 2012.
September 30, 2012	Second week of November, 2012.
December 31, 2012	Second week of February, 2013.
March 31, 2013	Second week of May, 2013.

### (c) Listing on Stock Exchanges

Listing Fee for the year 2012-13 has yet to be paid by the Company and Equity Shares of the Company are listed at:

The Bombay Stock Exchange Ltd.

The National Stock Exchange of India Ltd

### (d) Stock Code –

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 GSL 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 – 2012 to March – 2013

Month & Year	High (₹) BSE	Low (₹) BSE	High (₹) NSE	Low (₹) NSE
April-2012	2.67	1.81	2.55	1.80
May – 2012	1.99	1.37	2.00	1.55
June – 2012	2.03	1.50	1.90	1.50
July – 2012	2.27	1.68	2.10	1.55
August-2012	1.94	1.58	2.00	1.65
September-2012	2.11	1.68	2.00	1.65
October-2012	2.10	1.62	2.15	1.55
November-2012	1.95	1.63	2.00	1.50
December-2012	2.20	1.64	2.20	1.55
January-2013	2.05	1.55	2.00	1.60
February-2013	1.83	1.36	1.80	1.40
March-2013	1.63	0.97	1.55	0.90

**(f) Registrar and Transfer Agent**

M/s MCS Ltd.

101, shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad- 09.

**(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 31-03-2013**

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	8333	87.71	2336647	8.66
1001	To	2000	552	5.81	896809	3.32
2001	To	4000	298	3.14	878457	3.25
4001	To	6000	94	.99	464280	1.72
6001	To	8000	49	0.52	345898	1.28
8001	To	10000	40	0.42	368451	1.37
10001	To	20000	67	0.70	975877	3.61
20001	and	Above	68	0.71	20733581	76.79
Total			9501	100.00	27000000	100.00

**SHAREHOLDING PATTERN AS ON 31-03-2013**

Category	No. of Shares	% of Total Shares
<b>Promoters Holding</b>		
Indian promoters	2366480	8.77
Bodies Corporate	12566800	46.54
<b>Non- Promoters Holding</b>		
<b>Institutional</b>		
Financial institutions/Banks	600	0.00
Mutual Funds	0	0
FII's	0	0
<b>Non-Institutional</b>		
Bodies Corporate	5036494	18.65
Individual	6082632	22.53
NRI	820021	3.04
HUF	121973	0.45
Overseas Corporate Body	5000	0.02
<b>TOTAL</b>	<b>27000000</b>	<b>100.00</b>

**(i) Dematerialisation of Shares**

2,61,50071 Equity Shares of the Company are dematerialised as on 31st March,2013.

**(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.

14<sup>th</sup> August, 2013

Sd/-  
**Sunilkumar Gupta**  
Managing Director

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**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, 2013 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 : 14<sup>th</sup> August, 2013

**(J.T. Shah)**  
Partner

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**GSL-NOVA PETROCHEMICALS LIMITED**  
Ahmedabad

### 1. Report on the Financial Statements

We have audited the attached Balance Sheet of **GSL-NOVA PETROCHEMICALS LIMITED** which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the 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 audit.

### 2. Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Basis for Qualified Opinion

- i. *The accounts of the Company have been prepared on a going concern basis, though the company has Stopped its manufacturing activities since September 2012 and entire network of the company has been eroded. The Financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liability that may be necessary if the Company is unable to continue as a going concern.*
- ii. *Trade Receivable, Other Advances, Deposit and Trade Payables are subject to confirmation and adjustment if any.*
- iii. *Compound interest, Penal interest and liquidated damages in respect of all borrowings have not been provided, amount of which is unascertainable, pending confirmations / reconciliation(Refer to Note No.4.6).*
- iv. *The Company has unilaterally written off certain disputed creditors of Rs 98,287,146/-. As a result of the same Trade Payables would have been higher and balance in Statement of Profit and Loss would have been lower by ₹ 98,287,146/-.*

*Without considering items mentioned at para (i) to (iii) of para 4 above, the effect of which could not be determined, had the observations made by us in para (vi) of para 4 above been considered, Exceptional Item would have been ₹16,920,220/- (as against the reported figure of ₹115,207,366/-), Trade payable would have been Rs 187,914,385/- (as against the reported figure of Rs 89,627,239/-).*

### 5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;



- (b) in the case of the Statement of Profit and Loss, of the profit/ loss for the year; ended on that date ; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 6. Report on Other Legal and Regulatory Requirements

- i As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For, J. T. Shah & Co.**  
*Chartered Accountants,*  
[FRN No. 109616W]

**[J. T. Shah]**  
*Partner*  
[M. No. 3983]

**Place : Ahmedabad**  
**Date : 30/05/2013**

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 of "Report on Other Legal and regulatory Requirements" of our report of even date.)

**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 if any on verification between the physical stocks and books records were not material.

**3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.**

- a. During the year under audit, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- b. There are 8 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 ₹ 64,563,000/- and the year-end balance of loans taken from such parties was ₹ 61,663,000/-.
- c. In our opinion and according to the information and explanations given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- d. In respect of loans taken by the company, the company has taken interest free loans and in case of principal, the terms of repayment have not been stipulated hence the question of regularity of payment of interest and principal does not arise.

**4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.****5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:**

- a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

**6 The company has not accepted any deposits from public.****7 In our Opinion, the Company has internal audit system commensurate with size and nature of its business.****8 We have broadly reviewed the books of account maintained by the company pursuant to the companies (Cost Accounting Records) Rule,2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed accounts and records have been maintained. However, we have, however not made a detailed examination of the cost 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 wealth tax, custom duty, Provident fund, 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, Professional Tax, Tax deducted at source and Tax Collected at Source.*

- b. According to the information and explanations given to us Wealth Tax of ₹ 5,00,000/-, Investor Education & Protection Fund of ₹ 2,85,041/-, Tax deducted at Source of ₹ 4,74,149/-, Tax Collected at Source of ₹22,404/-, Service tax of Rs 218,144/-, Provident Fund of ₹251,511/- and Professional Tax of ₹122,770/- are due for a period more than six months from the date they became payable and have not been deposited till balance sheet date, except that no undisputed amounts payable in respect of Gujarat Value Added Tax, Central Sales Tax, Customs Duty and Excise Duty were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- c. 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 (In ₹)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax & Interest	2000-2001 2003-2004	4,83,400 11,050	Commissioner of Income Tax, Appeals
The Income Tax Act, 1961	Interest on Income Tax	2001-02	2,72,135	The Income Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	2005-06	1,46,479	Assistant Commissioner of Central Excise & Customs
The Central Excise and Customs Act	Excise Duty and Penalty	2006-2007 & 2007-2008	19,59,742	Commissioner of Excise and Customs (Appeals)
The Central Excise and Customs Act	Excise Duty and Penalty	2001-2002 2003-2004 2004-2005 2006-2007	16,85,00,816 32,30,731 37,17,000 12,59,207	Custom Excise and Service Tax Appellate Tribunal
The Gujarat Value Added Tax Act, 2003	Interest & Penalty on Value Added Tax	2006-07	2,69,152	Joint Commissioner Appeals
Service Tax Act	Service Tax and Penalty	2007-08	18,53,152	Commissioner of Service Tax (Appeals)
The Textile Committee Amendment Act, 1973	Textile Cess	1995 to 2005	50,90,119	Textiles Committee, Government of India, Ministry of Textiles

- 10 The accumulated losses of the company at the end of the financial year are more than fifty percent of its net worth. The Company has 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 upto 92 days in repayment of principal of ₹3,484,000/- and a delay upto 92 days in repayment of interest of ₹1,214,945/- to various banks. Further the company has defaulted in repayment of principal of ₹613,542,597/- and in repayment of interest of ₹119,444,856/- till date of this report.
- 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, in our opinion funds amounting to ₹405,640,998/- raised for 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 & Co.**  
Chartered Accountants,  
[FRN No. 109616W]

**[J. T. Shah]**  
Partner  
[M. No. 3983]

Place : Ahmedabad  
Date : 30/05/2013

**BALANCE SHEET AS AT 31-03-2013**

Particulars	Note No.	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>[1] Shareholders' Funds :</b>			
[a] Share Capital	2	1350.00	1350.00
[b] Reserves & Surplus	3	(2062.25)	(756.83)
		(712.25)	593.17
<b>[2] Non-Current Liabilities :</b>			
[a] Long Term Borrowings	4	Nil	2981.26
[b] Deferred Tax Liabilities (Net)	5	Nil	Nil
[c] Long-Term Provisions	6	Nil	28.19
		Nil	3009.45
<b>[3] Current Liabilities :</b>			
[a] Short-term Borrowings	7	3053.80	3117.38
[b] Trade Payables	8	896.27	2060.24
[c] Other Current Liabilities	9	5765.39	2473.84
[d] Short Term Provisions	6	0.71	10.26
		9716.17	7661.72
<b>Total .....</b>		<b>9003.92</b>	<b>11264.33</b>
<b>ASSETS :</b>			
<b>[1] Non-Current Assets</b>			
<b>[a] Fixed Assets :</b>			
[i] Tangible Assets	10	6689.75	7160.49
[ii] Intangible Assets	10	Nil	Nil
		6689.75	7160.49
[b] Non-Current Investments	11	2.34	3.34
[c] Long-Term Loans and Advances	12	426.98	454.03
[d] Other Non-Current Assets	13	2.16	38.11
		7121.23	7655.96
<b>[2] Current Assets</b>			
[a] Inventories	14	301.15	1715.03
[b] Trade Receivables	15	1405.91	1721.47
[c] Cash & Bank Balances	16	103.64	80.66
[d] Short Term Loans and Advances	12	71.99	91.21
		1882.68	3608.37
<b>Total .....</b>		<b>9003.92</b>	<b>11264.33</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 40		

As per our report of even date attached herewith

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

Chartered Accountants

(FRN No. 109616W)

**(J. T. Shah)**

Partner

Membership No. 3983

Place : Ahmedabad

Date : 30.05.2013

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

Chairman

Managing Director

Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2013**

Particulars	Note No.	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
<b>INCOME</b>			
Revenue from Operations	17	5,746.27	17,071.50
Less : Excise Duty		473.59	1,539.81
Net Revenue from Operations		5,272.68	15,531.69
Other Income	18	53.94	312.46
<b>Total Revenue</b>		<b>5,326.62</b>	<b>15,844.15</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	19	3,641.74	12,680.61
Purchase of Stock in Trade	20	990.52	854.82
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	21	583.32	(62.20)
Employee Benefits Expense	22	206.54	330.19
Finance Costs	23	903.12	1,021.34
Depreciation and Amortisation expense	10	456.66	536.98
Other Expenses	24	1,002.21	2,339.02
<b>Total Expenses</b>		<b>7,784.11</b>	<b>17,700.76</b>
<b>Profit before Tax exceptional and extraordinary item and Tax</b>		<b>(2,457.49)</b>	<b>(1,856.61)</b>
Exceptional Items	25	1,152.07	Nil
<b>Profit before Tax</b>		<b>(1,305.42)</b>	<b>(1,856.61)</b>
<b>Less : Tax expense:</b>			
- Current Tax		Nil	Nil
- Deferred Tax		Nil	Nil
<b>Profit for the year</b>		<b>(1,305.42)</b>	<b>(1,856.61)</b>
Basic & diluted earnings per share of face value of ₹5 each		(4.83)	(6.88)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 40		

As per our report of even date attached herewith

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

Chartered Accountants

(FRN No. 109616W)

**(J. T. Shah)**

Partner

Membership No. 3983

Place : Ahmedabad

Date : 30.05.2013

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

Chairman

Managing Director

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013**

	31-03-2013	31-03-2012
<b>A Cash from Operating Activity</b>		
<b>Net Profit Before Tax from Continuing Operation</b>	<b>(130,541,504)</b>	<b>(185,660,561)</b>
	<b>(130,541,504)</b>	<b>(185,660,561)</b>
Non Cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation	45,666,084	53,698,077
Balance Written Off	(115,497,693)	(23,885,893)
(Profit)/Loss on sale of fixed assets (net)	(2,476,814)	836,056
Interest Received	(1,205,974)	(4,599,881)
Provision for doubtful Debtors & Advances	(427,418)	(55,507)
	<b>(73,941,815)</b>	<b>25,992,853</b>
Dividend Income	(16,075)	(21,291)
Interest and Finance Charges	90,311,630	102,133,689
	<b>90,295,555</b>	<b>102,112,398</b>
Adjustment for Movements in Working Capital:		
Increase/(decrease) in Trade Payable	(899,432)	(31,611,040)
Increase/(decrease) in Long-Term Provision	(2,818,844)	(589,841)
Increase/(decrease) in Short-Term Provision	(954,830)	(669,389)
Increase/(decrease) in Other Current liability	(42,444,877)	(5,656,777)
Decrease/(increase) in Trade Receivable	31,917,953	42,795,909
Decrease/(increase) in Inventories	141,388,235	(25,813,446)
Decrease/(increase) in Long Tern Loans and Advances	2,589,706	12,517,512
Decrease/(increase) in Short Tern Loans and Advances	2,199,709	9,236,999
	<b>130,977,620</b>	<b>209,927</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>16,789,855</b>	<b>(57,345,384)</b>
Direct Taxes paid	(678,836)	(633,967)
	<b>(678,836)</b>	<b>(633,967)</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>16,111,019</b>	<b>(57,979,351)</b>
<b>B Cash flow from investing activities</b>		
Purchase of Fixed Assets	(199,052)	(3,303,056)
Sale of Fixed Assets	4,083,900	8,854,381
Sale of Non Current Investment	100,000	-
Capital Advance & Capital Creditors	414,173	(69,164)
(Increase)/Decrease Margin Money Deposit made	(576,327)	1,331,088
Interest Received	1,351,321	4,653,289
Dividend Income	16,075	21,291
	<b>5,190,090</b>	<b>11,487,829</b>
<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>5,190,090</b>	<b>11,487,829</b>
<b>C Cash flow from financing activities</b>		
Increase/(Decrease) of Long Term Borrowing	(7,284,447)	(30,574,952)
Increase/(Decrease) of Short Term Borrowing	(6,357,896)	158,074,147
Interest paid	(9,532,453)	(82,859,615)
Dividend paid on Equity Shares (Incl. Dividend Tax)	-	(181,340)
	<b>(23,174,796)</b>	<b>44,458,241</b>
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>(23,174,796)</b>	<b>44,458,241</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(1,873,687)</b>	<b>(2,033,281)</b>
Cash and cash equivalent Opening Balance	4,065,557	6,098,838
Cash and cash equivalent Closing Balance	2,191,871	4,065,557
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(1,873,687)</b>	<b>(2,033,281)</b>

**Notes:**

=&gt; The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3.

=&gt; The Current Account balance includes ₹3,153/- (P.Y. ₹3,153/-) towards unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the state purpose are done through such account.

As per our report of even date attached herewith

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

Chartered Accountants

(FRN No. 109616W)

**(J. T. Shah)**

Partner

Membership No. 3983

Place : Ahmedabad

Date : 30.05.2013

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

Chairman

Managing Director

Company Secretary

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Preparation of financial Statements

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule, 2006 issued by the Central Government in exercise of the power conferred under sub-section ( I ) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounts are prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### b. Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### c. Fixed Assets

Fixed Assets are stated at cost, net of Cenvat, less accumulated depreciation. All costs, including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. CENVAT credits on capital goods are accounted for by reducing the cost of capital goods.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

### d. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs in respect of qualifying assets till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortised on a straight – line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year or disposal.

### e. 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.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

### f. Inventories

Inventories at year-end are valued at the lower of cost or net realizable value. Raw Materials, Stores, Spares, Fuel, Packing Materials, Finished Goods and Work in Progress are valued on FIFO basis.

### g. 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.

### h. Revenue Recognition

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.

**i. Investments**

Non-Current Investments are stated at its cost. Provision is made for any diminution in the value of the Non-Current Investments, if such decline is other than temporary.

**j. 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, till such assets are ready for their intended use. A qualifying asset is the one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue. Capitalization of borrowing cost is suspended when active development is interrupted.

**k. 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 difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realized in future.

**l. 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.

**m. 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 an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amounts.

**n. 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.

**o. 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.
- (iv) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.



## 2 Share Capital

	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
[a] Authorised :		
4,50,00,000 (Previous Year 4,50,00,000) Equity Shares of ₹ 5/- (Previous Year ₹5/-) each	2,250.00	2,250.00
10,00,000 (Previous year 10,00,000) Preference Shares of ₹ 100/- (Previous Year ₹100) each	1,000.00	1,000.00
	3,250.00	3,250.00
[b] Issued, Subscribed & Paid-up Capital :		
2,70,00,000 (Previous Year 2,70,00,000) Equity shares of ₹5 (Previous Year ₹5) each fully paid up	1350	1,350
<b>Total .....</b>	<b>1,350</b>	<b>1,350</b>

Refer Note Number 29 for details of basic and diluted shares

- 2.1 The company has issued only One class of shares referred to as Equity shares having face value of ₹5/-. Each Holder of One share is entitled to One vote per share.
- 2.2 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.
- 2.3 Under a scheme of the demerger, total paid up capital of the company was reduced to ₹13,50,00,000/- as against original paid up capital of ₹27,00,00,000/- by reducing the face value of share from ₹10 per share to ₹5/- per share.
- 2.4 The details of shareholders holding more than 5% shares as at 31/03/2013 and 31/03/2012 is set out below.

Name of Shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	% held	No. of Shares	% held
Polycoat India Pvt. Ltd. (formerly known as Gupta Silk Mills Pvt. Ltd.)	6,047,400	22.40%	6,697,400	24.81%
Comptel Infosys Pvt. Ltd.	3,400,000	12.59%	3,400,000	12.59%
Chiripal Industries Ltd.	2,596,000	9.61%	2,596,000	9.61%

- 2.5 The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2013 & 31/03/2012 is set out below

Particulars	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Shares at the beginning of Face Value of ₹ 5/-	27,000,000	1,350	27,000,000	1,350
Addition during the year	Nil	Nil	Nil	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Shares at the end of Face Value of ₹ 5/-	27,000,000	1,350	27,000,000	1,350

**3 Reserves & Surplus**

	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
<b>Security Premium Reserve</b>		
Balance as per last financial Statement	1,189.70	1,189.70
Closing Balance	<b>1,189.70</b>	<b>1,189.70</b>
<b>Revaluation Reserve</b>		
Balance as per last financial Statement	3,369.62	3,369.62
Closing Balance	<b>3,369.62</b>	<b>3,369.62</b>
<b>General Reserve*</b>		
Balance as per last financial Statement	225.00	225.00
Closing Balance	<b>225.00</b>	<b>225.00</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial Statement	(5,541.15)	(3,684.55)
Add : Loss for the year	(1,305.42)	(1,856.61)
Net Deficit in the statement of profit and loss	<b>(6,846.57)</b>	<b>(5,541.15)</b>
<b>Total .....</b>	<b>(2,062.25)</b>	<b>(756.83)</b>

\* General reserve is created out of profit in accordance with Companies (Transfer of Profit to Reserve) Rule, 1975 and is distributable in accordance with Companies(Distribution of dividend out of Reserve) Rules 1975.

**4 Long Term Borrowings**

	Non-Current		Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Term Loan - From Bank@ [Indian rupee loan from Bank (Secured)]	Nil	2,979.85	3,777.07	859.91
Vehicle Loans@@	Nil	1.41	Nil	8.74
	<b>Nil</b>	<b>2,981.26</b>	<b>3,777.07</b>	<b>868.65</b>
<b>The above amount Includes</b>				
Secured Borrowings	Nil	2,981.26	3,777.07	868.65
Unsecured Borrowings	Nil	Nil	Nil	Nil
Amount disclosed under the head 'Other Current Liabilities' (Note No. 9)	Nil	Nil	(3,777.07)	(868.65)
<b>Total .....</b>	<b>Nil</b>	<b>2,981.26</b>	<b>Nil</b>	<b>Nil</b>

**4.1 Security :**

@ Term Loans under consortium finance are secured by first charge on Fixed Assets (through mortgage/hypothecation of all immovable & movable assets), both present & future; subject to prior charge in favour of bankers/other on specified assets for working capital loans/other loans and secured by second charge on book debt & stocks and further secured by personal guarantee of Promoter Directors & Corporate Guarantee of Promoter's Group Companies.

**4.2 Interest:**

In respect of Term Loans under consortium finance the company is liable to pay fixed interest @10.75% p.a. and in case of Funded Interest Term Loan (FITL) interest shall be payable @9.75% p.a on monthly basis.

#### 4.3 Repayment:

@ Term Loan Facilities are repayable in following schedule in monthly instalments :- (Amount in Lacs)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years	More than 8 years
Term Loan	3,777.07	Nil	Nil	Nil

#### 4.4 Default in payment of Interest & Installments:

The Company has not paid total amount of Principal of ₹377,706,735/- as on 31st March, 2013 ( Previous year Rs 29,181,343/-) and total interest of ₹68,067,857/- to various banks as on 31st March, 2013 ( Previous year Rs 27,598,621/-).

4.5 The Company has defaulted in payment of principal and interest for the whole year and hence the entire term loan is due for payment as per the terms of sanction.

4.6 Compound interest, penal interest & liquidated damages have not been considered on all borrowings, amount of which is unascertainable, pending confirmation / reconciliation.

#### 5 Deferred Tax

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 Precedence, the company is not recognising the deferred tax asset as provided in the Accounting Standard-22 issued by the Institute of Chartered Accountant of India.

#### 6 Provisions

	Non-Current		Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Provisions for employee benefits				
For Gratuity	Nil	32.08	Nil	Nil
Less : Planned Assets	Nil	(3.90)	Nil	Nil
	Nil	28.19	Nil	Nil
Provision for Leave Encashment	Nil	Nil	0.71	10.26
<b>Total .....</b>	<b>Nil</b>	<b>28.19</b>	<b>0.71</b>	<b>10.26</b>

#### 7 Short-Term Borrowings

	Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Working Capital Loan from Banks@	2,358.36	2,407.03
Loan from Related Parties	616.63	574.35
Loan From Corporate Bodies	78.81	136.00
	<b>3,053.80</b>	<b>3,117.38</b>
<b>The above amount Includes</b>		
Secured Borrowings	2,358.36	2,407.03
Unsecured Borrowings	695.44	710.35
<b>Total .....</b>	<b>3,053.80</b>	<b>3,117.38</b>

##### 7.1 Security :

@ Working Capital Loans under consortium finance are secured by First Charge on Book Debts and Stocks, and second charge on fixed assets and further secured by personal guarantee of the Promoter Directors and Corporate Guarantee of Promoter's Group Companies.

##### 7.2 Default in payment of Interest & Cash Credit:

@ The Company has not paid total amount of Principal of cash Credit ₹235,835,862/- as on 31st March, 2013 ( Previous year Rs 240,702,991/-) and total interest of ₹51,376,999/- to various banks as on 31st March, 2013 ( Previous year Rs 11,067,058/-).

7.3 @ Company has defaulted in payment of interest and Short term bank borrowing Accounts not renewed and hence it is due for payment on demand.

**8 Trade payables**

	Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Micro, Small and Medium Enterprises @	Nil	Nil
Others	896.27	2,060.24
<b>Total .....</b>	<b>896.27</b>	<b>2,060.24</b>

@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.

**9 Other Current Liabilities**

	Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Current Maturities of Long term Borrowings (Refer to Note No.4.5)	3,777.07	868.65
Creditors for Capital Goods	8.23	8.44
Creditors for Expenses	105.59	136.60
Advance received from customers	26.40	95.43
Dealer Deposits	463.94	498.62
Interest accrued and due on borrowings (Refer to Note No.9.1)	1,194.45	386.65
Other payables	84.59	119.08
Other Statutory dues	74.91	27.98
Credit Balance in Current Account	27.36	329.54
Investor Education & Protection Fund	2.85	2.85
<b>Total .....</b>	<b>5,765.39</b>	<b>2,473.84</b>

**9.1 Default in payment of Interest on Term Loans & Working Capital Loans:**

The Details in respect of the Defaults made by the Company in payment of Interest on Term Loan & Interest on Cash Credit has been given in Note No.4.4 & Note No. 7.2 respectively.

**10 Fixed Assets**

(₹ in Lacs)

Cost of Valuation	TANGIBLE ASSETS								INTANGIBLE ASSETS		
	Free Hold Land*	Buildings	Furniture & Fixtures	Electrical Installation	Computer	Plant & Machinery	Equipment	Vehicle	Total	Computer Software	Total
<b>01.04.2012</b>	3,494.43	1,403.13	137.19	863.32	101.94	14,002.42	251.86	107.42	20,361.69	3.63	3.63
Addition	12.70	-	-	-	-	19.80	0.16	0.37	33.03	-	-
Disposal	-	-	-	-	-	164.72	-	-	164.72	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>At 31.03.2012</b>	3,507.13	1,403.13	137.19	863.32	101.94	13,857.49	252.02	107.79	20,230.00	3.63	3.63
Addition	-	-	-	-	-	1.99	-	-	1.99	-	-
Disposal	-	-	-	-	-	135.36	-	-	135.36	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>At 31.03.2013</b>	3,507.13	1,403.13	137.19	863.32	101.94	13,724.12	252.02	107.79	20,096.63	3.63	3.63
Depreciation	Free Hold Land*	Buildings	Furniture & Fixtures	Electrical Installation	Computer	Plant & Machinery	Equipment	Vehicle	Total	Computer Software	Total
<b>01.04.2011</b>	-	445.81	108.15	456.60	98.80	11,251.38	169.79	69.81	12,600.35	3.63	3.63
Charge for the year	-	46.86	8.44	41.01	0.62	423.96	11.97	4.12	536.98	-	-
Disposal	-	-	-	-	-	67.82	-	-	67.82	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>At 31.03.2012</b>	-	492.67	116.59	497.61	99.43	11,607.53	181.76	73.93	13,069.51	3.63	3.63
Charge for the year	-	46.86	8.02	41.01	0.62	344.04	11.97	4.14	456.66	-	-
Disposal	-	-	-	-	0.97	117.33	-	0.99	119.29	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>At 31.03.2013</b>	-	539.54	124.61	538.61	99.08	11,834.24	193.73	77.07	13,406.88	3.63	3.63
NET BLOCK											
<b>AS AT 31.3.2012</b>	3,507.13	910.46	20.60	365.71	2.51	2,249.96	70.26	33.86	7,160.49	-	-
<b>AS AT 31.3.2013</b>	3,507.13	863.59	12.57	324.70	2.86	1,889.88	58.29	30.72	6,689.75	-	-

**Note:** On 31/03/2010, the Company had revaluated its Free Hold Land at ₹34,63,87,000/- as against its original cost of ₹ 94,25,196/- based on the Report issued by the Registered Valuer.

**11 Non current investments**

	Non-Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
<b>Investment in Equity Share (Quoted) [Non-Trade]</b>		
(1) 100 (Previous Year 100) Equity Share of Mahendra Petrochemical Ltd. (Formerly known as Mahendra Suiting Ltd.) of Rs 10/- each fully paid-up	150	150
(2) 50 (Previous Year 50) Equity Share of JCT Ltd. Of Rs 2.5/- each fully paid-up	308	308
(3) 100 (Previous Year 100) Equity Share of Rajasthan Petro Synthetics Ltd. Of Rs 10/- each fully paid-up	175	175
(4) 100 (Previous Year 100) Equity Share of JBF Industries Ltd. Of Rs 10/- each fully paid-up	905	905
(5) 100 (Previous Year 100) Equity Share of Sanghi Polester Ltd. Of Rs 10/- each fully paid-up	370	370
(6) 8 (Previous Year 8) Equity Share of Indo Rama Synthetics (India) Ltd. Of Rs 10/- each fully paid-up	80	80
(7) 2 (Previous Year 2) Equity Share of Spentex Industries Of Rs 10/- each fully paid-up	20	20
(8) 2 (Previous Year 2) Equity Share of Relince Industries Ltd. Of Rs 10/- each fully paid-up	185	185
(9) 2800 (Previous Year 2800) Equity Share of UCO Bank Ltd. Of Rs 10/- each fully paid-up	33,600	33,600
(10) 1 (Previous Year 1) Equity Share of Reliance Communication Ltd. Of Rs 5/- each fully paid-up	137	137
	<b>35,930</b>	<b>35,930</b>
<b>Investment in Equity Share (Unquoted) [Non-Trade]</b>		
(1) 19800 (Previous Year 19800) Equity Shares of NPL Power Pvt. Ltd. Of Rs 10/- each fully paid-up	198,000	198,000
(2) Nil (Previous Year 4000) Equity Shares of The Kalupur Commercial Co operative Bank Ltd. Of Rs 25/- each	Nil	100,000
	Nil	100,000
<b>Total .....</b>	<b>233,930</b>	<b>333,930</b>
Aggregate amount of quoted investments	35,930	35,930
Market Value of quoted investments	174,375	253,120
Aggregate amount of Unquoted investments	198,000	298,000

**12 Loans and Advances**

	Non-Current		Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Capital Advances	25.60	29.95	Nil	Nil
Less: Provision For Doubtful Advances	(19.62)	(19.62)	Nil	Nil
	5.98	10.34	Nil	Nil
Advances For Goods	22.16	22.31	18.11	11.09
Less: Provision For Doubtful Advances	(20.91)	(21.56)	Nil	Nil
	1.25	0.75	18.11	11.09
Advances For Expenses	1.89	1.89	6.98	15.07
Less: Provision For Doubtful Advances	(1.89)	(1.89)	Nil	Nil
	Nil	Nil	6.98	15.07
	7.23	11.09	25.08	26.16
Security Deposits	22.81	43.23	Nil	Nil
Advances recoverable in cash or kind	301.16	306.49	2.05	30.62
Balance With Govt Authorities	Nil	Nil	30.72	24.28
Interest Receivable	Nil	Nil	Nil	1.45
Loans to Employees	Nil	Nil	0.05	0.61
Gratuity Fund	Nil	Nil	4.21	Nil
Less : Provision of Gratuity	Nil	Nil	(2.45)	Nil
Advance Tax and TDS	151.36	148.81	12.33	8.09
Less : Provision For Taxation	(55.58)	(55.58)	Nil	Nil
	419.75	442.94	46.91	65.05
<b>Total .....</b>	<b>426.98</b>	<b>454.03</b>	<b>71.99</b>	<b>91.21</b>

**13 Other Non-Current Assets**

	Non-Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Margin Money deposit (Transfer from other Bank Balances Note No. 16)	2.16	38.11
<b>Total .....</b>	<b>2.16</b>	<b>38.11</b>

**14 Inventories**

	Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
Raw materials	26.06	565.56
Work-in-Process	136.96	457.90
Finished Goods	4.78	267.17
Stores & Spare parts	122.34	353.64
Power & Fuel	5.03	24.83
Packing Material	5.98	45.93
<b>Total .....</b>	<b>301.15</b>	<b>1,715.03</b>

**15 Trade Receivables**

	Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
<b>Trade Receivables (Unsecured)</b>		
Outstanding for a period exceeding Six Months from the date they are due for Payment		
Considered Good	489.18	120.45
Considered Doubtful	49.29	52.91
	<b>538.46</b>	<b>173.36</b>
Less:Provision for doubtful receivables	49.29	52.91
	<b>489.18</b>	<b>120.45</b>
<b>Other Receivables</b>		
Others - Considered Good	916.74	1,601.02
Others - Considered Doubtful	Nil	Nil
	<b>916.74</b>	<b>1,601.02</b>
Less : Provision for doubtful receivables	Nil	Nil
	<b>916.74</b>	<b>1,601.02</b>
<b>Total .....</b>	<b>1,405.92</b>	<b>1,721.47</b>

**16 Cash and Bank Balances**

	Non-Current		Current	
	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs	As at 31/03/2013 ₹ in Lacs	As at 31/03/2012 ₹ in Lacs
<b>A Cash and cash equivalents</b>				
Cash on hand	Nil	Nil	6.24	5.40
Balance With Banks	Nil	Nil	15.68	35.26
	<b>Nil</b>	<b>Nil</b>	<b>21.92</b>	<b>40.66</b>
<p>The Current Account balance includes ₹3,153/- (P.Y. ₹186,218/-) towards unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the state purpose are done through such account.</p>				
<b>B Other Bank Balance</b>				
Margin Money deposit	2.16	38.11	81.72	40.01
	<b>2.16</b>	<b>38.11</b>	<b>81.72</b>	<b>40.01</b>
Less Amount disclosed Under Non Current Assets (Note No. 13)	(2.16)	(38.11)	Nil	Nil
<b>Total .....</b>	<b>Nil</b>	<b>Nil</b>	<b>103.64</b>	<b>80.66</b>

The Current Account balance includes ₹3,153/- (P.Y. ₹3,153/-) towards unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the state purpose are done through such account.

**17 Revenue from Operations**

	For the year ended 31/03/2012 ₹ in Lacs	For the year ended 31/03/2011 ₹ in Lacs
<b>Sale of Product</b>		
Gross Sales	4,312.54	15,776.60
Less: Excise	1,347.35	1,064.75
Net Sales	5,659.89	16,841.35
<b>Other Operating Revenue</b>		
Waste Sales	3.71	33.44
Job Work Income	82.66	196.71
<b>TOTAL</b>	<b>5,746.27</b>	<b>17,071.50</b>

**Details of Products Sold**
**Finished goods sold**

Partially Oriented Polyester Filament Yarn(POY)*	3,540.02	11,154.41
Fully Draw yarn and Polyester Twisted Yarn(PTY)	688.08	4,426.74
Others	84.45	195.45
	<b>4,312.54</b>	<b>15,776.60</b>

**Traded goods sold**

Polyester Chips	Nil	346.17
Cloth	1,347.35	718.59
	<b>1,347.35</b>	<b>1,064.75</b>
	<b>5,659.90</b>	<b>16,841.35</b>

\* Including Sale of Yarn Waste.

**18 Other Income**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
<b>Interest Income On</b>		
Bank Deposits	7.33	7.24
Others	4.73	38.76
Dividend Income on Non Current Investments	0.16	0.21
Insurance Claim	8.95	25.98
Miscellaneous Income	0.82	0.85
Balances Written Off	2.90	238.86
Provision For Doubtful Debtors & Advances (Net)	4.27	0.56
Profit on Sales of Fixed Assets	24.77	Nil
<b>TOTAL</b>	<b>53.94</b>	<b>312.46</b>



**19 Cost of Materials Consumed**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
Opening Stock of Raw Material	565.56	305.47
Purchase	3,102.24	12,940.69
Closing Stock of Raw Material	26.06	565.56
	<b>3,641.74</b>	<b>12,680.61</b>

**Details of Raw Material Consumption**

Polyester Chips	3,473.73	12,225.05
Other raw materials	168.01	455.56
	<b>3,641.74</b>	<b>12,680.61</b>

**Details of Inventory**

Polyester Chips	3.39	485.33
Other raw materials	22.67	80.23
	<b>26.06</b>	<b>565.56</b>

**Details of Value of Imported & Indigenous Raw Material consumed and Percentage thereof to the Total Consumption**

Particulars	Raw Materials			
	31/03/2013	%	Value (₹ in Lacs)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
i. Imported	1.89	0.61	68.87	77.70
ii. Indigenous	98.11	99.39	3,572.87	12,602.91
	<b>100.00</b>	<b>100.00</b>	<b>3,641.74</b>	<b>12,680.61</b>

**20 Purchase of Stock in Trade**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
Trading Purchase	990.52	854.82
	<b>990.52</b>	<b>854.82</b>

**Details of Purchase of Traded Goods**

Polyester Chips	Nil	315.53
Cloth	990.52	539.29
Others	Nil	Nil
	<b>990.52</b>	<b>854.82</b>

**21 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
<b>Commencing Stock</b>		
Work-in-process	457.89	498.14
Finished Stock	267.17	164.73
	<b>725.06</b>	<b>662.87</b>
<b>Closing Stock</b>		
Work-in-process	136.96	457.89
Finished Stock	4.78	267.17
	<b>141.74</b>	<b>725.06</b>
<b>Decretion / (Accretion) to Stock</b>	<b>583.32</b>	<b>(62.20)</b>
<b>Details of Finished Stock</b>		
Partially Oriented Polyester Filament Yarn(POY)	4.53	139.76
Fully Draw yarn and Polyester Twisted Yarn(PHY)	0.24	127.36
Others	Nil	0.05
	<b>4.78</b>	<b>267.17</b>

**22 EMPLOYEE BENEFIT EXPENSE**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
Salary, Wages & Bonus	196.19	314.89
Contribution to Provident Fund & Other Funds	5.44	11.10
Staff Welfare Expense	4.90	4.20
<b>TOTAL</b>	<b>206.53</b>	<b>330.19</b>

**Retirement Benefits**

As per revised Accounting Standard 15 "Employees Benefits", the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2013.

**1. Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Present Value of Funded Obligations	2.45	3.90
Fair value of plan assets	4.21	3.90
Present value of unfunded obligations	-	28.19
Unrecognized past service cost	-	-
Net liability/(Asset)	-	28.19
Amounts in the balance sheet:	-	-
Liabilities	2.45	32.08
Assets	4.21	3.90
Net liability/(Asset)	(1.75)	28.19

**2. Amount of defined benefit obligation in respect of Gratuity liability is recognized in the profit and Loss account as follows:**

<b>Particulars</b>	<b>2012-13 ₹ in Lacs</b>	<b>2011-12 ₹ in Lacs</b>
Current service cost	0.33	5.81
Interest on obligation	2.23	3.21
Expected return on plan assets	(0.35)	(0.32)
Net actuarial losses / (gains) recognized	11.06	(13.33)
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	13.28	(4.64)

**3. Details of changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof in respect of Gratuity are as follows:**

<b>Particulars</b>	<b>2012-13 ₹ in Lacs</b>	<b>2011-12 ₹ in Lacs</b>
Opening Defined Benefit Obligation on 1-4-2012	32.08	38.46
Service cost	0.33	5.81
Interest cost	2.23	3.21
Actuarial losses (gains)	11.02	(13.37)
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of Purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(11.59)	(2.03)
Benefits payable	(31.63)	-
Closing defined benefit obligation 31-3-2013	2.45	32.08

**4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of gratuity are as follows:**

<b>Particulars</b>	<b>2012-13 ₹ in Lacs</b>	<b>2011-12 ₹ in Lacs</b>
Opening fair value of plan assets	3.90	0.41
Adjustment to the opening value of fund	-	3.20
Expected return	0.35	0.32
Actuarial gains and (losses)	(0.04)	(0.04)
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 fair value of plan assets as on 31-March-2012	4.21	3.90

**5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:**

<b>Particulars</b>	<b>2012-13 ₹ in Lacs</b>	<b>2011-12 ₹ in Lacs</b>
Government of India Securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Policy of insurance	100%	100%
Bank Balance	0.00%	0.00%

**6. Details of Principal actuarial assumptions at the balance sheet date in respect of Gratuity (expressed as weighted averages):**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Discount rate	8.20%	8.50%
Expected return on plan assets	9.00%	9.00%
Proportion of employees opting for early retirement	-	-
Annual increase in Salary costs	6.00%	6.00%
Future changes in maximum state health care benefits Employment Market	0.00%	0.00%

**7. Details of Defined benefit pension plans for the current and previous periods are as follows:**

Particulars	31/03/2013	31/03/2012	31/03/2011	31/03/2010	31/03/2009
Defined Benefit Obligation	2.45	32.08	38.46	32.74	36.02
Plan assets	4.21	3.90	0.41	0.38	9.57
Surplus / (deficit)	1.75	(28.19)	(38.05)	(32.36)	(26.45)
Experience adjustments on plan liabilities	10.94	(12.74)	-	-	-
Experience adjustments on plan assets	0.04	0.04	-	-	-
Past Service Liability	-	-	-	-	-
Actuarial Loss/ (Gain) due to change in assumption	0.09	(0.63)	-	-	-
Actuarial Loss/ (Gain) due to participant experience	10.94	(12.74)	-	-	-
Actuarial Loss/ (Gain) on Liabilities	11.02	(13.37)	-	-	-
Net Actuarial Loss/ (Gain) for the year	11.06	(13.33)	-	-	-

**8. Details of Movement in Net Liability recognized in balance sheet date in respect of Gratuity are as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Net Opening Liability	28.19	38.05
Adjustment to Opening value of fund	-	(3.20)
P&L Change	13.28	(4.64)
Contribution Paid	-	-
Benefits paid directly by the company	(11.59)	(2.03)
Benefits payable by the company	(31.63)	-
Closing Net Liability	(1.75)	28.19

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2013. The Company is expected to contribute ₹Nil to gratuity funds for the year ended 31st March, 2014.

**The Disclosure requirement as required by Accounting Standard 15 of " Leave Encashment " is as follows**
**1. Amount of Defined Benefit Obligation in respect of Leave Encashment is recognized in the Balance Sheet as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Present Value of Funded Obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	0.71	10.26
Unrecognized past service cost	-	-
Unrecognized Actuarial loss	-	-
Net Liability / (Asset)	0.71	10.26
Amounts in the Balance Sheet:	-	-
Liabilities	0.71	10.26
Assets	-	-
Net liability/(Asset)	0.71	10.26

**2. Amount of Defined Benefit Obligation in respect of Leave Encashment is recognized in the profit and Loss account as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Current service cost	0.15	3.06
Interest on obligation	0.87	1.41
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year	(10.24)	(10.99)
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	(9.23)	(6.51)
Actual Return on Plan Assets	-	-

**3. Details of changes in the present value of the Defined Benefit Obligation representing reconciliation of opening and closing balances thereof in respect of Leave Encashment are as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Opening Defined Benefit Obligation	10.26	16.95
Service cost	0.15	3.06
Interest cost	0.87	1.41
Actuarial losses (gains)	(10.24)	(10.99)
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of Purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid directly by the company	(0.04)	(0.18)
Benefits payable by the company	(0.28)	-
Closing defined benefit obligation	0.71	10.26

**4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of Leave Encashment are as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Opening fair value of plan assets	-	-
Expected return	-	-
Actuarial gains and (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

**5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Leave Encashment are as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Government of India Securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Policy of insurance	0.00%	0.00%

**6. Details of Principal actuarial assumptions at the balance sheet date in respect of Leave Encashment (expressed as weighted averages):**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Discount rate	8.20%	8.50%
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	-	-

**7. Details of Defined benefit pension plans for the current and previous periods are as follows:**

Particulars	31/03/2013	31/03/2012	31/03/2011	31/03/2010	31/03/2009
Defined Benefit Obligation	0.71	10.26	16.95	14.66	12.56
Plan assets	-	-	-	-	-
Surplus / (deficit)	(0.71)	(10.26)	(16.95)	(14.66)	(12.56)
Experience adjustments on plan liabilities	(10.27)	(10.78)	-	-	-
Experience adjustments on plan assets	-	-	-	-	-
Actuarial Loss/ (Gain) due to change in assumptions	0.02	(0.21)	-	-	-
Actuarial Loss/ (Gain) due to participant experience	(10.27)	(10.78)	-	-	-
Actuarial Loss/ (Gain) on Liabilities	(10.24)	(10.99)	-	-	-
Net Actuarial Loss/ (Gain) for the year	(10.24)	(10.99)	-	-	-

**8. Details of Movement in Net Liability recognized in balance sheet date in respect of Leave Encashment are as follows:**

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Net Opening Liability	10.26	16.95
P&L Change	(9.23)	(6.51)
Contribution Paid	-	-
Benefits paid directly by the Company	(0.04)	(0.18)
Benefits payable by the company	(0.28)	-
Closing Net Liability	0.71	10.26

**23 FINANCE COST**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
Interest to Banks	822.26	646.67
Other Interest	25.99	208.27
Bank Charges	54.86	166.40
<b>TOTAL</b>	<b>903.11</b>	<b>1,021.34</b>

**24 OTHER COSTS**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
Stores & Spares consumed	254.53	157.63
Packing material consumed	114.32	363.36
Electricity & Fuel charges	511.90	1,343.45
Freight, Cartage & Octroi	6.03	108.86
Foreign Exchange Loss / (Gain)	0.27	3.51
Increase/(decrease) of excise duty on inventory	(28.86)	14.01
<b>REPAIRS TO:</b>		
Building	0.04	0.81
Machinery	4.39	17.66
Others	4.00	7.66
<b>TOTAL</b>	<b>8.43</b>	<b>26.12</b>
Insurance	16.40	31.11
Rent	0.40	1.30
Rates & Taxes	5.80	21.50
Postage & Telephone Expenses	3.78	5.60
Stationery, Printing & Advertisement Expenses	2.20	5.40
Selling and Distribution Expenses	41.73	128.04
Traveling, Conveyance and Vehicle Expenses	30.00	52.40
Legal & Professional Expenses	18.18	36.76
<b>AUDITOR'S REMUNERATION:</b>		
Audit Fees	1.50	1.50
Tax Audit	0.25	0.25
Taxation and Others	0.25	0.25
<b>TOTAL</b>	<b>2.00</b>	<b>2.00</b>
Loss on Sales of Fixed Assets	Nil	8.36
Miscellaneous Expense (It includes Canteen Expense, Director Sitting Fees, General Expense, House Keeping Expense & Stationary and Printing Expense etc)	15.09	29.60
<b>TOTAL</b>	<b>1,002.21</b>	<b>2,339.02</b>

**Details of Value of Imported & Indigenous Stores and Spare Parts consumed and Percentage thereof to the Total Consumption**

Particulars	Stores & Spares			
	%		Value (₹ in Lacs)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
<b>i. Imported</b>	39.37	6.46	100.21	10.18
<b>ii. Indigenous</b>	60.63	93.54	154.32	147.45
	<b>100.00</b>	<b>100.00</b>	<b>254.53</b>	<b>157.63</b>

**25 EXCEPTIONAL ITEMS**

	For the year ended 31/03/2013 ₹ in Lacs	For the year ended 31/03/2012 ₹ in Lacs
Balances Written Off	1,152.07	Nil
<b>TOTAL</b>	<b>1,152.07</b>	<b>Nil</b>

**26. CONTINGENT LIABILITIES:**

Particulars	2012-13 (Amount in ₹)	2011-12 (Amount in ₹)
a) Letters of Credit Outstanding	Nil	Nil
b) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of ₹16,23,979/-)	23,472,079	11,544,929
c) Bank Guarantee	1,62,500	325,000
d) Value Added Tax demands disputed in appeal by the Company (Against which the Company has paid amount of ₹12,00,000/- )	14,69,152	14,69,152
e) Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of ₹ 2,79,00,736/-)	212,810,200	212,810,200
f) Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles.	5,090,119	5,090,119
g) Service Tax demand disputed in appeal by the Company/Authority (Against which the Company has paid amount of ₹10,06,091/-)	4,195,789	4,195,789
h) Claims not acknowledged as debts by the company.	46,912,147	112,500
i) Show Cause Notices received from various authorities	3,863,672	25,883,185
j) Employees Demands pending before Labour Courts	Amount not ascertainable	Amount not ascertainable
k) In respect of restructured Debts under CDR mechanism, the banks will have right to recompense in respect of waivers/sacrifice made by them under CDR restructuring	Amount not ascertainable	Amount not ascertainable

27. Debtors includes ₹Nil (Previous Year ₹ 10,800,924/-) due from private companies in which some of the directors are interested as directors.

28. Particulars of Prior Period expense debited to respective head of expenditure:-

Particulars	31-03-2013	31-03-2012
i) First Aid & Medical Expenses	Nil	3,264
ii) Repairs & Maintenance Expense	Nil	1,103
iii) Miscellaneous Expense	(182,768)	Nil
iv) Legal & Professional Expenses	15,000	29,000
v) Telephone Expenses	Nil	1,284
vi) Electricity Charges	(1,67,187)	Nil
vii) Selling & distribution Expenses	Nil	114,480
viii) Staff Welfare Expenses	Nil	3,703
<b>Total . . .</b>	<b>(3,34,955)</b>	<b>149,570</b>

29. 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 company has identified its business segment as primary segment. "Others" represents income from Trading of Cloth & Chemical. There is no reportable secondary segment as none of the conditions as laid down for determining the geographical segments are satisfied.

Particulars	Primary Segment Information for the year ended 31 <sup>st</sup> March, 2012				(Amount in ₹)	
	Yarns		Others		Total	
	31-03-13	31-03-12	31-03-13	31-03-12	31-03-13	31-03-12
Revenues	392,533,017	1,446,693,954	134,735,087	106,475,364	527,268,104	15,53,169,318
Unallocable Revenue					4,171,533	2,6,624,702
Total Revenue					531,439,637	15,79,794,020
Segment Result	77,135,077	109,141,908	35,683,153	20,993,864	41,451,924	88,148,044
Interest and Finance Charges	90,311,630	1,02,133,689	Nil	Nil	90,311,630	1,02,133,689
Interest Income					1,205,974	4,599,881
Income from Investments					16,075	21,291
Total Profit Before Tax					130,541,504	185,660,561
Taxes					Nil	Nil
Net income after taxes					130,541,504	185,660,561
Assets	868,431,512	1,095,411,943	2,1380,977	22,955,177	889,812,489	1,118,367,120
Unallocable Assets					10,579,562	8,066,347
Total Assets					900,392,051	1,126,433,467
Liabilities	971,616,988	1,067,116,901	Nil	Nil	971,616,988	1,067,116,901
Unallocable Corporate Liabilities					Nil	Nil
Total Liabilities					971,616,988	1,067,116,901
Capital Expenditure	199,052	3,303,056	Nil	Nil	199,052	3,303,056
Depreciation	45,666,084	53,698,077	Nil	Nil	45,666,084	53,698,077
Others Non-cash expenses	Nil	Nil	Nil	Nil	Nil	Nil



**30. Earning Per Share**

Particulars	31-03-13	31-03-12
Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	(130,541,504)	(185,660,561)
Nominal Value per Share	5	5
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	27000000	27000000
<b>Basic and Diluted earning per share</b>	<b>(4.83)</b>	<b>(6.88)</b>

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

Sr. No.	Name	Designation
1	Shri Shyam Gupta	Chairman
2	Shri Sunilkumar Gupta	Managing Director

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

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	Ellora Syntex Pvt. Ltd
6	Sharp Synthetics Pvt. Ltd
7	Basant Bahar Properties Pvt Ltd
8	Nandan Dyeing Prints Povt. Ltd.
9	Aviva Power & Projects Pvt Ltd
10	Millennium Infosoft Pvt. Ltd.
11	Gupta Tex Print Pvt. Ltd.
12	Numech Synthetics Ltd.
13	Micro Filament Pvt Ltd

**c) List of Relatives with whom transactions have taken place during the year**

Sr. No.	Name	Relation
1	Aisha Shyamsunder Gupta	Relative of Chairman

**d) Details of Transactions with Key Management Personnel and Related Parties of the Key Management Personnel are as follows:**
**(Amount in ₹)**

No.	Nature of Transaction	Key Management Personnel	Other related Parties	Relatives of Key Management Personnel	Total
<b>1</b>	<b>Unsecured Loans</b>				
	Taken during the year	Nil (Nil)	6,478,000 (6,000,000)	3,300,000 (Nil)	9,778,000 (6,000,000)
	Balance as at Balance Sheet Date	57,00,000 (67,00,000)	55,963,000 (5,07,35,000)	Nil (Nil)	61,663,000 (5,74,35,000)
<b>2</b>	<b>Expenditure</b>				
	Purchase of Goods, Packing Material and Stores (Including Fix Asset)	Nil (Nil)	Nil (5,328,606)	Nil (Nil)	Nil (5,328,606)
	Managerial Remuneration & Perquisites	204,000 (1,236,950)	Nil Nil	Nil (Nil)	204,000 (1,236,950)
<b>3</b>	<b>Stock in trade / Debtors</b>				
	Sold / Redeemed during the year	Nil (Nil)	2,410,561 (4,442,302)	Nil (Nil)	2,410,561 (4,442,302)
	Balance as at Balance Sheet Date	Nil (Nil)	2,642 (3,19,34,477)	Nil (Nil)	2,642 (3,19,34,477)

**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 :

	(Amount in ₹)	
	(2012-13)	(2011-12)
<b>1. Unsecured Loan Taken :-</b>		
- Aisha Shyam Sunder Gupta	3,300,000	-
- Millennium Infosoft Pvt Ltd	-	3,300,000
- Basant Bahar Properties Pvt Ltd.	4,200,000	1,800,000
- Polycoat India Pvt Ltd	2,278,000	-
- Shubhlaxmi Dying & Print Mills Pvt Ltd	-	900,000
<b>2. Expenditure :-</b>		
<b>Purchase of Goods, Packing Material and Stores :-</b>		
- Gupta Synthetics Ltd.	-	5,328,606
<b>Managerial Remuneration and Perquisites:</b>		
- Sunil Gupta	204,000	1,236,950
<b>3. Stock in trade :-</b>		
<b>Sold / Redeemed during the year</b>		
- Gupta Synthetics Ltd	2,410,561	3,846,481

**32. The amount of Exchange Difference**

Debited to Profit and Loss Account ₹ 26,780/- (Previous Year debited to Profit and Loss Account ₹ 3,51,387/-)

**33. Impairment of Asset**

During the year, the company has impaired it's all assets to the tune of ₹ Nil (Previous Year ₹Nil)

**34.** Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to ₹ Nil (Previous Year ₹Nil) is capitalized by the company

**35. C.I.F. Value of Imports includes:-**

**Amount(₹)**

Sr.No.	Particulars	2012-13	2011-12
1	Capital Goods	Nil	12,15,023
2	Raw Materials	45,00,398	77,70,284
3	Stores and Spares	36,819	10,18,217

**33. Expenditure in Foreign Exchange :-**

1	Repairing Expense	Nil	2,04,369
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**34. Earning in Foreign Exchange:**

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

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

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

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

Signature to Notes "1" to "40"

As per our report of even date attached herewith

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

Chartered Accountants

(FRN No. 109616W)

**(J. T. Shah)**

Partner

Membership No. 3983

Place : Ahmedabad

Date : 30.05.2013

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

Chairman

Managing Director

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 Twentieth Annual General Meeting of the Company held on Monday, 30th September, 2013 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**

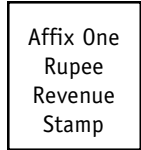
**(Formerly Known as NOVA PETROCHEMICALS LIMITED)**

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

**PROXY FORM**

I/We ..... of .....being 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 Twentieth Annual General Meeting to be held on Monday, 30th September, 2013  
at 3.30 p.m. or at any adjournment thereof.

Signed ..... day of ..... 2013



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,

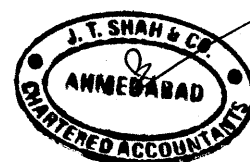
*If undelivered please return to :*  
**GSL NOVA PETROCHEMICALS LIMITED**  
(Formerly Known as NOVA PETROCHEMICALS LIMITED)  
Registered Office : Survey No. 396/403,  
Moraiya Village, Sarkhej-Bavla Highway,  
Tal. Sanand, Dist. Ahmedabad - 382 210.

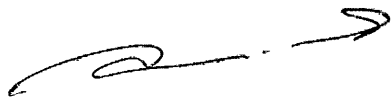
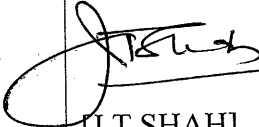

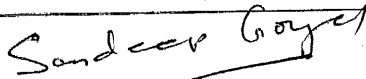
Ganapati, (079) 26568111

**FORM B**

**Format of Covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	GSL NOVA PETROCHEMICALS LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	<p>A) Appeared First Time in respect of observation in item 5 below from the financial year 31<sup>st</sup> March, 2013</p> <p>B) Appeared First Time in respect of observation in item 5 below from the financial year 31<sup>st</sup> March, 2013</p> <p>C) Appeared First Time in respect of observation in item 5 below from the financial year 31<sup>st</sup> March, 2013</p> <p>D) Appeared First Time in respect of observation in item 5 below from the financial year 31<sup>st</sup> March, 2013</p> <p>E) Appeared First time and some items also repetitive in respect of observation in item 5 below (Repetitive since the financial year 31<sup>st</sup> March, 2008)</p> <p>F) Appeared repetitively in respect of observation F stated item 5 below from financial year 31<sup>st</sup> March 2008</p> <p>G) Appeared repetitively in respect of observation G stated item 5 below from financial year 31<sup>st</sup> March 2008</p> <p>H) Appeared repetitively in respect of observation H stated item 5 below from financial year 31<sup>st</sup> March 2012</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report :	<p>A) Regarding Accounts of the company prepared as on going concern basis</p> <p>B) Regarding Trade receivable, other advance, Deposit &amp; Trade payable are subject to confirmation and adjustments</p> <p>C) Regarding Compound interest, penal interest etc.</p> <p>D) Regarding company has unilaterally written off certain disputed creditors</p> <p>E) Regarding statutory dues (refer para 9(b) of Annexure to Independent Auditors report (page no. 17 of annual report)</p> <p>F) Regarding accumulated losses more than fifty percent of its net worth with cash losses as per para no. 10 of Annexure to Independent Auditors report (page no. 17 of annual report)</p> <p>G) Regarding delay in payment of Principal and interest to Banks vide para no.11 of Annexure to Independent Auditors report (page no. 17 of annual report)</p> <p>H) Regarding funds raised for short term basis and used for long term purposes.</p> <p>Suitable explanations given in the Directors' report and Notes to the accounts (refer page no. 4 of annual report)</p>
6.	Additional comments from the	A) To H) - As per disclosure made in the Annual report
7.	To be signed by	
	<ul style="list-style-type: none"> <li>• CEO/Managing Director</li> </ul>	



		 (Sunilkumar Gupta)
	<ul style="list-style-type: none"> <li>• CFO</li> </ul>	The Company does not having CFO
	<ul style="list-style-type: none"> <li>• Auditor of Company</li> </ul>	For, J.T.Shah & Co. Chartered Accountants, [FRN No. 109616W]   [J.T.SHAH] Partner [M. No. 3983]
	<ul style="list-style-type: none"> <li>• Chairman of Audit Committee</li> </ul>	 (Sandeep Goyal)