

**8TH
ANNUAL REPORT
2011-2012**



[Formerly Known as Nova Polyyarn Limited]

Company Information

BOARD OF DIRECTORS

1. Mr. Jyotiprasad D. Chiripal
2. Mr. Vedprakash D. Chiripal
3. Mr. Ambalal C. Patel
4. Mr. Murli R. Goyal

COMPANY SECRETARY

Mr. Romin N. Shah

BANKERS

1. State Bank of India
2. Bank of Baroda
3. Central Bank of India
4. Uco Bank

REGISTERED OFFICE & PLANT

Survey No. 396(P), 395/4(P),
Moraiya Village, Sarkhej-Bavla Highway,
Tal. Sanand, Ahmedabad-382210.

CORPORATE OFFICE

"Chiripal House",
Shivranjani Cross Roads,
Satellite, Ahmedabad - 380015.
Tel : 91-079-26734660-2-3
Fax : 91-079-26768656

COMMITTEES OF BOARD :-

AUDIT COMMITTEE

Mr. Ambalal C. Patel *Chairman*
Mr. Murli R. Goyal *Member*
Mr. Jyotiprasad D. Chiripal *Member*

REMUNERATION COMMITTEE

Mr. Murli R. Goyal *Chairman*
Mr. Ambalal C. Patel *Member*
Mr. Jyotiprasad D. Chiripal *Member*

SHAREHOLDERS GRIEVANCE COMMITTEE

Mr. Ambalal C. Patel *Chairman*
Mr. Murli R. Goyal *Member*
Mr. Jyotiprasad D. Chiripal *Member*

AUDITORS

M/s J.T. Shah & Co.,
Chartered Accountants,
201/202, Lalita Complex,
Nr. Mithakhali Cross Roads,
Navrangpura, Ahmedabad - 380 009

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

Unit No. 303, 3rd Floor, Shoppers Plaza-V,
Opp. Municipal Market, B/h. Shoppers Plaza-II,
Off. C.G. Road, Navrangpura, Ahmedabad-380009.
Email : ahmedabad@linkintime.co.in
Tel No : 079-26465179
Fax No : 079-26465179

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NOTICE

Notice is hereby given that the **8th Annual General Meeting** of CIL Nova Petrochemicals Limited will be held on Saturday, 29th day of September, 2012 at 3.00 pm at registered office of the company at Survey No. 396(P), 395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012, the Profit & Loss Account for the Financial Year ended on that date and Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Mr. Ambalal C Patel who retires by rotation and being eligible offers himself for reappointment .
3. To appoint M/s J.T Shah & Co , Chartered Accountants as Statutory Auditors to hold office from conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to authorize the Board to fix their remuneration.

By order of the Board of Directors

Date : 27.08.2012
Place : Ahmedabad

Jyotiprasad D Chiripal
Chairman

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/ HER SELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
2. In terms of provisions of section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's Share Transfer Agent M/s Link Intime India Pvt Ltd Unit No 303, 3rd floor Shoppers Plaza V, Opp Municipal Market, Behind Shoppers Plaza II, Off C.G Road, Ahmedabad-380009 for nomination form quoting their folio no. Shareholders holding shares in dematerialization form, should write to their Depository Participant for the purpose.
3. The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011 clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. 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 Company's Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. by filling the form available at the backside of the Annual Report and also update the e-mail address as and when there is any change.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution at registered office of the company pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting.
5. Members /Proxies should fill-in the attendance slip for attending the meeting and bring their attendance slip along with their copy of the Annual Report to the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
7. Members holding equity shares in dematerialized form are required to bring details of their Depository Account Number for identification.
8. Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent, **M/s Link Intime India Private Limited** at address mention in point no. 2. Members holding equity shares in dematerialized form are requested to notify change of their address/ Bank account details with their Depository Participants.
9. The Register of Members and Share Transfer Register shall remain closed for registering share transfer from 22nd September, 2012 to 29th day of September, 2012 (Both days inclusive).
10. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Sundays Between 11.00 am to 1.00 pm upto the date of the Annual General Meeting.

By order of the Board of Directors

Date : 27.08.2012
Place : Ahmedabad

Jyotiprasad D Chiripal
Chairman

Brief resume of Director seeking re-appointment at the Annual General Meeting :

Mr Ambalal Patel aged 68 years, is an Independent Director of CIL Nova Petrochemicals Limited . He is an engineering graduate and has obtained his Bachelor of Engineering (Metallurgy) degree from the Indian Institute of Science, Bangalore. He has vast experience in project evaluation and project finance. During the tenure from 1973 to 2004, Mr. Ambalal Patel worked with Gujarat Industrial and Investment Corporation (GIIC). He joined GIIC as a Technical Advisor and later served as a Deputy General Manager. He has vast experience in advising regarding financial matters and project appraisal.

DIRECTORS' REPORT

To ,
The Members
CIL Nova Petrochemicals Limited

We have pleasure in presenting the 8th Annual Report together with Audited Statement of Accounts of the Company for the year ended March 31,2012.

FINANCIAL HIGHLIGHTS

The Financial Performance of your company is summarized below:

Particulars	Current Year 2011-2012	(Amount in ₹) Previous Year 2010-2011
Sales & Services	3217004887	2835127014
Other Income	27946436	6601814
Total Income	3244951323	2841728828
Total Expenses	3197136632	2820509304
Profit/(Loss) Before Tax	47814690	21219524
Provision for Taxation	547000	-
Profit/(Loss) After Tax	47267690	21219524
Add : Balance brought forward	(301993650)	(323213175)
Amount available for appropriations	(254725960)	(301993650)
Appropriations :		
Dividend	-	-
Tax on Dividend	-	-
General Reserve	-	-
Balance Carried Forward	(254725960)	(301993650)

PERFORMANCE

During the year under review, the company has achieved a gross turnover of ₹ 341.16 crore for the year 2011-12 as compared to the gross turnover of ₹ 301.49 crore for the year 2010-11 which shows a rise of 13.16 % over the previous year. The PBT during the year under review was ₹ 4.78 crore as compared to ₹ 2.12 crore, registering the increase of 125.47 % over the previous year. The Company has achieved a profit of ₹ 4.73 crore as compared to a profit of ₹ 2.12 crore over the previous year 2010-11.

DIVIDEND

Your directors do not recommend dividend during the year under review in order to plough back the profits to further strengthen the liquidity position of the company.

DIRECTORS

In accordance with the Articles of Association of Company and subject to the provisions of Company's Act,1956 read with any other laws Mr Ambalal C Patel, Director of the company will retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

PUBLIC DEPOSITS

During the year, your company has not accepted any deposits under section 58A of the Companies Act,1956 and rules made thereunder.

COVERAGE OF ASSETS

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

CORPORATE GOVERNANCE

Your Company is committed towards achieving the highest standard of Corporate Governance. The Directors and the Management of your company ensure compliance of the Corporate Governance requirements set out under the Listing Agreement with Stock Exchanges.

A detailed report on Corporate Governance pursuant to the requirement of Clause 49 of the Listing Agreement with the Stock Exchange together with Auditor's Certificate confirming compliance is attached to this Annual Report.

PARTICULARS OF EMPLOYEES

Pursuant to the provision of section 217(2A) of the Act, read with (Particulars of Employees) Rules, 1975 and amendment made thereto from time to time the names and other particulars of employees are required to be annexed to the Director's Report. However during the year under review there were no employees drawing the salary more than the limit prescribed under the said rules. Your Directors therefore do not attach the annexure as prescribed under the provision of section 217(2A) of the companies Act, 1956.

RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to the material departures,
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 under review,
- (iii) that the Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. J.T Shah & Co, Statutory Auditors will retire at the conclusion of forthcoming Annual General Meeting and are eligible offer themselves for re-appointment. The Company has received a certificate from M/s. J.T Shah & Co to the effect that their re-appointment, if made at the ensuing Annual General Meeting will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

The Statutory Auditor has qualified its Audit Report in respect of non-deposit of our part of Rs. 3.39 lacs of unpaid/unclaimed dividend into Investor Education & Protection Fund till balance sheet date. Your director would like to clarify that the amount lying in unclaimed dividend in respect of earlier year was of erstwhile Nova Petrochemicals Limited and the same amount lying in the Bank Account was seized by the Sales Tax Authority which could not be accessed by the company to be transferred to Investor Education & Protection Fund when it became due and till date the seizure of the account is still continue. Further the company namely erstwhile Nova Petrochemicals Limited was demerged by order of the H'onorable High Court of Gujarat and accordingly as per sharing ratio our liability in respect of transfer of unclaimed dividend comes to ₹ 3.39 lacs and balance part is of GSL Nova Petrochemicals Limited, demerged Company.

Further in respect of the note no 9 b of Audit Report stating disputed statutory dues have not been deposited with appropriate authorities. Your director would like to clarify that this statutory dues relates to erstwhile Nova Petrochemicals Limited and the same will be dealt with as per the demerger order of the H'onorable High Court of Gujarat.

COST AUDITORS

In accordance with various circulars, guidelines, notification, Cost Audit Record Rules and Cost Audit Report Rules and pursuant to Cost Audit Order dated 24th January, 2012 issued by Ministry of Corporate Affairs mandating your company for appointment of cost auditor. Your Company has thus in compliance of the above rules has carried out the procedure for appointment of M/s. Kiran J Mehta & Co. a firm of Cost Accountants for conducting the audit of cost records of the company for the financial year 2012-13.

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

Particulars as required 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 are given in the **Annexure A** to this report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the dedication and commitment of employees at all levels that have contributed to the success of your Company. Your Directors thank and express their gratitude for the continued support and co-operation received from the shareholders, business associates, vendors, Bankers, customers, service providers and various statutory authorities.

By order of Board of Directors

Date : 27.08.2012
Place : Ahmedabad

Jyotiprasad D Chiripal
Chairman

**ANNEXURE TO DIRECTORS' REPORT
ANNEXURE-A**

Particulars pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the report of the Directors.

A. CONSERVATION OF ENERGY

[a] Energy conservation measures taken :

- (1) Power Plant is running on 100 % lignite instead of 20% mix imported coal.
- (2) New cooling tower 500 M3/hr installed in utility for better cooling of POY & FDY Plant.
- (3) New Chiller plant (528 TR) installed in utility for better cooling of POY & FDY Plant.
- (4) New 12 winders from china installed in POY line 15 & 16 for more production growth.
- (5) POY winders controlling panel shifted out side of POY take up for inverter to reduce failure rate.
- (6) Pack furnace installed in burnout area for pack body, CPF melt for better cleaning and reduce pack failure rate.

Water conservation Measures taken :

The Company is taking appropriate steps to conserve water .

- (b) Impact of measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- (c) Total Energy Consumption and energy consumption per Unit of Production.

I. POWER & FUEL CONSUMPTION :

Power and Fuel Consumption:

	<u>31.03.2012</u>	<u>31.03.2011</u>
1. Electricity		
a) Purchased		
Unit (KWH)	NIL	NIL
Total Amount (₹)	NIL	NIL
Average Rate/Unit (₹)	NIL	NIL
b) Own Generation:		
i. Through Diesel Generator		
Unit (KWH)	19400	1393076
Unit per Ltr of Fuel/Oil	3.89	3.55
Cost/Unit (₹)	12.35	9.13
ii. Through Steam Turbine / Generator		
Unit (KWH)	34084969	56844600
Unit per Kg of Coal	0.66	0.71
Cost / Unit (₹)	4.54	3.97
2. Coal / Lignite		
Quantity (Kg.)	68430020	79765270
Total Cost (₹)	2045.09	2257.44
Average Rate (₹/Kg.)	2.98	2.83
3. Furnace Oil (Used in the Generation of Steam)		
Quantity (K. Liters)	NIL	212575
Total Amount (₹ In Lacs)	NIL	52.53
Average Rate (Rs./KL)	NIL	24.71
4. Others /Internal Generation		
Quantity	NIL	NIL
Total Cost (₹)		
Rate/Unit (₹)		

II CONSUMPTION PER UNIT OF PRODUCTION :

Products (with details) Unit

Electricity (KWH/Ton of Product)

a) P.O.Y	667	893
b) Fully Drawn Yarn	863	1576
c) Draw Twisting	1800	2550
d) Draw Texturising	1350	1610

B. TECHNOLOGY

RESEARCH AND DEVELOPMENT (R & D)

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

- (1) Started intermingly air job in POY lines (100%) for value addition of yarn to compete with market competitors.
- (2) Started production of dope dyed yarn (colour yarn).
- (3) Development of new product range in POY & FDY.
- (4) Development of new Deniers / Micro Deniers.

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

The Company has yet to analyse the results.

3. Future Plan of Action

- (1) Mini Dryers to be installed at dryer floor area for colour dosing system.
- (2) L.P. ADU to be installed in utility for better air flow purpose.
- (3) Air compressor (5000 CFM) to be installed in utility for future air requirement.
- (4) China winder bobbin chuck dismentle tools to be developed in house.
- (5) ETP Plant to be installed at power plant area.
- (6) New shed to be fabricated for POY & FDY packing godown purpose.

III. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

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

Benefits derived :

There are no such benefits as no efforts are initiated.

Future Plan of Actions.

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

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a. Under the current situation the company doesn't find viable exports of its products.
- b. Foreign exchange earning and outgo during the year :

<u>Particular</u>	(Amount in ₹)	
	<u>31.03.2012</u>	<u>31.03.2011</u>
(a) Foreign Exchange Earnings	Nil	Nil
(b) Foreign Exchange Outgo	53185	Nil

Total Foreign Exchange used and earned :- As per notes on financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian textiles industry plays an important role in the growth of the Indian economy. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. It was predominantly unorganized industry few years back but the scenario started changing after economic liberalization of Indian economy in the year 1991. The opening up of the economy gave much needed thrust to the Indian textile industry, which has now successfully become one of the major in the world. It mainly depends on the textile manufacturing and exports. Indian Textile Industry can be divided into various segments such as Cotton Textiles, Silk Textiles, Woolen Textiles, Hand Crafted Textiles, Readymade Garments, Jute and Coir. The fundamental strength of this industry is the strong production base of wide range of fibers from natural namely cotton, jute, wool, silk to manmade fibre such as polyester, acrylic, viscose, nylon. Beside this it has potential to increase its textile and apparel share in the world trade. As per government estimates, cotton and man-made fibre consumption in India is in the ratio of 59:41 as against the 40:60 ratio globally. The lower per capita fibre consumption in India of around 5 Kgs as against global average of 11 Kgs indicated huge potential for expansion of fibre consumption. Looking at the importance and contribution of the textile industry the government of India during the process of formulating Union Budget 2012-13 had consider the issues confronting the industry's growth, which are serious in nature and had taken some bold initiatives by giving various incentives and promotion under various schemes for the benefit of this industry.

OVERALL REVIEW

The Financial Year 2011-12 remained a challenging for the textile sector. The economic growth remains lower due to euro zone debt crisis and high oil prices, which were supported by uncertainties of supply. High crude oil prices hit the industry worldwide and resulted in reduced profitability. The prices of furnace oil and gas also reached all time high during the year that led to substantial increase in energy cost. Also the cost of production in India is relatively higher than frontline players like China, Bangladesh etc, partly due to higher power and labour costs. This can be partly addressed if excise and customs duty on liquid fuels are removed / reduced. Major textile production centres in Andhra Pradesh, Tamil Nadu and some Northern states faced severe power shortages during the year which had adversely affected output and profitability of the mills. Labour shortage was also prominent during the year.

OPPORTUNITIES AND CHALLENGES

Textile Industry of India is the mother industry, employing over millions of people directly or indirectly in this sector. Every decision maker in this Industry agreed to the fact that there will be upsurge in the activities as opportunities which are perceived are a lot in India's favour. As everyone knows, the manufacturing base is almost shifted to south East Asian Countries and India as well as China is going to play very important role in this odyssey. India has her own strengths in terms of technical manpower availability, wide fiber base and supporting government policies for modernization and also raw material cost controls. The growing population of Indian young purchasing class is making domestic market quite lucrative. Beyond day to day use of textiles in home furnishing, apparels etc, a new segments of technical textiles is opening up and the growth of such textiles in sports, industry, buildings, defense, protection, agriculture, non woven's, and composite is increasing at highest rate in the emerging economies such as that of India and China.

The growth rate of the industry in GDP has grown due to its strong manufacturing activities which has given a major boost to the Indian economy. The support from government side in the form of introduction of various schemes and incentives for textile industry will provide much financial support to the industry players for the purpose of expansion, modernization and whereby increasing their capacities, quality of products by taking advantage of the latest technologies and techniques.

Further, the Indian textile industry faces a host of constraints such as fragmented structure with the dominance of the small scale sector, High power costs, rising interest rates and transaction costs, Unfriendly labour laws, Foreign investments are not coming in as the overall factors influencing the industry are not investment friendly. Volatile and high raw materials prices due to middle east crisis, high crude oil prices, gas, furnace oil, over capacity addition in POY industry lead to price stability and pressure on profit margins.

FINANCIAL REVIEW

The Company has delivered excellent performance as compared to previous year. The revenue from operations achieved for the year was ₹ 341.16 crore against ₹ 301.49 crore over previous year. Consumption of raw materials increased by 6.21 % from ₹ 144.33 crore to ₹ 153.29 crore. This was mainly on account of increase in raw material prices during the year. Traded goods purchases were ₹ 107.51 crore as compared to ₹ 69.66 crore in the previous year. Employee cost was ₹ 4.19 crore against ₹ 3.49 crore in the previous year. Other income was higher at ₹ 2.79 crore against ₹ 66 lacs, due to receipt of the insurance claim and other miscellaneous income during the year. Depreciation was lower at ₹ 8.57 crore against ₹ 9.20 crore in the previous year as the company is using straight line method for depreciating its assets except for plant and machinery. Profit after tax stood at ₹ 4.73 crore as against ₹ 2.12 crore showing a rise of 123.11%. The earning per share for the year was ₹ 1.74.

REGULATORY ENVIRONMENT

The Ministry of Textile in India is responsible for policy formulation, planning, development, export promotion and trade regulation in the textile sector. As a part of his duty it has promoted a number of export promotion policies for the textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14. This also includes various incentives under Focus Market Scheme, Focus Product Scheme for textile products, extension of Market Linked Focus Product Scheme and allowing 100 % Foreign Direct Investment in textiles through automatic route

to increase the Indian shares in the global trade of textile and clothing. The various other schemes and promotions by the government of India include welfare schemes, skill development, credit linkages, financial packages for waiver of overdues, textile parks etc.

The Technology Upgradation Fund Scheme (TUFs) which was discontinued earlier on June 2010 has been revised, restructured, and restarted. The objective of the Restructured Scheme is to leverage investments in technology upgradation in the Textiles and Jute Industry, with a special emphasis on balanced development across the value chain. The Government of India has also given approval to 40 new textile parks to be set up and this would be executed over a period of 36 months. The new textile parks would leverage employment to 400,000 textile workers. The Government of India has proposed the establishment of several CoEs (Centres of Excellence for research and technical training) for training the workforce in the textile sector. Looking at the above steps of the government it seems that the textile sector is receiving full co-operation and support from the regulatory authorities and this will definitely help the market players.

RISK AND CONCERNS

The major risk company facing is volatility in raw materials prices due to middle-east crisis. Ethylene being raw material used in manufacturing of polymers like polyethylene, polyvinyl chloride, polystyrene as well as organic chemicals like ethylene oxide and ethylene glycols. These products are used for various end markets, such as textiles, transportation, electronics etc. Overall prices for polyester remained high due to higher crude oil prices and ethylene markets. PTA was up by 11% and MEG by 21% being considered very important for manufacturing of polyester chips. Beside this furnace oil, gas prices, rupee exchange rate are resulting in high energy cost and consequently pressure on profit margins. In order to mitigate the above risks, the company has been taking several steps like lowering inventory levels, currency hedges, reducing manpower requirement by modernization of machines, rationalization of workforce, application of TQM tools, employee training and development.

HUMAN RESOURCE AND INDUSTRIAL RELATION

The main role of the human resource department is to allocate the required manpower to the organization for the achievement of its objectives. Not only allocation of required manpower but it is also important to see that the organization consists of skillful and talented people. To play this role satisfactorily advocacy plays an important role. The advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing and happy. The HR department of the company is constantly focusing on the training, recruitment of essential manpower, capacity building, welfare of employees as well as building a good relation with the external regulatory authorities and as a result the activities of the organization is going on in smooth manner with whole hearted support of its talent's at various levels.

ADEQUACY OF INTERNAL CONTROL SYSTEMS

The Company is having adequate Internal Control Systems and procedures commensurate with nature and size of its business to ensure that the assets of the company are safeguard and protected against major risks like fire, earthquake, transit of goods. The regular internal audits is conducted by the internal auditors having vast experience in their field and their key findings are reported to the management and also considered by the Audit Committee of the Board. On the basis of their report management use to form detailed action plan to comply with those areas which have not yet achieved full compliance with the requirements.

CAUTIONARY STATEMENT

Statement in this report describing the company's objectives, projection, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILISOPHY ON GORPORATE GOVERNANCE

Corporate governance refers to the set of systems, principles and processes by which a company is governed. It provides the guideline as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others. The presence of an active group of independent directors on the board contributes a great deal towards ensuring confidence in the market. Corporate governance is known to be one of the criteria that foreign institutional investors are increasingly depending on when deciding on which companies to invest in. It is also known to have a positive influence on the share price of the company. Company's which adopts good corporate governance practices feel easier to source capital at more reasonable costs.

The Board has always followed the principles of good governance and has put more emphasize on transparency, integrity and accountability and thereby created stakeholders confidence. The company has also adopted the Code of Conduct for employees, Board Members and Senior Management Personnel in due compliance of Clause 49 of the Listing Agreement with Stock Exchanges and in pursuit of excellence in corporate governance.

BOARD OF DIRECTORS

Your company is in strict compliance with board composition requirement of the Listing Agreement. The day-to-day management of the company is entrusted to its key management personnel who operates under the superintendence, direction and control of the Board.

a) Composition of Board

Yours Companies Board consists of 4(Four) directors of which 2 are Executive and Promoter Directors and 2 are Non-Executive and Independent Director. The Chairman of the Board is Executive Promoter Director. The Composition of the Board is in compliance with the Clause 49 of listing agreement. The Composition of the Board is as under :-

Name of Director	Category	No. of Board Meetings		No of Membership in other Board or Committee as a Member or Chairman Other	
		Held during year	Attended during the year	Directorship in public Companies	Committee
Shri Jyotiprasad D Chiripal	Promoter Executive	5	5	5	2
Shri Vedprakash D Chiripal	Promoter Executive	5	5	6	4
Shri Ambalal C Patel	Non-Executive Independent	5	5	10	8
Shri Murli R Goyal	Non-Executive Independent	5	5	NIL	2

* Audit Committee and Share holders Grievance Committee has been considered for committee position.

None of the Directors is a member of more than 10 Committee nor is a chairman of more than 5 Committee across all the companies in which he is Director.

b) Board Meeting and Procedures

During the Financial Year 2011-2012 under review i.e between the period April 1,2011 till March 31,2012 5(Five) meetings of the Board were held on the following dates 01.06.2011, 11.06.2011, 11.08.2011, 12.11.2011 and 04.02.2012 The intervening period between the two Board Meetings were well within the maximum time gap prescribed under the Companies Act,1956 and Clause 49 of the Listing Agreement. The Board Meetings are generally held at the Corporate Office of the Company which are governed by structured agenda. The Company Secretary in consultation with the Chairman drafts agenda of the Meetings. The agenda along with the explanatory notes are sent to all Directors well in advance to enable them to take informed decisions. All relevant information required to be placed before the Board of directors as per Clause 49 of the Listing Agreement, are considered and taken on record / approved by the Board. The Board periodically reviews Compliance Reports in respect of laws and regulation applicable to the company.

c) Code of Conduct

In compliance with the Clause 49 of the Listing Agreement the Company has adopted a Code of Conduct for the Board and Senior Management of the Company. The compliance of the code of conduct is affirmed by the Board and Senior Management personnel annually. A copy of said Code of Conduct applicable to the board members and senior management is available at our website, www.chiripalgroup.com All the members of the Board and the Senior Management have affirmed compliance to the said Code of Conduct during the financial year ended March31,2012. A declaration affirming compliance with the code of conduct by the members of the Board and Senior Management personnel is given below :

Declaration Pursuant to Clause 49 I(D) (ii) of the Listing Agreement

I confirm that the company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31,2012.

Date : 27.08.2012

Place : Ahmedabad

Jyotiprasad D Chiripal

Chairman

BOARD COMMITTEES

Your Board has constituted various Board Committees for smooth and efficient operation of day-to-day business of the company. Relevant particulars of Audit Committee, Remuneration Committee, Share Holders Grievance Committee are as detailed hereunder.

a) Audit Committee

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

The Composition of the Audit Committee is in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement

Name of Director	Category	No. of Meeting Held	No. of Meeting attended
Shri Ambalal C Patel - Chairman	Non-Executive Independent	4	4
Shri Murli R Goyal - Member	Non-Executive Independent	4	4
Shri Jyotiprasad D Chiripal - Member	Executive Promoter	4	4

Primary Objective :

The Primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

The role and powers of the Audit Committee as set out in Clause 49 of the Listing Agreement with Stock Exchanges and Section 292A of the Companies Act, 1956 is as follows :-

Role of Audit Committee

- Overseeing of company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct , sufficient and credible.
 - Review with the management, quarterly and annual financial statements before submission to the board for approval , with particular reference to :-
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes , if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgments by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualification in the draft audit report.
 - Review of related party transaction.
 - Review of Company's financial and risk management policies.
 - Review with the management, performance of statutory and internal auditors and adequacy of internal control systems.
 - Review of financial statements, investment, minutes and related party transactions of Subsidiary Companies.
 - Recommend to the Board the appointment, re-appointment and removal of the Statutory Auditor, fixation of their remuneration.
 - Discussion with Statutory Auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the Statutory Auditors.
 - Discussion of Internal Audit Reports with Internal Auditors and significant findings and follow up there on and in particular internal control weaknesses.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Power of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Remuneration Committee

The Remuneration Committee of the Company comprises of 3(three) Directors. 2(Two) of them are Non-Executive Independent Director and 1(One) Director is Executive Promoter.

Name of Director	Category	No. of Meeting Held	No. of Meeting attended
Shri Murli R Goyal - Chairman	Non-Executive Independent	0	0
Shri Ambalal C Patel - Member	Non-Executive Independent	0	0
Shri Jyotiprasad D Chiripal - Member	Executive Promoter	0	0

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

The Remuneration Committee is constituted for fixing the remuneration of the executive directors including a managing director and manager. The committee reviews and lays down the Company's policy on remuneration and advise on the specific remuneration packages of Senior Management, and in particular Executive Directors, so as to :-

- Ensure that Senior Management are fairly rewarded for their individual contributions to the company's overall performance and
- Demonstrate that the pay of Senior Management is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the company.
- It determines all the elements of remuneration package of all the directors i.e . salary, benefits, bonuses, stock options, pension , service contracts, notice period, severance fees.

Details of remuneration paid to the directors for the year ended on March 31,2012 are as follows:

Name of Director	Sitting Fees(Rs)	Salaries and Perquisites (Rs)	Commission(Rs)	Total(Rs)
Shri VedPrakash D Chiripal	Nil	Nil	Nil	Nil
Shri JyotiPrasad D Chiripal	Nil	Nil	Nil	Nil
Shri Ambalal C Patel	65000	Nil	Nil	65000
Shri Murli R Goyal	Nil	Nil	Nil	Nil

Details of Shareholding of Directors as on 31st March,2012

Name of Directors	No. of Share Held as on 31.03.2011	% holding
Shri VedPrakash D Chiripal	1454938	5.37
Shri JyotiPrasad D Chiripal	12500	0.05
Shri Ambalal C Patel	700	0.002
Shri Murli R Goyal	Nil	Nil

C) Shareholders/Investors Grievance Committee

Clause 49 of the Listing Agreement stipulates for the listed companies, to form a Board Committee under the chairmanship of a non-executive director to specifically look into the redressing of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Shareholders/Investor Grievance Committee of the Board comprises of Mr. Ambalal C Patel, Non-Executive Director as Chairman, Mr. Murli R Goyal and Mr. Jyotiprasad D Chiripal as a Member.

The terms of reference of a shareholders committee may include the following :-

- To supervise and ensure efficient transfer of shares and proper and timely attendance of investors' grievances.
- The review the status of dematerialization of Company's shares and matters incidental thereto.
- To monitor the matters of litigation related to shareholders and take decisions relating thereto.
- To consider , review and monitor the matters related to shareholders grievances.
- To deal with any other matters related and/or incidental to the shareholders.

Composition of Shareholders/ Investors Grievance Committee

Name of Director	Category	No. of Meeting Held	No. of Meeting attended
Shri Ambalal C Patel - Chairman	Non-Executive Independent	4	4
Shri Murli R Goyal - Member	Non-Executive Independent	4	4
Shri JyotiPrasad D Chiripal - Member	Executive Promoter	4	4

Details of complaints resolved during the financial year 2011-12 are as follows

Nature of Correspondence	Received	Replied/Resolved	Pending
Non-receipt of Shares Certificate	-	-	-
Non-receipt of Shares	-	-	-
Non-receipt of Annual Report	2	2	Nil
Non-receipt of Dividend Payment	-	-	-
Non-receipt of fractional payment	-	-	-
Non-receipt of call Money Notice	-	-	-
Non-receipt of confirmation of call money payment	-	-	-
Others	1	1	Nil

SHARE TRANSFER SYSTEM

The Company's Registrar and Share Transfer Agent is M/s Link Intime India Private Limited. The Shares lodged for Physical transfer/transmission/transposition/rematerialization are registered within the prescribed time if the documents are complete in all respects. The Company's equity shares are under compulsory dematerialized trading. The shares in dematerialized form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

SUBSIDIARY COMPANY

The Company has no Subsidiary Company.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Mr Jyotiprasad D Chiripal Chairman and Mr. Vedprakash D Chiripal Executive Director are related as brothers. Apart from them, no other Directors, are in any way related.

MANAGEMENT DISCUSSION AND ANALYSIS

This is included as a separate section in this Annual Report.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Statutory Auditors' Certificate is provided in this Annual Report.

CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO/CFO Certification is provided in this Annual Report.

GENERAL MEETINGS

The 8th Annual General Meeting of the company will be held on Saturday, 29th day of August, 2012 at 3.00 pm at registered office at Survey No. 396(P), 395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210.

Details of Annual General Meetings held during last 3 years are as follows :

Financial Year Ended	Date & Time	Venue	Special Resolution Passed
March 31, 2011	Wednesday, 28 th September, 2011 3.30 pm	Survey No. 396(P), 395/4(P) Moraiya Village, Sarkhej Bavla Highway, Tal. Sanand, Ahmedabad-382210	0
March 31, 2010	Thursday, 23 rd September, 2010 3.30 pm	Survey No. 391(P), 396(P) Moraiya Village, Sarkhej Bavla Highway, Tal. Sanand, Ahmedabad-382210	1
March 31, 2009	Friday, 4 th September, 2009 11.30 am	Survey No. 391/ 403, Moraiya Village, Sarkhej Bavla Highway, Tal. Sanand, Ahmedabad-382210	0

POSTAL BALLOT

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

MEANS OF COMMUNICATION

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

DISCLOSURES

a) Basis of Related Party Transaction :

For significant related party transaction refer to point no 31 of the Notes on Account contained in financial statements in this Annual Report.

b) Disclosure of accounting treatment in preparation of Financial Statement

The Company has followed the guidelines prescribed by The Institute of Chartered Accountants of India (ICAI) in preparation of financial statements.

c) Details of Non-compliance by the Company

The Company has complied with all the requirements of Regulatory Authorities. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any statutory authority on any matter relating to capital markets, during the last three years except the debarment order dated 12.01.2010 restraining erstwhile Nova Petrochemicals Limited from buying, selling, dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years from the date of order and pending order under adjudication notice issued by SEBI against erstwhile Nova Petrochemicals Limited.

d) Remuneration of Directors

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

e) Shareholders

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

GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : Saturday, 29th September, 2012
 Venue : 396(P), 395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210.
 Time : 3.00 pm
 Last date of receipt of Proxy Form : Thursday, 27th September, 2012 (Before 3.00 p.m at Registered Office of the Company).
 Book Closure : 22nd September, 2012 to 29th September, 2012 (Both days inclusive).

b) Financial Year

: 2011-2012

c) Dividend Payment Date

: Nil

d) Registered Office

: Survey No. 396(P), 395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210.

e) Address for Correspondence

: Correspondence should be address to

The Company Secretary

CIL Nova Petrochemicals Ltd

Survey No. 396(P), 395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210

Phone : +91-2717-250556-7-8, +91-9825800060 Fax : +91-2717-251612

Email investorgrievances.cilnova@chiripalgroup.com

Link Intime India Private Limited

Unit : CIL Nova Petrochemicals Limited

Unit No. 303, 3rd floor Shoppers Plaza V, Opp Municipal Market, B/h Shoppers Plaza II, Off C.G Road, Ahmedabad-380009.

C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai-400078

Phone : 022-25946970 Fax : 022-25946969

f) Listing details of Equity Shares

: The Equity Shares are at present listed at the following Stock Exchanges :

Name of the Stock Exchanges	Stock Code/symbol(Fully Paid Shares)
National Stock Exchange of India Limited (NSE)	CILNOVA
Bombay Stock Exchange Limited (BSE)	533407
Ahmedabad Stock Exchange Limited	11564
ISIN at NSDL/CDSL : INE672K01017 (Equity shares of Rs 5 each, fully paid up)	

g) Corporate Identification Number (CIN)

: L17111GJ2003PLC043354

h) Listing Fee

: The Company has paid listing fees upto March 31, 2013 to the National Stock Exchange of India Limited , Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

i) Change of Address

: Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. Members holding equity shares in dematerialized form are requested to notify the change of address, if any, to their respective Depository Participant (DP).

j) Dematerialisation of Equity Shares & Liquidity

: As per extant guidelines, trading in equity shares of the Company is mandatory in dematerialized form. To facilitate trading in demat equity, there are two depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on date 96.36 % of the equity shares of the Company are in the dematerialized form.

k) Stock Market Data Relating to Shares Listed in India

Monthly Highs and Lows for the period from May, 2011 to March, 2012 as the company got listed w.e.f. 23.05.2011

Month	BSE		NSE	
	High	Low	High	Low
May, 2011	25.00	13.00	30.05	14.10
June, 2011	19.20	12.35	18.20	12.50
July, 2011	17.95	12.65	17.00	12.05
August, 2011	18.00	11.10	18.45	11.25
September, 2011	18.95	14.30	19.00	14.35
October, 2011	20.80	15.00	20.00	13.80
November, 2011	19.80	14.00	19.00	14.00
December, 2011	17.90	15.00	17.95	13.70
January, 2012	19.60	15.50	19.75	15.80
February, 2012	19.95	18.55	19.55	18.00
March, 2012	21.05	18.30	21.80	18.60

Distribution of Shareholding as on 31st March,2012

Sr. No.	Shares Range		No. of Shareholders	% of Total	Shares Allotted	% to No. of Holders
	From	To				
1	1	500	6115	87.0835	1158059	4.2733
2	501	1000	508	7.2344	419644	1.548
3	1001	2000	192	2.7343	319721	1.1798
4	2001	3000	51	0.7263	129663	0.4785
5	3001	4000	42	0.5981	154910	0.5716
6	4001	5000	21	0.2991	98001	0.3616
7	5001	10000	19	0.2706	136590	0.5040
8	10001	999999999	74	1.0538	24683412	91.0827
TOTAL			7022	100.00	27100000	100.00

Shareholding Pattern as on March 31,2012

SR.No	Category	March 31,2012	
		No. of Shares Held	% of shareholding
A	Promoters Holding		
	Individuals/HUF	11614275	42.86
	Bodies Corporate	4505317	16.62
B	Non Promoter Holding		
	FIs, Mutual funds and Banks	600	0.00
	Bodies Corporate	7361181	27.17
	Indian Public	3052065	11.26
	Any other (FII's, Trusts, Clearing Member, NRI-Rep, NRI- Non Rep, Overseas Bodies Corporate)	566562	2.09
Total		27100000	100.00

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

Chiripal Group always believes in ethical functioning, giving respect to all stake holders, care of the human beings and care for the environments. The group generally implements the above initiatives through its employees , welfare funds, charitable trust and bodies corporate. It also help the poor and needy, local authorities and others wherever deemed necessary. The group is running various schools namely Shanti Asiatic, Shanti Juniors, Shanti Business School for providing education not only to its employees but also to the local public. Every year on Director 's B'Day we are organizing voluntary blood donation camp in our group drive with the support of Prathama Blood Centre thereby collecting thousands bottles of blood which indirectly satisfy the blood needs of people during the time of serious injuries or accidents. Besides this to provide clean and healthy work environment inside the plants and around the plant sites the quality of effluent and emission of gases has been continuously monitored to ensure that they are below the prescribed norms.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
CIL Nova Petrochemicals Limited

We have examined the compliance of conditions of Corporate Governance by CIL Nova Petrochemicals Limited for the year ended March31,2012, as stipulated in clause 49 of the Listing Agreement entered into the Stock Exchanges in India.

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

In our opinion and to the best of our information an according to the explanation given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

We further state that such compliance in neither an assurance to the future viability of the Company not the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J.T Shah & Co.
Chartered Accountants
(FRN No. 109616W)
Sd/-
(J.T Shah)
Partner
(M. No. 3983)

Date : 27.08.2012
Place : Ahmedabad

AUDITORS' REPORT

To,
The Members of
CIL NOVA PETROCHEMICALS LIMITED
(FORMERLY KNOWN AS NOVA POLYARN LIMITED)
Ahmedabad

1. We have audited the attached Balance Sheet of **CIL NOVA PETROCHEMICALS LIMITED** as at **31st March 2012**, the Statement of Profit and Loss and also Cash Flow Statement for the year ended on that date annexed thereto (together read as financial statements). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4 A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2012, from being appointed as director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In the case of the Statement of Profit and Loss, of the **Profit** of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For J.T Shah & Co.
Chartered Accountants
(FRN No. 109616W)

Sd/-
(J.T Shah)
Partner
(M. No. 3983)

Date : 27.08.2012
Place : Ahmedabad

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our Report of even date to the Members of **CIL-NOVA PETROCHEMICALS LIMITED** for the year ended **31st March, 2012**.

1. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
 - c. In our opinion, the Company has not disposed off any major / substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventories:
 - a. The inventory other than the inventory of work in process has been physically verified during the year by the management. We have been informed that looking at the manufacturing process, it is not possible to physically verify the inventory of work in process. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a. During the year under audit, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
 - b. There are 2 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 ₹ 9,38,42,300/- and the year-end balance of loans taken from such parties was ₹ 9,37,88,300/-.
 - c. In our opinion and according to the information and explanations given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - d. In respect of loans taken by the company, the company has taken interest free loans and in case of principal, the terms of repayment have not been stipulated hence the question of regularity of payment of interest and principal does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the 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 prima facie the prescribed accounts and records have been maintained. However, we have 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 by and large regular in depositing with appropriate authorities undisputed statutory dues including income tax, wealth tax, Service Tax, Gujarat Valued Added Tax, Central Sales Tax, Professional Tax, Tax Deducted at Source, Custom duty, Provident fund, excise duty, Cess and other statutory dues applicable to it with the appropriate authorities. *According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Service Tax, Customs Duty, Gujarat Valued Added Tax, Central Sales Tax and Excise Duty were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable except Investor Education & Protection Fund of ₹ 3,38,715/- has not been deposited till balance sheet date.*

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

Name of the Statute	Nature of the Dues	Amount (Amount in ₹)	Year	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax & Interest	24,02,839	1998-99 to 2003-04 & 2007-08	Commissioner of Income Tax, Appeals
The Income Tax Act, 1961	Interest on Income Tax	2,72,135	2001-02	The Income Tax Appellate Tribunal
The Gujarat Value Added Tax Act, 2003	Interest & Penalty	5,69,152	2006-07	Joint Commissioner Appeal
The Central Excise and Customs Act	Excise Duty and Penalty	17,87,32,622	June 2001 to 2006	Custom Excise and Service Tax Appellate Tribunal
The Central Excise and Customs Act	Excise Duty and Penalty	32,18,949	2004 to 2008	Commissioner of Excise and Customs (Appeals)
The Central Excise and Customs Act	Excise Duty and Penalty	1,46,479	2005-06	Assistant/Additional Commissioner of Central Excise
The Central Excise and Customs Act	Excise Duty and Penalty	77,80,203	2006 to 2008	Hon'ble High Court of Gujarat
Service Tax Act	Service Tax and Penalty	18,00,015	2006 to 2009	Custom Excise and Service Tax Appellate Tribunal
Service Tax Act	Service Tax and Penalty	13,35,476	2006 to 2009	Hon'ble High Court of Gujarat
The Textile Committee Amendment Act, 1973	Textile Cess	50,90,119	1995 to 2005	Textiles Committee, Government of India, Ministry of Textiles

10. The accumulated losses at the end of the financial year are not more than fifty percent of its net worth. The Company has not incurred cash loss during the year under audit and in the immediately preceding financial year.
11. Based on our audit procedure and according to the information & explanation given to us, we are of the opinion that the company is, by and large, regular in repayment of dues to banks.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of Para 4 (xiv) are not applicable to the Company.
15. As per the information provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not obtained any term loans from banks or financial institutions during the year under audit.
17. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purpose.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the company has not issued any debentures.
20. During the year, the Company has not raised any money by way of Public issues.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For J.T Shah & Co.
Chartered Accountants
(FRN No. 109616W)

Sd/-
(J.T Shah)
Partner
(M. No. 3983)

Date : 27.08.2012
Place : Ahmedabad

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2012

Particulars	Note No.	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
INCOME			
Revenue from Operations	18	3,217,004,887	2,835,127,014
Other Income	19	27,946,436	6,601,814
Total Revenue		3,244,951,323	2,841,728,828
EXPENDITURE			
Cost of Materials Consumed	20	1,532,880,121	1,443,263,166
Purchase of Stock in Trade	21	1,075,090,510	696,612,843
Changes in Inventories of Finished Goods & Work in Progress	22	(28,807,840)	51,855,905
Employee Benefits Expense	23	41,933,610	34,924,535
Finance Costs	24	91,670,477	91,230,175
Depreciation and Amortisation expense	25	85,713,608	91,952,271
Other Expenses	26	398,656,146	410,670,408
Total Expenses		3,197,136,632	2,820,509,304
Profit/(Loss) before Tax		47,814,690	21,219,524
Less : Tax expense:			
- Current Tax		547,000	Nil
- Deferred Tax	5	Nil	Nil
Profit for the year		47,267,690	21,219,524
Basic & diluted earnings per share of face value of Rs.5 each	31	1.74	0.78
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)

Sd/-
(J. T. Shah)
Partner
Membership No. 3983
Place : Ahmedabad
Date : 27.08.2012

For, **CIL NOVA PETROCHEMICALS LIMITED**
(Formerly Known as NOVA POLYARN LIMITED)

Jyotiprasad D. Chiripal **Vedprakash D. Chiripal**
Chairman Director

Romin N. Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2012

	31-03-2012	31-03-2011
A Cash from Operating Activity		
Profit Before Tax from Continuing Operation	47,814,690	21,219,524
	47,814,690	21,219,524
Non Cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation	85,713,608	91,952,271
Bad Debts Written Off/ Sundry Balance Written off	(9,201,969)	(551,008)
(Profit)/Loss on sale of fixed assets (net)	29,388	-
Interest Received	(4,291,361)	(2,797,441)
Provision for Doubtful debt	(1,768,142)	(44,719)
	70,481,523	88,559,103
Dividend Income	(349)	(5,230)
Interest and Finance Charges	91,670,477	91,230,175
	91,670,128	91,224,945
Adjustment for Movements in Working Capital:		
Increase/(decrease) in trade Payable	(153,883,089)	(13,121,436)
Increase/(decrease) in long-term Provision	(542,099)	(1,327,409)
Increase/(decrease) in short-term Provision	1,343,065	1,227,847
Increase/(decrease) in other current liability	(4,155,793)	(15,312,876)
Increase/(decrease) in other long-term liability	-	-
Decrease/(increase) in trade receivable	(58,012,816)	5,679,866
Decrease/(increase) in inventories	7,054,064	55,269,540
Decrease/(increase) in long term loans and advances	(67,407)	(8,688,216)
Decrease/(increase) in short term loans and advances	(8,533,253)	(267,676)
Decrease/(increase) in other current assets	-	-
Decrease/(increase) in other non-current assets	(8,919,991)	(10,235,588)
	(225,717,320)	13,224,052
CASH GENERATED FROM OPERATIONS	(15,750,978)	214,227,625
Direct Taxes paid	(1,012,364)	794,964
	(1,012,364)	794,964
NET CASH FLOW FROM OPERATIONS	(16,763,342)	215,022,589
B Cash flow from investing activities		
Purchase of Fixed Assets (Incl. WIP)	(11,625,485)	(82,429,426)
Sale of Fixed Assets	247,621	-
Investment in Fixed deposit	(3,169,533)	-
Investment received back from Fixed deposit	8,326,871	-
Interest Received	4,564,703	2,081,158
Dividend Income	349	5,230
	(1,655,474)	(80,343,038)
C Cash flow from financing activities		
Long Term Borrowing Taken during the year	503,467	-
Long Term Borrowing Paid during the year	(68,492,553)	(48,180,587)
Short Term Borrowing Taken During the year	183,762,572	-
Short Term Borrowing Paid During the year	-	(223,305)
Share Application Money paid back	(414,000)	-
Interest paid	(91,670,477)	(91,230,175)
Dividend paid on Equity Shares (Incl. Dividend Tax)	(226,391)	-
	23,462,618	(139,634,067)
NET CASH USED IN FINANCING ACTIVITY	23,462,618	(139,634,067)
Net Increase/(Decrease) in cash and cash equivalents	5,043,803	(4,954,516)
Cash and cash equivalent Opening Balance	10,213,418	15,167,933
Cash and cash equivalent Closing Balance	15,257,221	10,213,418
Net Increase/(Decrease) in cash and cash equivalents	5,043,803	(4,954,516)

Notes:

- => The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3.
=> Cash and Cash equivalent includes Rs.334,555/- (P.Y. Rs.560,946/-) towards Unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the stated 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)

Sd/-

(J. T. Shah)

Partner

Membership No. 3983

Place : Ahmedabad

Date : 27.08.2012

For, **CIL NOVA PETROCHEMICALS LIMITED**
(Formerly Known as NOVA POLYARN LIMITED)

Jyotiprasad D. Chiripal

Chairman

Vedprakash D. Chiripal

Director

Romin N. Shah

Company Secretary

1 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of financial Statements

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

b. Fixed Assets

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

c. Depreciation

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

d. Inventories

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

(i) In case of Raw Materials, Stores, Spares, Fuel and Packing Materials on FIFO basis.

(ii) In case of Finished Goods and Work-In-Progress on FIFO basis.

e. Foreign Currency Transactions

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

f. Sales

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

g. Investments

Long Term Investments are stated at its cost.

h. Borrowing Cost

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

i. Taxation

i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

ii) Deferred Tax resulting from timing differences between book and tax profit is accounted for under the liability method, at the current rates of tax, to the extent that the timing differences are expected to crystallize.

j. Provisions, Contingent Liabilities and Contingent Assets

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

k. Impairment of Assets

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

l. Earning Per Share

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

m. Employee Benefits

(i) The employee and Company make monthly fixed Contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary, Provision for the same is made in the year in which service are rendered by the employees.

(ii) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.

(iii) Leave encashment benefit to eligible employee has been ascertained on actuarial basis and provided for. Actuarial gain/loss in respect of the same is charged to the profit and loss account.

2 Share Capital

	As at 31/03/2012 ₹	As at 31/03/2011 ₹
[i] Authorised :		
55000000 (Previous Year 55000000) Equity shares of par value of ₹ 5/- each)	275,000,000	275,000,000
500000 (Previous Year 500000) 8% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	50,000,000	50,000,000
Total	325,000,000	325,000,000

[ii] Issued, Subscribed & Paid-up Capital :		
27100000 (Previous Year 27100000) Equity shares of ₹ 5 each fully paid up.	135,500,000	135,500,000
500000 (Previous Year 500000) 8% Non Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up	50,000,000	50,000,000
Total	185,500,000	185,500,000

2.1 Each Equity Shareholder is entitle to vote at the meeting shall unless a poll is demanded be decided on a show of hand and upon show of hands every member entitle to vote and present in person shall one vote, and upon a poll every member entitle to vote and persent in person or by proxy shall have one vote, for every share held by him. The Preference share holders shall not carry any right to vote on any matter except their rights are affected as provided under the provisions of Article of Association and Companies Act, 1956.

2.2 In the event of liquidation of the Company, the Preference Share holders will be entitled to receive any of the remaining assets of the company prior to equity share holders, after the distribution of all other preferential amounts. The holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts and Preference share capital in proportion to the number of equity shares held by the shareholders.

2.3 Under the scheme of demerger of Nova Petrochemicals Ltd, the company issued and allotted 2,70,00,000 equity shares amounting to ₹13,50,00,000/- to the share holders of Nova Petrochemicals Ltd. in the ratio of one equity share of face value of ₹5 each fully paid up in the company for every one equity share of ₹10 each fully paid up held by the shareholders of Nova Petrochemicals Ltd in the year 2009-10.

2.4 Reconciliation of the number of Equity shares outstanding and the amount of share capital as at 31/03/2012 & 31/03/2011 is set out below.

Particulars	As at 31/03/2012		As at 31/03/2011	
	No. of Shares	Amt(₹)	No. of Shares	Amt(₹)
Shares at the beginning	27,100,000	135,500,000	27,100,000	135,500,000
Addition	-	-	-	-
Deletion	-	-	-	-
Shares at the end	27,100,000	135,500,000	27,100,000	135,500,000

2.5 Reconciliation of the number of Preference shares outstanding and the amount of share capital as at 31/03/2012 & 31/03/2011 is set out below.

Particulars	As at 31/03/2012		As at 31/03/2011	
	No. of Shares	Amt(₹)	No. of Shares	Amt(₹)
Shares at the beginning	500,000	50,000,000	500,000	50,000,000
Addition	-	-	-	-
Deletion	-	-	-	-
Shares at the end	500,000	50,000,000	500,000	50,000,000

2.6 The details of equity shareholders holding more than 5% shares as at 31/03/2012 and 31/03/2011 is set out below.

Name of Shareholder	31/03/2012		31/03/2011	
	No. of Shares	% held	No. of Shares	% held
Chiripal Exim LLP	5,399,817	19.93%	-	-
Chiripal Industries Ltd.	3,008,000	11.10%	3,036,000	11.20%
Vedprakash D Chiripal	1,454,938	5.37%	-	-
Gupta Silk Mill Pvt Ltd	-	-	4,012,400	14.81%
Millenium Infosoft Pvt Ltd	-	-	1,700,000	6.27%

2.7 The details of Preference shareholders holding more than 5% shares as at 31/03/2012 and 31/03/2011 is set out below.

Name of Shareholder	31/03/2012		31/03/2011	
	No. of Shares	% held	No. of Shares	% held
Sparrow Exports Pvt Ltd	500,000	100.00%	500,000	100.00%

2.8 In the absence of adequate distributable Profit, no provision is required to be made in respect of dividend on Non-Cumulative Redeemable Preference Shares.

2.9 Details of Redeemable Preference Shares are as Follows:-

Particulars	Rate of Interest	Date of Issue	Period of Redumption
Preference Share Capital	8%	26/03/2010	Within 10 years with the option to redeem after the period of 5 years at the discretion of Board.

3 Reserves & Surplus

	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Share Premium		
Balance as per last financial Statement	118,970,013	118,970,013
Closing Balance	118,970,013	118,970,013
Revaluation Reserve		
Balance as per last financial Statement	410,893,433	410,893,433
Closing Balance	410,893,433	410,893,433
General Reserve		
Balance as per last financial Statement	22,500,000	22,500,000
Closing Balance	22,500,000	22,500,000
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last financial Statement	(301,993,650)	(323,213,175)
Add : Profit for the year	47,267,690	21,219,524
Net Deficite in the statement of profit and loss	(254,725,960)	(301,993,650)
Total	297,637,486	250,369,796

4 Share Application Money Pending Allotment

	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Share Application Money	Nil	414,000
	Nil	414,000

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

6 Long Term Borrowings

	Non-Current		Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Loan From Related Party	93,788,300	111,388,300	Nil	Nil
Intercompany Loans	243,600,000	226,008,662	Nil	Nil
Vehicle Loan	Nil	174,454	174,454	234,410.00
Term Loan From Banks	358,785,307	426,591,277	71,706,928	67,931,956
	696,173,607	764,162,693	71,881,382	68,166,366
The above amount Includes				
Secured Borrowings	358,785,307	426,765,731	71,881,382	68,166,366
Unsecured Borrowings	337,388,300	337,396,962	Nil	Nil
	696,173,607	764,162,693	71,881,382	68,166,366
Amount disclosed under the head 'Other Current Liabilities' (Note No. 10)	Nil	Nil	(71,881,382)	(68,166,366)
Total	696,173,607	764,162,693	Nil	Nil

Security :

Term Loans under Consortium finance are secured by first parri passu charge on the entire Fixed Assets of the company both present and future, second charge on entire Current Assets of the Company including consumable stores. Promoter's equity shares equivalent to 30% paid up capital is pledged and further the loan is guaranteed by personal guarantee of some of the Directors.

Vehicle Loans are secured by Hypothication of Vehicles.

Loan from related party and Intercompany Loan are unsecured

Interest:

Term Loans carry an interest rate of 10.75% p.a and Funded Interest Term Loan carries an interest rate of 9.75% p.a. payable on monthly basis.

Interest on Vehicle Loans are ranging between 12.01% to 14.07%

Loan from related party and Intercompany Loan are interest free Loans.

Repayment:

Term Loan Facilities are repayable in following schedule in monthly instalments as follows:-

Particulars	Upto 1 year	2 to 4 Years	More than 5 years
Term Loan	71,918,172	256,011,575	102,562,488

Vehicle Loans are repayable in following schedule in monthly instalments as follows:-

Particulars	Upto 1 year	More than 2 years
Vehicle Loans	174,454	-

Loan from related party and Intercompany Loan are repayable during the financial year 2013-14.

7 Provisions

	Non-Current		Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Provisions for employee benefits				
For Leave Encashment	Nil	Nil	2,608,036	1,007,365
For Gratuity (Net of Assets)	1,255,875	1,797,974	742,394	1,000,000
Total	1,255,875	1,797,974	3,350,430	2,007,365

8 Short Term Borrowing

	Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Working Capital Loans from Banks (Secured)	254,068,747	70,306,175
Total	254,068,747	70,306,175

Security :

Working Capital loans are secured by first charge on Book Debt and Stocks, and further secured by personal guarantee of the Promoter Directors and corporate guarantee of the Promoter's Group Companies and also further secured by second charge on fixed assets.

9 Trade payables

	Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Micro, Small and Medium Enterprises @	Nil	Nil
Trade payables	86,851,136	249,936,195
@ 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.		
	86,851,136	249,936,195

10 Other Liabilities

	Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Current Maturity of Long Term Borrowing (Note No. 6)	71,881,382	68,166,366
Creditor for Capital Goods	129,528,139	112,437,397
Creditors for Expense	2,594,697	1,569,455
Advance received from customers	594,077	2,886,291
Interest Accrued and due on Borrowings	1,182,045	10,987,377
Salary & Wages Payable	3,069,404	2,661,683
Bonus Payable	1,851,219	2,056,967
Other Statutory dues	438,234	464,327
Dealer Deposits	3,064,027	3,606,757
TDS Payable	131,752	568,630
Provision for Excise Duty on Finished Goods	6,356,645	2,351,421
Unclaimed Dividend@	328,322	554,713
Investor Education & Protection Fund	338,715	338,715
	221,358,658	208,650,100

@ There is no amount due to be transferred to Investor Education & Protection Fund.

11 Fixed Assets
(Amount in ₹)

Cost of Valuation	TANGIBLE ASSETS							INTANGIBLE ASSETS		Total
	Free Hold Land*	Buildings	Furniture & Fixtures	Electrical Installation	Computer	Plant & Machinery	Equipment	Vehicle	Computer Software	
01.04.2010	422,386,556	226,612,341	146,576	251,472,170	2,955,303	1,591,773,520	14,209,636	7,234,260	448,141	2,517,238,502
Addition	3,055,666	23,917,060	3,389,175	7,765,103	183,559	28,629,459	261,708	174,142	-	67,375,872
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At 31.03.2011	425,442,222	250,529,401	3,535,751	259,237,273	3,138,862	1,620,402,978	14,471,344	7,408,402	448,141	2,584,614,374
Addition	-	531,283	191,476	-	140,017	21,089,345	24,950	-	-	21,977,071
Disposal	-	-	-	-	-	779,090	-	-	-	779,090
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At 31.03.2012	425,442,222	251,060,684	3,727,227	259,237,273	3,278,879	1,640,713,233	14,496,294	7,408,402	448,141	2,605,812,355
Depreciation										
01.04.2010	-	70,612,397	39,594	94,467,526	2,642,954	1,145,885,267	10,312,926	4,027,890	448,141	1,328,436,695
Change for the year	-	7,707,435	197,317	12,142,423	84,384	70,600,733	682,921	537,058	-	91,952,271
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At 31.03.2011	-	78,319,833	236,911	106,609,950	2,727,338	1,216,486,000	10,995,846	4,564,948	448,141	1,420,388,967
Change for the year	-	7,759,492	225,995	12,313,770	113,496	64,209,061	688,109	403,685	-	85,713,608
Disposal	-	-	-	-	-	502,081	-	-	-	502,081
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At 31.03.2012	-	86,079,325	462,906	118,923,720	2,840,834	1,280,192,980	11,683,955	4,968,633	448,141	1,505,600,494
NET BLOCK										
AS AT 31.3.2011	425,442,222	172,209,568	3,298,840	152,627,323	411,524	403,916,979	3,475,498	2,843,454	-	1,164,225,407
AS AT 31.3.2012	425,442,222	164,981,359	3,264,321	140,313,553	438,045	360,520,254	2,812,339	2,439,769	-	1,100,211,861

Note: On 31/03/2010 Company has revalued its Free Hold Land at ₹42,23,86,556/- as against its original cost of ₹1,14,93,123/- based on the Report issued by the Registered Valuer.

12 Non current investments[Non-Trade]

	Non-Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Investment in Equity Shares (Quoted)		
1(Previous Year 1) Equity Shares of Reliance Natural Resources Ltd, of ₹5/- each fully paid-up	3	3
50 (Previous Year 50) Equity Shares of Century Enka Ltd, of ₹10 each Fully paid-up	1,890	1,890
50 (Previous Year 50) Equity Shares of Gardern Silk Mills Ltd, of ₹10 each Fully paid-up	328	328
Investment in Government Security		
National Saving certificate	10,000	10,000
Total	12,221	12,221
Aggregate Value of Quoted Investment	2,221	2,221
Market Value of Quoted Investment	8,465	3,888
Aggregate Value of Government Security	10,000	10,000

13 Loans and Advances (Unsecured, Considered Good)

	Non-Current		Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Security Deposites	33,911,661	33,342,900	Nil	Nil
Advances recoverable in Cash or Kind	254,735	254,735	27,679,085	23,370,998
Advances for Capital Goods	4,935,004	5,267,136	Nil	Nil
Less: Provision for doubtful Advances	(2,445,207)	(2,445,207)	Nil	Nil
	2,489,797	2,821,929	Nil	Nil
Advances to Suppliers	2,954,927	2,948,539	3,396,295	2,187,453
Less: Provision for doubtful Advances	(2,771,710)	(2,771,710)	Nil	Nil
	2,673,014	2,998,758	3,396,295	2,187,453
Balance With Government Authorities	Nil	Nil	6,513,552	4,253,422
Loans to Employees	Nil	Nil	16,539	Nil
Prepaid Expense	Nil	Nil	3,135,137	2,668,824
Advance Tax & TDS	17,302,056	17,302,056	3,775,559	2,763,195
Less: Provision For Income Tax	(6,509,697)	(5,454,955)	Nil	Nil
	10,792,359	11,847,101	3,775,559	2,763,195
Total	47,631,769	48,443,494	44,516,167	35,243,892

14 Other non-current assets

	Non-Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Non Current Bank balance (Amount disclosed under Cash & Bank Balance in Note No.17)	4,310,478	9,467,816
Total	4,310,478	9,467,816

15 Inventories

	Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Raw materials	20,360,664	37,322,389
Stores & Spares	19,564,477	38,419,236
Power & Fuel	46,125	87,345
Packing Material	665,888	670,089
Work In Progress	25,611,190	29,423,961
Finished Goods	58,106,430	25,485,820
Total	124,354,776	131,408,840

16 Trade receivables

	Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Trade Receivables (Unsecured unless Otherwise Specified)		
Outstanding for a period exceeding Six Months from the date they are due for Payment		
Considered Good	Nil	96,090
Considered Doubtful	4,533,333	6,301,475
	Nil	96,090
Less:Provision for doubtful receivable	4,533,333	6,301,475
	Nil	96,090
Other Receivables		
Others - Considered Good	352,229,854	292,352,806
Others - Considered Doubtful	Nil	Nil
	352,229,854	292,352,806
Less : Provision for doubtful receivable	Nil	Nil
	352,229,854	292,352,806
Total	352,229,854	292,448,896

Note: Trade Receivables are secured to the extend of ₹15,83,692/- (Previous Year ₹36,07,000/-)

17 Cash & Bank Balance

	Non-Current		Current	
	As at 31/03/2012 ₹	As at 31/03/2011 ₹	As at 31/03/2012 ₹	As at 31/03/2011 ₹
Cash and cash equivalents				
Cash on hand	Nil	Nil	149,879	241,038
Balance With Banks	Nil	Nil	15,107,342	9,972,380
Total	Nil	Nil	15,257,221	10,213,418
The Current Account balance includes ₹334,555/- (P.Y. ₹560,946/-) towards unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the state purpose are done through such account.				
Other Bank balance				
Margin Money Deposits	4,310,478	9,467,816	9,687,762	767,771
Amount disclosed under Non Current Assets Note No.14	(4,310,478)	(9,467,816)	Nil	Nil
Total	Nil	Nil	24,944,983	10,981,189

18 Revenue from operation

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Sale of Product		
Finished Goods	3,411,631,689	3,014,867,846
Less : Excise Duty	204,446,703	199,900,543
	3,207,184,986	2,814,967,303
Other Operating Revenue		
Job Charges	869,703	13,538,296
Scrap Sales	8,950,198	6,621,415
Total	3,217,004,887	2,835,127,014
Details of products sold		
Finished Goods Sold		
Partially Oriented Polyester Filament Yarn (POY)	1073947820	865087612
Polyester Texturised Yarn	31737454	12429027
Draw Twisted Yarn	119652520	139077024
Fully Draw Yarn	890,034,759	1,125,835,490
Others	107,696,257	121,437,658
	2,223,068,810	2,263,866,811
Traded Goods Sold		
Cloth	1,173,132,606	724,844,659
Polyester Chips	15,430,273	26,156,376
	1,188,562,879	751,001,035
Total	3,411,631,689	3,014,867,846

19 Other Income

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Interest Income	4,291,361	2,797,441
Dividend Income on Non current investments	349	5,230
Miscellaneous Income	2,213,728	(96,497)
Insurance Claim Received	12,239,028	3,344,631
Miscellaneous Balance w/off	9,201,969	551,008
Total	27,946,436	6,601,814

20 Cost of Raw Material Consumed & Finished Goods Purchased

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Inventory at the beginning of the year	27,261,914	26,254,402
Add: Purchase	1,525,235,547	1,444,270,679
Less: Inventory at the end of the year	19,617,340	27,261,914
Cost of Raw Material Consumed	1,532,880,121	1,443,263,166
Details of Raw Material Consumed		
Polyester Chips	1,491,855,092	1,408,064,141
Other	41,025,029	35,199,025
	1,532,880,121	1,443,263,166
Details of Inventories		
Polyester Chips	10,403,002	22,158,411
Other	9,214,338	5,103,503
Total	19,617,340	27,261,914

Details fo Value of Imported & Indigenous Raw Material Consumed

Particulars	Raw Materials			
	%		Value (₹)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
I. Imported	2.10	1.86	32,250,358	26,906,198
II. Indigenous	97.90	98.14	1,500,629,763	1,416,356,968
	100	100	1,532,880,121	1,443,263,166

21 Purchase of stock in Trade

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Stock in Trade	1,075,090,510	696,612,843
	1,075,090,510	696,612,843
Details of Stock in Trade		
Cloth	1,060,857,395	675,590,711
Others	14,233,115	21,022,132
	1,075,090,510	696,612,843

22 Change In Inventories Of Finished Goods,Work In Progress

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Inventory at the beginning of the year		
Work-in-process	29,423,961	77,007,118
Finished Stock	25,485,820	29,758,568
	54,909,781	106,765,686
Inventory at the end of the year		
Work-in-process	25,611,190	29,423,961
Finished Stock	58,106,430	25,485,820
	83,717,621	54,909,781
Decretion / (Accretion) to Stock	(28,807,840)	51,855,905
Details of Inventory		
Finished Goods		
Partially Oriented Polyester Filament Yarn (POY)	27,505,967	8,862,387
Polyester Texturised Yarn	840,424	1,103,674
Draw Twisted Yarn	4,363,844	1,723,169
Fully Draw Yarn	25,396,196	13,796,590
	58,106,431	25,485,820

23 Employee Benefit Expense

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Salary, Wages & Bonus	38,339,678	32,763,415
Contribution to Provident Fund & Other Funds	1,893,455	1,041,645
Welfare Expenses	1,700,477	1,119,475
Total	41,933,610	34,924,535

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, 2012.

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

Particulars	2011-12 ₹	2010-11 ₹
Present Value of Funded Obligations	1,000,000	-
Fair value of plan assets	1,000,000	-
Present value of unfunded obligations	1,998,269	2,794,974
Unrecognized past service cost	NIL	-
Net liability/(Asset)	1,998,269	2,794,974
Amounts in the balance sheet:		
Liabilities	2,998,269	2,797,974
Assets	1,000,000	-
Net liability/(Asset)	1,998,269	2,797,974

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

Particulars	2011-12 ₹	2010-11 ₹
Current service cost	532,296	459,910
Interest on obligation	230,833	257,844
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year 2011-2012	(20,200)	(523,837)
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	742,928	193,917

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:

Particulars	2011-12 ₹	2010-11 ₹
Opening Defined Benefit Obligation on 1-4-2011	2,797,974	3,125,383
Service cost	532,296	459,910
Interest cost	230,833	257,844
Actuarial losses (gains)	(20,200)	(523,837)
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	(542,634)	(521,326)
Closing defined benefit obligation 31-3-2012	2,998,269	2,797,974

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:

Particulars	2011-12 ₹	2010-11 ₹
Opening fair value of plan assets as on 01-April -11	-	-
Expected return	-	-
Actuarial gains and (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	1,000,000	-
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	1,000,000	-

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

Particulars	2011-12 ₹	2010-11 ₹
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Policy of insurance	100%	-
Bank Balance	-	-

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

Particulars	2011-12 ₹	2010-11 ₹
Discount rate as on 31-03-2012	8.50%	8.25%
Expected return on plan assets at 31-03-2012	9.00%	0.00%
Proportion of employees opting for early retirement	-	-
Annual increase in Salary costs	6.00%	6.00%

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

Particulars	31/03/2012	31/03/2011	31/03/2010	31/03/2009	31/03/2008
Defined Benefit Obligation	2,998,269	2,797,974	3,125,383	3,422,784	2,921,508
Plan assets	1,000,000	-	-	472,160	1,162,086
Surplus / (deficit)	(1,998,269)	(2,797,974)	(3,125,383)	(2,950,624)	(1,759,422)
Experience adjustments on plan liabilities	66,340	(523,837)	(1,069,561)	-	-
Experience adjustments on plan assets	-	-	-	-	-

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2012. The Company is expected to contribute ₹15,00,000/- to gratuity funds for the year ended 31st March, 2013.

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	2011-12 ₹	2010-11 ₹
Present Value of Funded Obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	2,608,036	1,007,364
Unrecognized past service cost	-	-
Net liability	2,608,036	1,007,364
Amounts in the balance sheet:		
Liabilities	2,608,036	1,007,364
Assets	-	-
Net liability/(Asset)	2,608,036	1,007,364

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

Particulars	2011-12 ₹	2010-11 ₹
Current service cost	623,702	227,663
Interest on obligation	83,107	60,304
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year	1,159,884	439,284
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	1,866,693	727,251
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	2011-12 ₹	2010-11 ₹
Opening Defined Benefit Obligation	1,007,364	779,516
Service cost	623,702	227,663
Interest cost	83,107	60,304
Actuarial losses (gains)	1,159,884	439,284
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	(266,021)	(499,404)
Closing defined benefit obligation	2,608,036	1,007,363

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	2011-12 ₹	2010-11 ₹
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	2011-12 ₹	2010-11 ₹
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	2011-12 ₹	2010-11 ₹
Discount rate	8.50%	8.25%
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	31/03/2012	31/03/2011	31/03/2010	31/03/2009	31/03/2008
Defined Benefit Obligation	2,608,036	1,007,364	779,516	1,526,442	882,672
Plan assets	-	-	-	-	-
Surplus / (deficit)	(2,608,036)	(1,007,364)	(779,516)	(1,526,442)	(882,672)
Experience adjustments on plan liabilities	1,235,036	439,284	(1,141,851)	-	-
Experience adjustments on plan assets	-	-	-	-	-
Actuarial Loss/ (Gain) due to change in assumption	(75,152)	-	-	-	-
Actuarial Loss/ (Gain) due to participant experience	1,235,036	439,284	(1,141,851)	-	-
Actuarial Loss/ (Gain) on Liabilities	1,159,884	439,284	(1,141,851)	-	-
Net Actuarial Loss/ (Gain) for the year	1,159,884	439,284	(1,141,851)	-	-

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

Particulars	2011-12 ₹	2010-11 ₹
Net Opening Liability	1,007,364	779,516
P&L Change	1,866,693	727,251
Contribution Paid	-	-
Benefits Paid by the Company	(266,021)	(499,404)
Closing Net Liability	2,608,036	1,007,363

24 Finance Costs

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Interest to Bank	58,954,745	64,651,745
Other Interest	3,203,062	3,350,678
Bank Charges	29,512,670	23,227,753
Total	91,670,477	91,230,175

25 Depreciation And Amortisation Expense

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Depreciation of Tangible Assets	85,713,608	91,952,271
Total	85,713,608	91,952,271

26 Other Expense

	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
Stores & Spares consumed	52,752,777	28,280,748
Packing material consumed	56,998,858	69,150,702
Electricity & Fuel charges	211,187,336	242,106,160
Repairs To:		
Building	624,673	120,465
Machinery	3,277,739	4,101,599
Other	1,083,801	713,730
Total	4,986,213	4,935,794
Insurance Expense	3,746,174	2,802,725
Rent	95,910	93,600
Rates & Taxes	2,036,322	1,390,538
Stationery & Printing	489,618	453,979
Selling & Distribution Expenses	25,451,889	33,743,743
Advertisement Expense	654,202	Nil
Communication	440,303	386,925
Traveling & Conveyance Expense	2,866,831	2,397,312
Legal & Professional Expenses	2,604,459	3,312,459
Freight & Delivery charges	8,981,284	8,785,851
Increase/(decrease) of excise duty on inventory	4,005,224	(426,791)
Service Tax	6,958,226	484,811
Auditor'S Remuneration:		
Audit Fees	350,000	350,000
In other capacity	74,440	66,200
For Tax Audit	25,000	25,000
Total	449,440	441,200
Commission paid	3,337,335	1,455,436
Foreign Exchange Gain/ (Loss)	704,451	886,986
Donation	617,551	23,500
Loss on Sales of Fixed Assets (Net)	29,388	Nil
General Charges (including Factory Exps, Laboratory Expense, Office & Misc.Expenses Admn. Charges, Service and Custodial Charges etc.)	9,262,355	9,964,730
Total	398,656,146	410,670,408

Details of Value of Imported & Indigenous Stores, Components & Spare parts consumed

Particulars	Stores, Components & Spare parts			
	%		Value (₹)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
i. Imported	12.21	12.44	6,442,161	3,518,162
ii. Indigenous	87.79	87.56	46,310,616	24,762,587
	100.00	100.00	52,752,777	28,280,749

27 CONTINGENT LIABILITIES:

Particulars	2011-12 ₹	2010-11 ₹
a) Letters of Credit Outstanding	12,82,826	20,07,50,908
b) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of ₹ 10,10,457/-)	1,10,21,902	2,77,37,838
c) Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of ₹ 2,79,00,736/-)	21,77,78,989	21,09,05,497
d) The Gujarat value Added tax disputed demand in Appeal by company (Against which the Company has paid amount of ₹9,00,000/-)	14,69,152	14,69,152
e) Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles.	50,90,119	50,90,119
f) Service Tax demand disputed in appeal by the Company/Authority (Against which the Company has paid amount of ₹5,03,581)	36,39,072	37,15,034
g) Claims not acknowledged as debts by the company	1,12,500	1,12,500
h) Show Cause Notices received from various authorities	52,66,961	66,70,000
i) Bank Guarantee	3,02,427	Nil
j) Employees Demands pending before Labour Courts	Amount not ascertainable	Amount not ascertainable

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

Particulars	31-03-2012 ₹	31-03-2011 ₹
i) L/C Charges Expense	1,53,058	Nil
ii) Payment to Employees	Nil	40,257
iii) Other Bank Charges	559	Nil
iv) Cops Collection Charges	1,481	Nil
v) Repairs & Maintenance Expense	Nil	11,030
vi) Telephone Expense	Nil	(64,503)
vii) Legal & Professional Expense	Nil	(23,163)
viii) Traveling Expense	Nil	2,330
ix) Store & Spares Expense	Nil	17,958
x) Power Expense	Nil	(7,65,223)
Total . . .	1,55,098	(7,81,314)

- 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 and Polyester Chips. There is no reportable secondary segment as none of the conditions as laid down for determining the geographical segments are satisfied

Particulars	(Amount in ₹)					
	Yarns		Others		Total	
	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11
Revenues	2,028,442,008	2,084,125,979	1,188,562,879	751,001,035	3,217,004,887	2,835,127,014
Unallocable Revenue					23,654,725	3,799,142
Total Revenue					3,240,659,612	2,838,926,156
Segment Result	21,721,088	100,496,427	113,472,369	9,150,601	135,193,457	109,647,028
Interest and Finance Charges					91,670,477	91,230,175
Interest Income				4,291,361	2,797,441	
Income from Investments					349	5,230
Total Profit Before Tax					47,814,690	21,219,524
Taxes				547,000	Nil	
Net income after taxes					47,267,690	21,219,524
Assets	1,555,611,889	1,708,308,782	16,56,39,068	13,854,328	1,721,250,957	1,722,163,110
Unallocable Assets					24,944,983	10,981,189
Total Assets					1,746,195,940	1,733,144,298
Liabilities	1,257,805,340	1,296,620,730	5,253,114	653,772	1,263,058,454	1,297,274,502
Unallocable Corporate Liabilities					Nil	Nil
Total Liabilities				1,263,058,454	1,297,274,502	
Capital Expenditure	21,977,071	67,375,872	Nil	Nil	21,977,071	67,375,872
Depreciation	85,713,608	91,952,271	Nil	Nil	85,713,608	91,952,271
Non-cash expenses	Nil	Nil	Nil	Nil	Nil	Nil

30 Earning Per Share (Amount in ₹)

Particulars	31-03-2012	31-03-2011
Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	47,267,690	21,219,524
Nominal Value per Share	5	5
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	2,71,00,000	2,71,00,000
Basic and Diluted earning per share	1.74	0.78

31 Related Party Disclosures

a) Key Management Personnel

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

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

Sr. No.	Name
1	Chiripal Industries Ltd.
2	Deepak Enterprise
3	Nandan Exim Ltd.
4	Shanti Exports Pvt. Ltd.
5	Vishal Fabrics Pvt. Ltd.
6	Shanti Polytechnic Foundation

c) 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 Personnel	Relatives of Key Management	Total
1	Unsecured Loans				
	Taken during the year	NIL (NIL)	Nil (NIL)	NIL (NIL)	Nil (NIL)
	Balance as at Balance Sheet Date	NIL (NIL)	93,842,300 (111,442,300)	NIL (NIL)	93,842,300 (111,442,300)
2	Advances Recoverable in Cash or Kind				
	Given during the year	NIL (NIL)	NIL (40,430,264)	NIL (NIL)	NIL (40,430,264)
	Balance as at Balance Sheet Date	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Advances Received from Customers				
	Received during the year	NIL (NIL)	44,942,046 (77,560,478)	NIL (NIL)	44,942,046 (77,560,478)
	Balance as at Balance Sheet Date	NIL (NIL)	(91,358,122) (37,130,214)	NIL (NIL)	(91,358,122) (37,130,214)
4	Expenditure				
	Donation Expense	NIL (NIL)	600,000 (Nil)	NIL (NIL)	600,000 (Nil)
	Purchase of Goods, Packing Material and Stores	NIL (NIL)	113,907,641 (140,940,532)	NIL (NIL)	113,907,641 (140,940,532)
	Jobwork Charges	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Purchase of Fixed Asset	NIL (NIL)	23,422,781 (50,382,016)	NIL (NIL)	23,422,781 (50,382,016)
	5	Income Received			
Power & Fuel Income	NIL (NIL)	NIL (96,389,494)	NIL (NIL)	NIL (96,389,494)	
Jobwork Income	NIL (NIL)	852,309 (13,538,296)	NIL (NIL)	852,309 (13,538,296)	
Interest Income	NIL (NIL)	35,809 (81,994)	NIL (NIL)	35,809 (81,994)	
6	Stock in trade				
	Sold / Redeemed during the year	NIL (NIL)	17,382,619 (113,118,405)	NIL (NIL)	17,382,619 (113,118,405)
	Balance as at Balance Sheet Date	NIL (NIL)	3,808,172 (72,614,266)	NIL (NIL)	3,808,172 (72,614,266)
7	Other Transactions				
	Payment received on behalf of others	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Payment made on their behalf	NIL (NIL)	NIL (300,841)	NIL (NIL)	NIL (3,00,841)

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 ₹	
	(2011-12)	(2010-11)
1. Advance Recoverable in cash or Kind Given :-		
- Chiripal Industries Ltd.	Nil	40,430,264
2. Advance Received from Customer		
Advance Received:-		
- Chiripal Industries Ltd.	44,942,046	77,560,478

	Amount in ₹	
	(2011-12)	(2010-11)
3. Expenditure :-		
Purchase of Goods, Packing Material and Stores :-		
- Chiripal Industries Ltd	79,766,239	91,105,263
Donation :-		
- Shanti Polytechnic Foundation.	600,000	Nil
Purchase of Fix Asset :-		
- Chiripal Industries Ltd	23,422,781	50,382,016
4. Income Received :-		
Power & Fuel Income:		
- GSL Nova Petrochemicals Ltd.	Nil	96,389,494
Jobwork Income:		
- Chiripal Industries Ltd.	852,309	13,538,296
Interest Income:		
- Gupta Dying and Printing Mills Pvt. Ltd..	Nil	81,994
- Vishal Fabrics Pvt Ltd	35,809	Nil
5. Stock in trade :-		
Sold / Redeemed during the year		
- Chiripal Industries Ltd.	17,382,619	31,610,071
6. Other Transaction :-		
Payment made on behalf of Others		
- GSL Nova Petrochemicals Ltd.	Nil	301,000

32 Impairment of Asset

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

33 The amount of Exchange Difference

Debited to Profit and Loss Account ₹ 7,04,451/- (Previous Year debited to Profit & Loss Account ₹ 8,86,986/-)

34 Balance in Current Account with Scheduled Banks includes ₹ 3,34,555/- (Previous Year ₹ 560,946/-) in the unpaid dividend account with various banks.
35 C.I.F. Value of Imports includes:-
(Amount in ₹)

Sr.No.	Particulars	2011-12	2010-11
1	Raw Materials	37,897,206	22,667,141
2	Stores and Spares	8,090,152	8,692,601

36 Expenditure in Foreign Exchange

1	Traveling Other Expense	53,185	Nil
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37 Earning in Foreign Exchange :

1	FOB Value of Exports	Nil	Nil
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38 Balances of Debtors, Creditors, Advances etc. are subject to confirmation and reconciliation wherever required.
39 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.
40 Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year. Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the company. The Company has reclassified previous year figures to conform to this classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

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)

Sd/-
(J. T. Shah)
 Partner
 Membership No. 3983
 Place : Ahmedabad
 Date : 27.08.2012

For, CIL NOVA PETROCHEMICALS LIMITED
(Formerly Known as NOVA POLY YARN LIMITED)

Jyotiprasad D. Chiripal **Vedprakash D. Chiripal**
 Chairman Director

Romin N. Shah
 Company Secretary

CIL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA POLYYARN LIMITED)

Registered Office : Survey No. 396(P),395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210

E-MAIL REGISTRATION FORM

Dear Shareholder

Re : Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send documents like Notice of Annual General Meeting, Annual Report, Postal Ballot Notice etc. to their shareholders through electronic mode, to their registered e- mail addresses.

We invite you to take part in this opportunity to contribute to the Corporate Social Responsibility initiative of the Company. We therefore request you to register your email ID with your Depository Participant(s) or by sending this form duly filled in and signed to the Company's Registrar & Share Transfer Agent M/s Link Intime India Private Limited at Unit No. 303, 3rd floor Shoppers Plaza V, Opp Municipal Market, B/h Shoppers Plaza II, Off C.G Road, Ahmedabad-380009. or your concerned Depository Participant.

To
Link Intime India Private Limited/Depository Participant
Unit: CIL Nova Petrochemicals Limited
(Formerly Nova Polyarn Limited)
Unit No. 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, B/h. Shoppers Plaza II, Off C.G. Road,
Navrangpura, Ahmedabad - 380009

Dear Sir/Madam,

RE: Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my following e-mail id in your records for sending communication through e-mail -

E-mail ID to be registered

Name of Sole/Joint Holder(s)	Folio No./DP ID and Client ID	Signature

Date

Important Notes:

- 1) After registration, all the communication will be sent to your registered e-mail Id. However, you can anytime ask for physical copy of the document.
- 2) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.

CIL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA POLYARN LIMITED)

Registered Office : Survey No. 396(P),395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210

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 Eighth Annual General Meeting of the Company held on Saturday, 29th September,2012 at 3.00 p.m at Survey No. 396(P), 395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210.

SIGNATURE OF THE EQUITY SHAREHOLDER/PROXY :

NOTE: Equity Shareholders attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

.....TEAR HERE

CIL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA POLYARN LIMITED)

Registered Office : Survey No. 396(P),395/4(P), Moraiya Village, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad-382210

PROXY FORM

I/We ofbeing a member/ members of the CIL 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 Eighth Annual General Meeting to be held on 29th September,2012 and /or at any adjournment(s) thereof.

Signed day of 2012

Affix One
Rupee
Revenue
Stamp

Folio No. : DP Id : Client Id :

No. of Shares held.....

Notes :

1. The Proxy form must be deposited at the Registered Office of the Company at least 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.
2. All alterations made in the Proxy Form should be initialed.
3. In case of multiple proxies, proxy later in time shall be treated as valid and accepted.

TEAR HERE

BOOK-POST

To,

If undelivered please return to :

CIL NOVA PETROCHEMICALS LIMITED

(Formerly Known as NOVA POLYARN LIMITED)

Registered Office : Survey No. 396(P),395/4(P),
Moraiya Village, Sarkhej-Bavla Highway,
Tal. Sanand, Ahmedabad-382210

Ganapati, (079) 26568111