

**PROJECTS & DEVELOPMENT
INDIA LIMITED**

ANNUAL ACCOUNTS

2009-10

DOOGAR & ASSOCIATES

CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To the Members of Projects & Development India Limited

We have audited the attached Balance Sheet of **PROJECTS & DEVELOPMENT INDIA LIMITED** as at 31st March, 2010 and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. 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.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) Central Government has directed vide notification no G.S.R. 829(E), dated 21st October, 2003 that clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to a Government Company.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the financial statement, read together with the notes thereon, comply with the accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 as amended by Companies (Accounting Standards) Amendment Rules, 2008 referred by the Central Government exercise of the power conferred under sub-section (1)(a) of section 642 of the Companies Act, 1956 to the extent applicable and give a true and fair view in



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conformity with the accounting principles generally accepted in India:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- ii) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Doogar & Associates
Chartered Accountants
Firm Regn. No. – 000581N



Mukesh Goyal
Partner
M. No. 081810



Place: Noida (U.P.)

Dated: 9th June, 2010

ANNEXURE TO AUDITORS' REPORT
(Annexure referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a phased programme of physical verification of its fixed assets at least in cycle of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified certain fixed assets during the year in accordance with the programme. Discrepancies noticed on such verification as compared to book records were not material and have been properly adjusted in the books of accounts.
 - (c) The company has not disposed off substantial part of fixed assets during the year. However an amount of Rs. 51.24 Lakhs (WDV Rs. 0.87 Lakhs) [Previous year Rs. 61.18 Lakhs (WDV Rs. 3.26 Lakhs)] representing gross value of fully depreciated non-active fixed assets other than land and building as on 01.04.2009 has been withdrawn from the active assets for the disposal and estimated realizable/ nominal value shown against held for disposal. The fixed assets of Engineering and R&D Division at Sindri with a written down value of Rs. 158.54 Lakhs as at 31st March, 2010 (Refer note no.14 of Schedule no. 19 B) are held for disposal in terms of the revival scheme sanctioned by the BIFR. In our opinion, this does not affect the going concern status of the Company.
2. (a) According to the information and explanation given to us, the stock of finished goods, stores and spare parts and raw material have been physically verified by the management at all the locations during the year. In our opinion, the frequency of physical verification is reasonable.
 - (b) According to the information and explanation given to us, the procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
3. (a) The company has not granted / taken any loan, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4 (iii) (b) to (g) of the Order are not applicable.



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4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.

(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 register maintained under Section 301 of the Act and aggregating during the year to Rupees five lakhs or more in respect of one party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities during the year. There are no such dues outstanding for more than six months as on the date of balance sheet.

(b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of custom duty, service tax, wealth tax, and Cess that have not been deposited on account of any dispute except the following dues of income tax, sales tax and excise duty along with the forum where the dispute is pending :



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(Rs. in lacs)

Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Health / Education Cess	43.12	Not Available	Supreme Court
Sales Tax	416.11	1991-92 to 1998-99	Assistant Commissioner of Commercial Taxes, Dhanbad
	20.11	1994-95 to 1996 -97	Assistant Commissioner of Sales tax, Rourkela
Excise Duty	7.35	1993-1994	Assistant Collector of Central Excise Dhandad

10. There are no accumulated losses of the Company as at the end of the financial year. There is no cash loss during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company had no dues to any financial institution or bank or debenture holders.
12. According to the 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 Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. In our opinion and according to the information and explanation given to us, during the year the Company has not given any guarantee for the loans taken by others from bank or financial institutions.
16. As per the information and explanation given to us, the company has not obtained any term loan during the year.
17. According to the information and explanations given to us and as per the books and records examined by us, the company has not obtained any short term loan during the year.
18. The company has not made any preferential allotment of shares, during the year, to companies and parties and covered in the register maintained under Section 301 of the Companies Act, 1956.

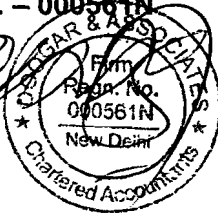


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19. According to the information and explanation given to us, the Company has not issued any secured debenture during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanation given to us, during the year, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Doogar & Associates
Chartered Accountants
Firm Regn. No. - 000561N


Mukesh Goyal
Partner
M. No. 081810



Place: Noida (U.P.)
Dated: 9th June, 2010

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
PROJECTS & DEVELOPMENT INDIA LIMITED FOR THE YEAR ENDED 31 MARCH
2010.**

The preparation of financial statements of Projects & Development India Ltd. for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 09 June 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Projects & Developments India Ltd. for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor General of India**



(Naina A. Kumar)

**Principal Director of Commercial Audit
& Ex-officio Member Audit Board-II,
New Delhi**

**Place: New Delhi
Dated: 27.07.2010**

PROJECTS & DEVELOPMENT INDIA LTD

BALANCE SHEET AS AT 31ST MARCH 2010

	SCHEDULE NO.	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
I. SOURCES OF FUNDS:			
1 SHAREHOLDERS' FUND:			
(a) Share Capital	"1"	172,985,000	172,985,000
(b) Reserves & Surplus	"2"	753,275,405	675,871,714
2 LOAN FUNDS:			
(a) Secured Loans		-	-
(b) Unsecured Loans		-	-
3 DEFERRED TAX LIABILITIES:			
(a) Deferred tax Liabilities		32,607,790	33,125,034
(b) Less: Deferred tax Assets		<u>28,846,607</u>	<u>28,641,431</u>
		3,761,183	4,483,603
TOTAL		<u><u>930,021,588</u></u>	<u><u>853,340,317</u></u>
II. APPLICATION OF FUNDS:			
1 FIXED ASSETS:			
(a) Gross Block	"3"	585,103,221	533,348,974
(b) Less: Depreciation		<u>384,961,690</u>	<u>371,995,318</u>
(c) Net Block		200,141,531	161,353,656
(d) Capital Work- In- Progress	"3A"	<u>12,569,925</u>	<u>14,241,444</u>
		<u>212,711,456</u>	<u>175,595,100</u>
2 INVESTMENTS	"4"	1	1
3 CURRENT ASSETS, LOANS & ADVANCES:			
(a) Inventories	"5"	24,230,493	28,822,432
(b) Sundry Debtors	"6"	183,392,585	148,073,082
(c) Other Assets	"6A"	66,961,631	32,701,129
(d) Cash & Bank Balances	"7"	646,093,510	704,389,262
(e) Loans & Advances	"8"	<u>198,504,099</u>	<u>148,813,104</u>
		1,119,182,318	1,062,799,009
LESS: CURRENT LIABILITIES AND PROVISIONS	"9"		
Current Liabilities		192,757,077	247,205,644
Provisions		<u>209,115,110</u>	<u>138,373,370</u>
		401,872,187	385,579,014
NET CURRENT ASSETS		717,310,131	677,219,995
4 Miscellaneous Expenditure (to the extent not written off or adjusted)	"10"	-	525,221
TOTAL		<u><u>930,021,588</u></u>	<u><u>853,340,317</u></u>
Accounting Policies & Notes to Accounts	"19"		

In term of our report of even date attached
For Doogar & Associates
Chartered Accountants
Firm Regn No. 000561N

Makesh Goyal
Partner
M.No.: 081810

Place: Noida
Date: 9th June, 2010



(Signature)
Dr. S.K. Das
Company Secretary



(Signature)
K.C. Katta
Director (Finance)

(Signature)
R.G. Rajan
Chairman & Managing Director

PROJECTS & DEVELOPMENT INDIA LTD
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	SCHEDULE NO	2009-2010 Rs.	2008-2009 Rs.
INCOME			
Services rendered	"11"	723,717,486	552,817,333
Sale of products	"12"	25,611,998	57,535,960
Gross Sales		749,329,484	610,353,293
Less: Excise Duty		1,951,955	4,231,980
Net Sales / Services		747,377,529	606,121,313
Other income	"13"	87,890,774	123,882,872
TOTAL		835,268,303	730,004,185
EXPENDITURE			
Accretion/(Decretion) to Stock	"14"	3,845,112	(667,357)
Materials consumed	"15"	8,195,409	22,830,515
Power, Fuel, Water & Electricity		22,246,488	22,049,223
Hiring of Services		64,014,538	47,392,354
Salaries, Wages & Other benefits to employees	"16"	403,385,838	331,862,079
Other expenses	"17"	96,384,278	86,081,437
Loss on disposal / discarding of fixed assets		96,152	-
Depreciation		23,718,222	24,311,240
TOTAL		621,886,037	533,859,491
Profit for the year.		213,382,266	196,144,694
Prior Period Adjustments (Net)	"18"	(1,272,625)	(8,645,433)
Net Profit before Tax		212,109,641	187,499,261
Less: Fringe Benefit Tax		-	2,061,390
Less: Provision for Income Tax		68,000,000	39,800,000
Less: Deferred Tax Liabilities/(Assets)		(722,420)	(2,526,758)
Net Profit after Tax		144,832,061	148,164,629
Profit available for appropriation		144,832,061	148,164,629
APPROPRIATIONS			
Dividend Proposed		38,056,700	34,597,000
Tax on Dividend Proposed including Education Cess		6,320,742	6,147,023
Transfer to General Reserve		14,483,206	11,112,347
Transfer from Reserve & Surplus		(23,050,928)	(68,172,106)
Gratuity to VRS/VSS employee		2,820,070	3,529,929
Past Liability of Medical Leave		20,230,858	-
Past liability of Gratuity		-	62,659,861
Past Period Depreciation		-	1,982,316
Surplus Carried Forward		85,971,413	96,308,259
Earning per share		837.25	856.52
--Basic & Diluted			

In term of our report of even date attached

For Doogar & Associates

Chartered Accountants

Firm Regn No.: 00056710

Mukesh Goyal

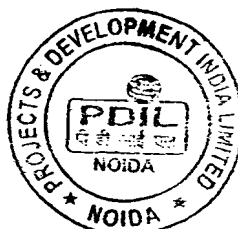
Partner

M.No.: 081810

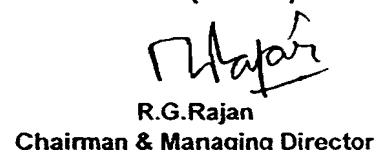
Place: Noida

Date: 9th June, 2010


Dr. S.K. Das
 Company Secretary




K.C. Katta
 Director (Finance)


R.G. Rajan
 Chairman & Managing Director

PROJECTS & DEVELOPMENT INDIA LIMITED

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

Particulars	Amount (Rs.)	Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax.		212,109,641
Adjustment for:-		
Add:-		
Depreciation.	23,718,222	
Misc. Expenses Written off	525,221	
Loss on disposal/discarding of fixed assets	96,152	24,339,595
		236,449,236
Less:-		
Interest Received	57,827,108	
Excess Provision Written back	2,461,092	
Profit on sale of Fixed Asset.	252,675	60,540,875
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		175,908,361
Add:-		
Liabilities & Provisions	17,739,736	
Decrease in Inventories.	4,591,939	22,331,675
Less:-		
Increase in trade & Other receivable:-		
Sundry Debtors.	35,319,503	
Other Assets.	34,260,502	
Loans & Advance/ Other current assets	99,789,618	
Decrease in Trade Payable	54,448,567	223,818,190
NET CASH FROM OPERATING ACTIVITIES (A)		(25,578,154)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add:-		
Interest received.	68,437,217	
Sale of Fixed Asset	483,762	
Decrease in CWIP	1,671,519	70,592,498
Less: Addition to Fixed Asset		(62,833,336)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		7,759,162
C. CASH FLOW FROM FINANCING ACTIVITIES		
Less:-		
Dividend Paid.	34,597,000	
Corporate Dividend Tax	5,879,760	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		40,476,760
NET CASH GENERATED(A+B+C)		(58,295,752)
Cash & Cash Equivalent in 1st April-2009		704,389,262
Decrease in cash & cash Equivalent		(58,295,752)
Cash & Cash Equivalent in 31 March.-2010		646,093,510

In term of our report of even date attached

For Doogar & Associates

Chartered Accountants

Firm Regn No.: 000561N

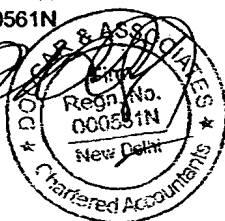
Mukesh Goyal
Mukesh Goyal

Partner

M.No.: 081810

Place: Noida

Date: 9th June, 2010



DA S.R. Das
DA S.R. Das
 Company Secretary



R.C. Katta
R.C. Katta
 Director (Finance)

R.G. Rajan
R.G. Rajan
 Chairman & Managing Director

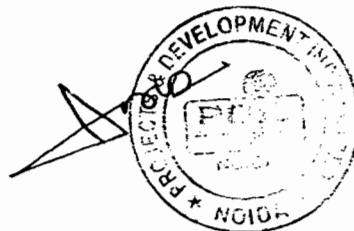
SCHEDULE '1' SHARE CAPITAL

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
AUTHORISED		
470000 Equity Shares of Rs.1,000/- each	470,000,000	470,000,000
130000 7% Non-Cumulative Redeemable Preference Shares of Rs.1000/- each	130,000,000	130,000,000
	<u>600,000,000</u>	<u>600,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
172985 Equity Shares [(Previous year 172985 Equity Shares(out of which 42485 shares were allotted as fully paid up for consideration other than cash)] of Rs.1000/- each.	172,985,000	172,985,000
TOTAL	<u>172,985,000</u>	<u>172,985,000</u>

SCHEDULE '2' : RESERVES & SURPLUS

	As at 1st April 2009 Rs.	Utilisation During the Year Rs.	Addition During the Year Rs.	As at 31st March 2010 Rs.
Capital Reserve	34,037,568 (34,037,568)	- (-)	- (-)	34,037,568 (34,037,568)
General Reserve	53,447,909 (45,865,491)	23,050,928 (3,529,929)	14,483,206 (11,112,347)	44,880,187 (53,447,909)
Profit & Loss A/c	588,386,237 (556,720,155)	- (64,642,177)	85,971,413 (96,308,259)	674,357,650 (588,386,237)
TOTAL	<u>675,871,714</u>	<u>23,050,928</u>	<u>100,454,619</u>	<u>753,275,405</u>

Note:- Figure in "()" represents previous year.



PROJECTS & DEVELOPMENT INDIA LIMITED

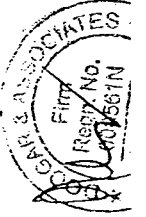
SCHEDULE '3' : FIXED ASSETS AS AT 31ST MARCH 2010

[In Rupees]

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	AS ON 01-04-2009	ADDITION DURING THE PERIOD	SALES/ TRANSFER IN/OUT	TOTAL AS ON 31-03-2010	AS ON 01-04-2009	PROVIDED DURING THE YEAR	SALES/ ADJUSTMENT	TRANSFER IN/OUT	TOTAL AS ON 31-03-2010	AS AT 31-03-2010	AS AT 31-03-2009	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
LAND AND LAND DEVELOPMENT												
a) FREE HOLD (VADODARA)	19,251,129				19,251,129						19,251,129	19,251,129
b) LEASE HOLD (NOIDA)	10,571,962				10,571,962	2,457,000	117,466			2,574,466	7,997,496	8,114,962
BUILDING	118,677,668	22,124,370	(91,161)	140,710,877	66,232,356	2,314,246	(91,159)			68,455,443	72,255,434	52,445,312
ROAD, BRIDGES & CULVERTS	2,783,784	604,321		3,388,105	1,447,027	36,308				1,483,335	1,904,770	1,336,757
PLANT & MACHINERY	204,606,374	6,060,202	(1,151,494)	209,515,082	185,243,213	2,248,236	(1,148,230)			186,343,219	23,171,863	19,363,161
OFFICE APPLIANCES	4,237,162	544,244	(551,337)	4,230,069	2,254,732	248,819	(549,177)			1,954,374	2,275,695	1,982,430
WATER SEWERAGE & DRAINAGE	5,384,743	742,694		6,127,437	3,944,299	31,750				3,976,049	2,151,388	1,440,444
MISC. EQUIPMENTS	116,619,515	15,425,878	(6,893,198)	125,152,195	86,698,178	9,029,800	(6,573,242)			89,154,736	35,997,459	29,921,337
INTANGIBLE ASSETS	29,914,317	5,436,489		35,350,806	12,599,577	8,250,902				20,850,479	14,500,327	17,314,740
FURNITURE, FIXTURES	17,709,951	11,859,661	(2,094,348)	27,475,264	9,903,808	1,161,943	(2,024,948)			9,040,803	18,434,461	7,806,143
TRANSPORT VEHICLES	2,369,247	35,477	(384,309)	2,020,415	1,215,128	278,752	(365,094)			1,128,786	891,629	1,154,119
ASSETS HELD FOR DISPOSAL	1,223,122	87,056	(298)	1,309,880							1,309,880	1,223,122
TOTAL	533,348,974	62,920,392	(11,166,145)	585,103,221	371,995,318	23,718,222	(10,751,850)			384,961,690	200,141,531	161,353,656
PREVIOUS YEAR	517,234,924	25,132,950	(9,018,900)	533,348,974	354,232,427	26,293,556	(8,530,665)			371,995,318	161,353,656	163,002,497

Notes:

- Includes equipments valued at a nominal value of Rs.64 @ 1/- per item (original value Rs.430.86 lakhs) acquired in the year 1996-97, out of Grant from the Govt. of India under UNDP programme for research purpose.
- The fixed assets includes Gross Block of Rs.38990516 E&C Division Sindri & Rs.55409516 R&D Division Sindri & Net Block Rs. 8100697 & Rs.7753061 respectively which are to be disposed off as per applicable procedure.
- Includes Capital Expenditure for water supply and other infrastructure and technology upgradation of catalyst division, Sindri valued at a nominal value of Rs 15 @ Rs 1/- per item (Original value of Rs.9762447/-) acquired up to 31.03.2006 & during the year computer equipment for technical/energy audit of fertilizer plant at a nominal value of Rs. 8/-, @ Rs 1/- per item (Original value Rs. 2976641) acquired out of fund/grant from the Govt. of India.
- Includes value at a nominal value of Rs. 2/-, @ Rs. 1/- per Assets (Original value of Rs. 41600/-) acquired in the year 2009-10 out of the grant received from Govt. of India for research Project for "Use of SPENT HT Shift Catalyst as raw material for preparation of Fresh HT Shift Catalyst".
- Lease hold Land of NOIDA is Amortized over period of Ninety years.

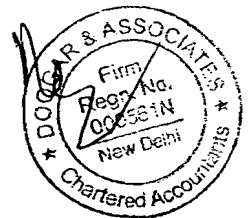
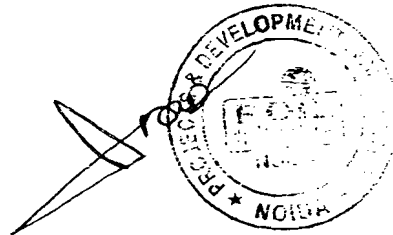


SCHEDULE '3A' : CAPITAL WORK- IN- PROGRESS

	As at 31st March 2010	As at 31st March 2009
Plant & Machinery	162,001	472,233
Office Building	1,700,841	11,187,961
Intangible Assets (ERP)	10,707,083	2,581,250
TOTAL	12,569,925	14,241,444

SCHEDULE '4' : INVESTMENTS

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
<u>Long Term:</u>		
Investment (Non-Trade, unquoted & Valued at cost)		
50000 Equity Shares of Rs. 10/- each in M/s.		
Rourkela Nitrate Ltd., Bhubneshwar	500,000	500,000
Less : Provision for dimunition in value	499,999	499,999
TOTAL	1	1



SCHEDULE "5" : INVENTORIES

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
Stocks (as per inventories taken valued & certified by Management)		
Stores, spares, chemicals, & packing materials	21,965,331	21,483,480
Raw materials	4,092,882	3,808,492
Finished goods	11,633,104	15,695,766
Semi-finished goods	4,239,148	2,837,018
Surplus from different Projects	1,888,452	1,888,699
Contract work-in-progress (at cost)	745,500	1,930,080
	44,564,417	47,643,535
Less: Provision for loss on Unserviceable stores, spare parts, raw materials and finished stock.	20,333,924	18,821,103
TOTAL	24,230,493	28,822,432



SCHEDULE "6" : SUNDRY DEBTORS

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
Debts outstanding over six months (unsecured)		
Considered good	52,269,321	46,892,668
Considered doubtful	8,803,514	11,481,479
	<u>61,072,835</u>	<u>58,374,147</u>
Other Debts (Unsecured)		
Considered good	131,123,264	101,180,414
	<u>192,196,099</u>	<u>159,554,561</u>
Less: Provision for doubtful debts	8,803,514	11,481,479
TOTAL	<u><u>183,392,585</u></u>	<u><u>148,073,082</u></u>

Debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or firms/Pvt.companies in which any Director is partner, Director or a member

Nil

Nil

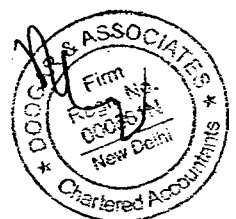
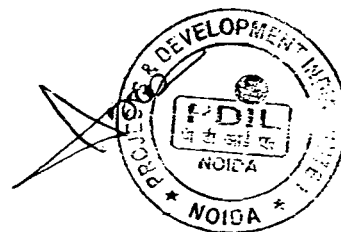
ii) Maximum amount due at any time during the year by any of such person/persons/Firm /Pvt.Companies.

Nil

Nil

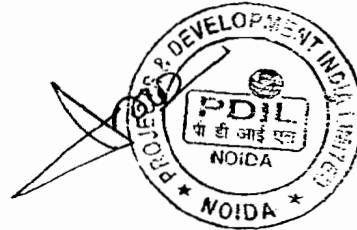
SCHEDULE "6(A)" : OTHER ASSETS

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
Over six months		
Considered good		
Income Accrued on Jobs	-	6,058,905
Service Tax Receivable	5,892,605	4,122,450
Considered doubtful		
Income Accrued on Jobs	-	-
Service Tax Receivable	-	-
	<u>5,892,605</u>	<u>10,181,355</u>
Other		
Considered good		
Income Accrued on Jobs	49,074,054	13,962,320
Service Tax Receivable	11,994,972	8,557,454
	<u>66,961,631</u>	<u>32,701,129</u>
Less : Provision for doubtful debts	-	-
TOTAL	<u><u>66,961,631</u></u>	<u><u>32,701,129</u></u>



SCHEDULE "7" : CASH & BANK BALANCES

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
Cash in hand	216,866	232,906
Balance with Scheduled Banks		
- in Current Accounts	22,842,371	54,750,891
- in FDRs	623,034,273	649,405,465
(Pledged against Bank Guarantees /OD Rs. 2364.34 Lakhs) (Previous year Rs.2297.22 lakhs)		
TOTAL	646,093,510	704,389,262



SCHEDULE "8" : LOANS & ADVANCES

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
LOANS		
Secured-considered good	-	-
Unsecured-considered good	72,173	113,115
	<u>72,173</u>	<u>113,115</u>
ADVANCES		
Recoverable in cash or kind or for value to be received (unsecured)		
Considered good	20,125,853	6,298,316
Considered doubtful	510,812	510,812
	<u>20,636,665</u>	<u>6,809,128</u>
Less: provision for doubtful advances	510,812	510,812
	<u>20,125,853</u>	<u>6,298,316</u>
Prepaid expenses	3,259,225	3,400,924
Deposit with customs, Port trust, Excise etc.	-	-
Considered good	1,065,738	397,811
Considered doubtful	-	-
	<u>4,324,963</u>	<u>3,798,735</u>
Less: provision	-	-
	<u>4,324,963</u>	<u>3,798,735</u>
Other deposits :		
Considered good	7,589,384	6,173,020
Considered doubtful	939,938	939,938
	<u>8,529,322</u>	<u>7,112,958</u>
Less: provision	939,938	939,938
	<u>7,589,384</u>	<u>6,173,020</u>
Other Current Assets		
Interest accrued but not due	32,574,057	43,184,166
TDS Certificate Received/to be recd.	133,204,059	89,245,752
Income Tax Paid	613,610	-
TOTAL	<u>198,504,099</u>	<u>148,813,104</u>

Due by the following either
severally or jointly with any person

(a) Directors

(b) Officers

Maximum amount due from :

(a) Directors

(b) Officers

Minimum amount due from :

(a) Directors

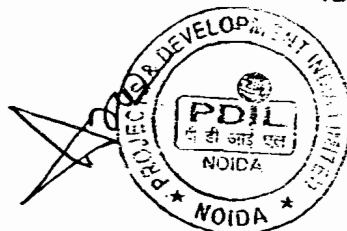
(b) Officers

113,115

151,805

72,173

113,115



SCHEDULE "9" : CURRENT LIABILITIES & PROVISIONS

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
A. CURRENT LIABILITIES		
Sundry Creditors:-		
Capital accounts	4,422,175	1,702,880
Supplies & expenses	28,551,887	26,246,400
Salaries & Wages	33,572,959	36,784,121
Pay Revision (New)	-	84,848,615
Trade deposits & advances against sale orders	27,234	717,223
Advances/adjustable receipts against contracts/jobs-in-progress	54,834,240	29,409,766
Security & earnest money deposits	15,732,513	7,805,047
GOI Grant	8,093,035	23,500,000
Other liabilities	47,523,034	36,191,592
	<u>192,757,077</u>	<u>247,205,644</u>
B. PROVISIONS :-		
Earned Leave	72,160,016	55,020,344
Medical Leave	21,098,184	-
Provision for Income Tax	71,479,468	42,876,266
Proposed Dividend {Including Dividend Distribution Tax Rs.6320742 (Pr. Yr. Rs. 5879760)}	44,377,442	40,476,760
	<u>209,115,110</u>	<u>138,373,370</u>
TOTAL	<u><u>401,872,187</u></u>	<u><u>385,579,014</u></u>

**SCHEDULE "10" : MISCELLANEOUS EXPENDITURE
(TO THE EXTENT NOT WRITTEN OFF / ADJUSTED)**

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
Deferred Revenue Expenditure	2,626,104	2,626,104
Less: to the extent written off/adjusted	2,626,104	2,100,883
TOTAL	<u><u>-</u></u>	<u><u>525,221</u></u>

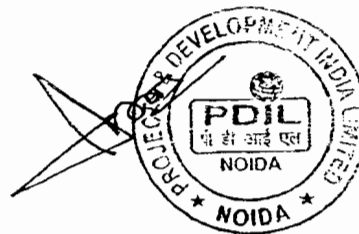


SCHEDULE "11" SERVICES RENDERED

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
Engineering Services	663,713,215	487,038,489
Inspection Services	60,004,271	65,778,844
TOTAL	<u>723,717,486</u>	<u>552,817,333</u>

SCHEDULE "12" : SALE OF PRODUCTS

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
Catalysts	23,951,247	56,256,805
Others	1,660,751	1,279,155
	<u>25,611,998</u>	<u>57,535,960</u>
Less:- Excise Duty	1,951,955	4,231,980
Net Sales	<u>23,660,043</u>	<u>53,303,980</u>

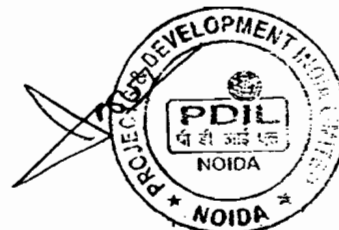


SCHEDULE "13" : OTHER INCOME

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
Rent	13,816,682	15,576,690
Interest on bank FDRs	57,827,108	71,133,932
Miscellaneous Income	13,453,907	12,472,528
Profit on sale of un-serviceable stores & discarded assets	252,675	1,027,416
Gain on Foreign Exchange rate fluctuation	79,310	2,276,998
Excess provision/credit balances/ liabilities etc.written back	2,461,092	21,395,308
TOTAL	<u>87,890,774</u>	<u>123,882,872</u>

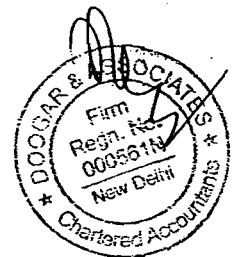
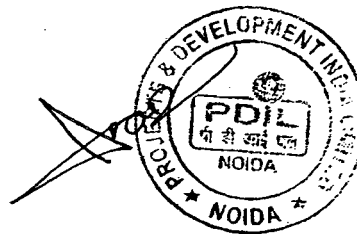
SCHEDULE "14" : ACCRETION/(DECRETION) TO STOCK

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
CLOSING STOCK		
Finished goods	11,633,104	15,695,766
Semi-finished goods	4,239,148	2,837,018
Contract work-in-progress	745,500	1,930,080
	<u>16,617,752</u>	<u>20,462,864</u>
OPENING STOCK		
Finished goods	15,695,766	16,960,286
Semi-finished goods	2,837,018	1,988,141
Contract works-in-progress/	1,930,080	847,080
	<u>20,462,864</u>	<u>19,795,507</u>
Accretion /(Decretion) to stock	<u>3,845,112</u>	<u>(667,357)</u>



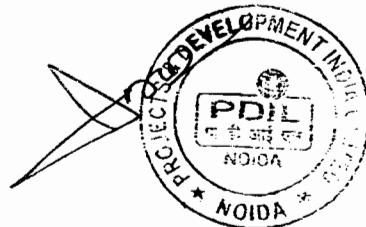
SCHEDULE "15" : MATERIALS CONSUMED

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
RAW MATERIALS		
Opening Stock	3,808,492	4,850,773
Opening Stock Adjustment	-	-
Purchases	6,592,975	19,747,287
	<u>10,401,467</u>	<u>24,598,060</u>
Less: Closing stock	4,092,882	3,808,492
Raw Material Consumed	<u>6,308,585</u>	<u>20,789,568</u>
PACKING MATERIALS		
Opening Stock	178,713	129,031
Opening Stock Adjustment	-	-
Purchases	838,498	1,138,468
	<u>1,017,211</u>	<u>1,267,499</u>
Less: Closing stock	293,030	178,713
Packing Material Consumed	<u>724,181</u>	<u>1,088,786</u>
STORES, CHEMICALS & SPARE PARTS		
Opening Stock	21,304,767	21,532,230
Opening Stock Adjustment	-	-
Purchases/Transfers	4,202,285	5,170,145
	<u>25,507,052</u>	<u>26,702,375</u>
Less: Closing stock	21,672,301	21,304,767
Stores, Chemicals & Spare Parts Consumed	<u>3,834,751</u>	<u>5,397,608</u>
GROSS CONSUMPTION	10,867,517	27,275,962
Less: Transfer to other accounts	-	-
Raw Material	-	-
Power & fuel	1,850,628	3,915,040
Capital a/c, stores & spares	821,480	530,407
	<u>2,672,108</u>	<u>4,445,447</u>
NET CONSUMPTION	<u>8,195,409</u>	<u>22,830,515</u>



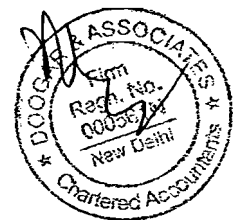
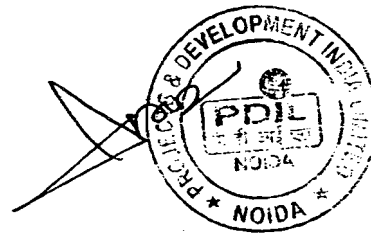
**SCHEDULE 16 - SALARIES, WAGES &
OTHER BENEFITS TO EMPLOYEES**

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
Salaries, Wages & Other Benefits	267,861,214	237,733,644
Contribution to Provident Fund	24,270,365	18,771,660
Earned Leave	26,541,530	24,886,377
Medical Leave	867,326	
Gratuity	12,507,978	4,966,716
Workmen & Staff Welfare Expenses	70,800,241	45,067,954
Township Expenses	537,184	435,728
Payment to VRS/VSS employees		
Gratuity	2,817,235	3,146,836
Other Payment	<u>2,835</u>	<u>383,093</u>
	<u>406,205,908</u>	<u>335,392,008</u>
Less : Utilization of General Reserve	2,820,070	3,529,929
TOTAL	<u><u>403,385,838</u></u>	<u><u>331,862,079</u></u>



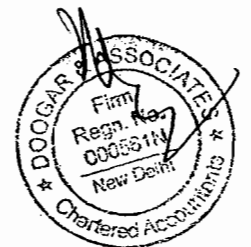
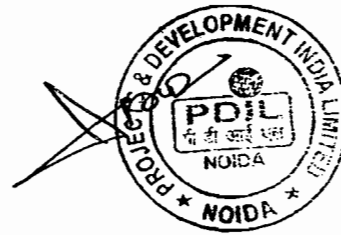
SCHEDULE "17" - OTHER EXPENSES

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
Freight & Handling	173,725	32,159
Rent	6,755,798	6,013,929
Rates & Taxes	882,381	1,049,423
Excise Duty	(108,555)	(934,802)
Repairs to		
Machinery	7,281,754	2,269,467
Building	2,873,809	896,783
Others	8,257,801	10,984,306
Insurance	274,169	228,254
Advertisement	3,494,536	1,315,807
Postage & Telegram	2,153,900	799,222
Printing, Stationery & Drawing Office Expenses	6,132,549	4,521,046
Bank Charges	893,323	1,887,558
Entertainment Expenses	287,671	160,211
Hire Charges of Vehicles, Computer & Other Equipment	3,677,781	4,469,124
Software Expenses (Computer)	7,966,813	4,029,183
Legal & Professional Expenses	293,645	412,535
Travelling & Conveyance	14,551,238	16,512,385
Security Expenses	2,941,785	2,600,358
CSR Expenses	441,000	440,000
Telephone, Teleprinter & Telex Charges	5,716,063	5,433,964
Living Expenses	1,026,684	464,135
Books, Periodicals & Journals	382,882	245,548
Conference, Seminar & Training Exp	910,133	1,508,289
Running Expenses of Vehicles & Other Equipments	676,717	664,877
Provision for Doubtful Debts & Adv.	1,365,667	6,490,461
Provision / Loss on Shortage of Store, Spares, Raw Materials, Finished Stock, Sales	2,065,034	3,324,417
Audit Fees & Expenses	400,000	400,000
Internal Audit Fees & Expenses	517,935	437,079
Directors' Travelling Expenses	958,582	1,021,264
Miscellaneous Expenses	8,397,471	5,909,127
Sanitation Charges	1,544,465	1,323,889
Bad Debts Written-off	21,600	339,759
Less : Provision adjusted	21,600	339,759
Business Development Expenses	546,645	228,251
Misc. Expenditure Written Off	525,221	525,221
Exchange Fluctuation Loss	2,104,056	78,208
TOTAL	96,384,278	86,081,437



SCHEDULE "18"- PRIOR PERIOD ADJUSTMENTS

	For the Year ended 31st March 2010 Rs.	For the Year ended 31st March 2009 Rs.
EXPENDITURE		
Miscellaneous Expenses	236,624	82,879
Salaries and Wages	107,643	10,536
Rent, Rates & Taxes	-	107,447
Contract Expenses	-	180,099
Material Consumed	33,966	834,897
Services rendered	-	926,611
TOTAL	378,233	2,142,469
INCOME		
Services Rendered	(4,731,652)	(11,242,274)
Less: Provision	3,837,260	4,325,776
	(894,392)	(6,916,498)
Salaries & Wages	-	(24,896)
Contract Expenses	-	366,825
Provision for doubtful debts & advances written back	-	71,605
TOTAL	(894,392)	(6,502,964)
Net Income / (Expenditure)	(1,272,625)	(8,645,433)



SCHEDULE-19

A. SIGNIFICANT ACCOUNTING POLICIES

I. General

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles, applicable Accounting Standards and as per the provisions of the Companies Act, 1956.

II. Profit & Loss Account

1. Income from Contracts is recognized as under:

1.1 Contracts completed and handed over:

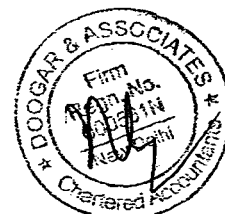
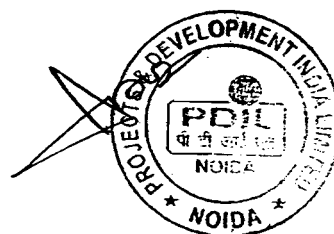
Full value of contract and additional services, if any, rendered, after providing for all known / guaranteed liabilities, wherever required and reduced by income taken upto previous accounting year.

1.2 Contracts in progress:

1.2.1 Executed by Company:

A. Design Engineering with /without Construction Supervision

Lower of Income accrued, calculated on the basis of percentage completion as per technical assessment of physical progress and estimated cost upto that date, as also taking into account estimated future liabilities accruing out of the contract including contingencies, warranties, etc. in terms of man-hour / man month consumed / required duly certified by Project-in-charge except in cases where progress is less than 15%, which is taken at cost as contract work-in-progress. Income from construction supervision is calculated on accrual basis.



B. Turnkey Projects

Calculated on the basis of proportionate margin on the contract based on cost / payments upto balance sheet date, after taking into account estimated amount of future liabilities as per technical assessment arising out of the contract including contingencies, warranties, etc. except in cases where progress is less than 25%, which is taken at cost as contract work-in-progress.

1.2.2 Executed by Sub-contractors:

Income accrued is calculated on the progress of the job achieved by the sub-contractors and accepted by the owner / contractor after considering estimated amount of liabilities arising out of the contract, including contingencies, warranties, etc.

2. Sale of products and services

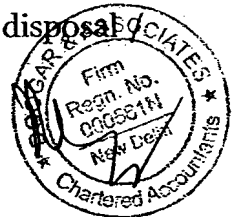
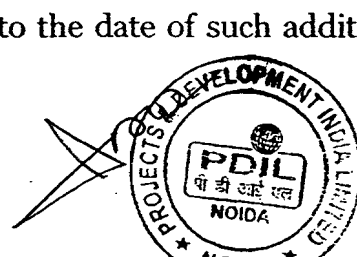
- 2.1 Revenue is recognized on accrual basis.
- 2.2 Sale of Product is net of excise duty.
- 2.3 Interest on FDR on accrual basis.

3. Provisions/ Liabilities

Liabilities / provisions made in previous years but remaining unclaimed over five years are written back on merit basis.

4. Depreciation/Amortization

- 4.1 Depreciation on fixed assets is charged on Straight Line Method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by a committee or the minimum rate specified in Schedule XIV to the Companies Act, 1956 whichever is higher.
- 4.2 Depreciation on assets capitalized / disposed off / discarded during the year is charged proportionate to the date of such addition / disposal



discarding. No depreciation is provided on assets held for disposal/retired from active use.

4.3 Intangible assets (Software Applications) are amortized over their useful life on straight line method. Useful life of three years without AMC and five years with AMC of software applications is taken as per the I.T.Policy of the Company.

4.4 Premium on Lease hold land is amortized over the period of lease.

4.5 Each Asset costing Rs. 5000/- or less are fully depreciated in the year of purchase / acquisition.

5. Pre paid Expenses

Prepaid expenditure incurred upto Rs. 5000/- in each case is charged to the current year's revenue account.

6. Prior Period Income / Expenditure

Income and Expenditure pertaining to earlier period upto Rs. 20,000/- in each case is included in the current year's account.

7. Deferred Revenue Expenditure

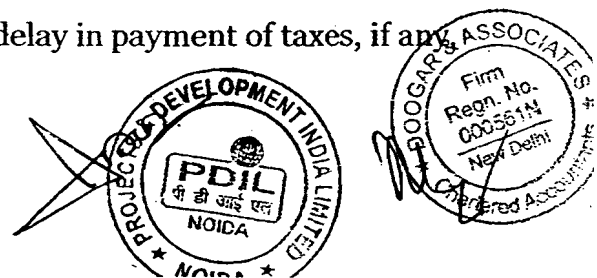
These are amortized and charged to expenses over a period of five years.

8. Income / Expenditure accounted for on cash basis

8.1 Claims (inclusive of liquidated damages) against contracts and other claims are accounted for on receipt/acceptance.

8.2 Sale of Scrap, etc.

8.3 Interest on overdue debtors / creditors delay in payment of taxes, if any.



9. Foreign currency Transactions

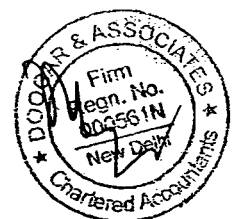
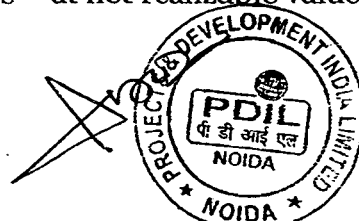
Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Current assets and Current Liabilities are translated at the exchange rates prevailing at the year end and the differences, if any, are recognized in the Profit and Loss Account.

10. Investments

Long Term investments are stated at cost and provision is made for any diminution in such value, which is not temporary in nature.

III. Valuation of Inventories

1. Raw Materials – at lower of cost or net realizable value. Cost is determined on weighted average basis.
2. Stores & Spares – at cost, on weighted average basis. Item of stores and spares which are slow / non-moving are valued at lower of cost or net realizable value based on technical assessment / estimated realizable value.
3. Contract work-in-progress – at cost.
4. Semi finished goods – at lower of cost or net realizable value. Cost is determined on weighted average basis and includes cost of material and proportionate conversion costs.
5. Finished Goods:–
 - 5.1 Catalyst – at lower of the cost or net realizable value.
 - 5.2 Workshop against specific orders – at net realizable value.



IV. Fixed Assets

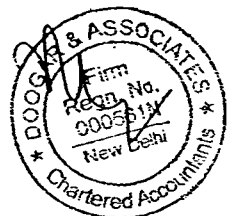
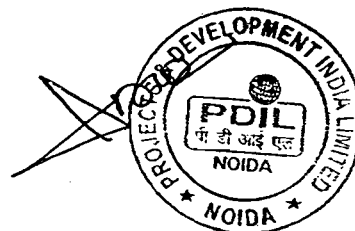
1. Fixed Assets purchased / constructed by the company are stated at historical cost less accumulated depreciation.
2. Fixed Assets transferred by FCI Ltd., on bifurcation have been stated at net transfer price less accumulated depreciation.
3. Additional depreciation on non active fixed assets is provided due to erosion in the value of the fixed assets based on technical / financial evaluation by the company leaving a residual value of Rs.1/- for each asset in the books instead of 5% of the original cost as the case may be.
4. Fixed Assets acquired out of Govt. funds/grants are stated net of grants at a nominal value of Rs. 1/- per asset.
5. Capital work-in-progress – at cost.

V. Excise Duty

Excise Duty on manufacturing goods is accounted for in the books on accrual basis but paid on actual clearance of goods.

VI. Government Grants

1. Grant received on account of voluntary retirement separation scheme for employees are deducted from the related expenditure.
2. Grant received on revenue account are included in other income to the extent of utilization.



VII. Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue.

VIII. Employees Benefit

(a) Company's contribution under Provident Fund / Employees Families Pension Scheme is accounted for on accrual basis.

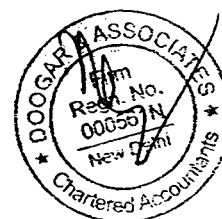
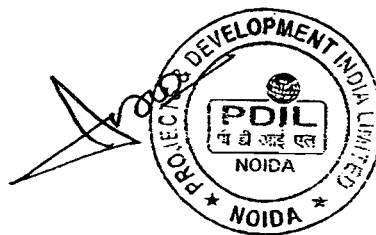
(b) The annual premium towards gratuity liability for the year as actuarially valued by LIC, the insurer of company's group gratuity scheme are charged to the profit and loss account on accrual basis.

(c) Earned Leave and Medical Leave benefits are provided in the accounts on the basis of actuarial valuation.

IX Taxation

Provision for current Income Tax is made in accordance with the Income tax Act 1961.

Deferred Tax resulting from "timing difference" between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax assets are recognized and carried forward to the extent that there is a certainty that the assets will be adjusted in future.



X Provisions & Contingent Liabilities

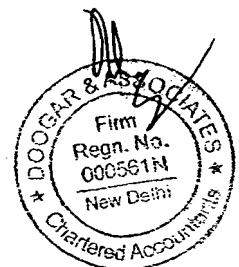
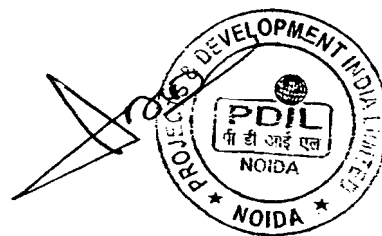
A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. A contingent liability is recognized for:

(a) A present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made.

(b) A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

XI Earning Per Share

Basic earnings per share are calculated by dividing the net for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

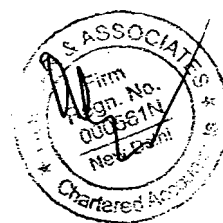
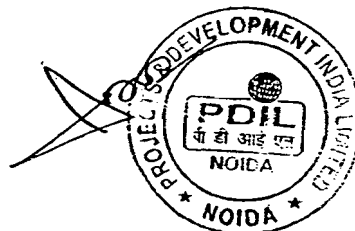


SCHEDULE-19

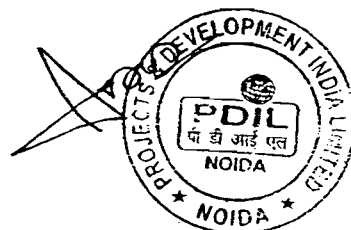
B. NOTES TO ACCOUNTS:

1. Contingent liabilities not provided for

		[Rupees in lakhs]	
		<u>As at</u>	<u>As at</u>
		<u>31.03.2010</u>	<u>31.03.2009</u>
1.1	a) Claims against the company not acknowledged as debt.	142.33	236.14
	b) Guarantees given by the banks on behalf of the company.	1630.61	1156.87
	c) HDFC Guarantee	0.50	3.18
	d) Legal/Labour cases pending / disputed	Amount not ascertainable.	
1.2	Estimated value of contracts remaining to be executed on capital account and not provided for aggregates to Rs. 478.01 lakhs (Net of advances) [previous year Rs. 195.81 lakhs]		
1.3	Penal interest payable on delayed payments of Income Tax deducted at source, Sales Tax, Service Tax and other statutory dues, cannot be quantified, provision if required, will be made in the year when assessed/demanded by relevant authority.		
1.4	Assessment of Sales Tax has been completed up to 2005-06. However the Sales Tax Authorities had raised demands for the year 1991-92 to 1998-99 of Rs.416.11 lakhs (previous year Rs. 416.11 lakhs) towards additional CST and BST at Sindri Division, without considering the taxes deposited and for alleged non-submission of C/IX forms in some of the years. The Company has filed appeals against the said orders and also obtained a stay against the demands. The Management is hopeful of succeeding in the appeals. However, pending disposal of the appeals by Sales Tax authorities, a provision of Rs. 27.70 lakhs (previous year Rs. 27.70 lakhs) towards missing Sales Tax forms has been made.		



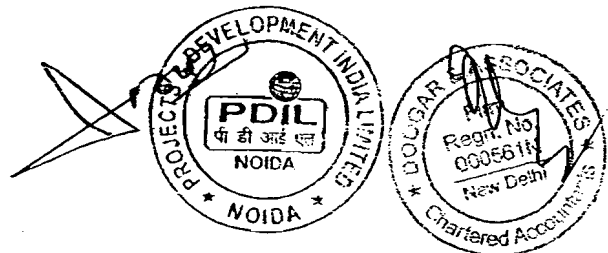
2. Buildings located at Sindri and Durgapur is on lands registered in the names of Fertilizer Corporation of India Ltd., and Hindustan Fertilizer Corporation Ltd., respectively. Formal execution of lease-deeds thereof are pending.
- 2.1 Part of buildings/flats, i.e. (758 quarters on 51 acre land and office building on 5 acre land) gross value Rs.176.47 Lakhs and book value Rs.48.48 Lakhs included in the fixed assets, located at Sindri on the land registered in the name of Fertilizer Corporation of India, but belonging to PDIL have been handed over to Central Police Forces (Ministry of Home Affairs) as per the MOU dated 5th February, 2004 executed between Ministry of Home Affairs and Department of Fertilizers are continued to be shown as company assets and no depreciation is charged on them. Formal agreement for transfer of assets / lease deed/ transfer value is pending.
3. The sum of balances appearing under Sundry Debtors, Sundry Creditors, Loans & Advances, Security Deposit and other liabilities are subject to confirmation / reconciliation.
4. Inventories include non-moving / slow moving stocks of stores and spares, finished goods and raw materials aggregating to Rs. 327.00 lakhs (Previous year Rs. 301.80 lakhs). Provision for estimated loss aggregating to Rs. 203.34 lakhs (previous year Rs. 188.21 lakhs) has been made in the accounts based on technical assessment / estimated realizable value.
5. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standards (AS)-29 "Provisions, Contingent Liabilities & Contingent Assets".
6. Bank Balance in current accounts excludes Rs. 117.39 lakhs (previous year Rs. 117.39 lakhs) held in trust ESCROW account as per terms of various ongoing contracts with Indian Oil Corporation.



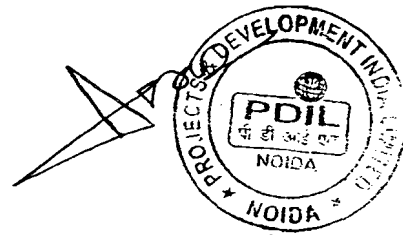
7. Information pursuant to AS-7: accounting for Construction contracts in respect of contracts for Design Engineering and Construction Supervision:

[Rupees in lakhs]

	As at 31.03.2010	As at 31.03.2009
A. Contract revenue recognized as revenue in the period.	3421.89	2201.10
B. In respect of contracts in progress:		
i) Contract costs incurred and recognized profits (less recognized losses) upto 31.3.2010.	4971.83	3976.49
ii) Advances received	Nil	Nil
iii) Retentions	Nil	Nil
iv) Gross amount due from customers	490.74	107.27
v) Gross amount due to customers	385.66	178.57
C. The method to determine the contract revenue recognition in the period & stage of completion of contracts in progress as per Para (1) of clause II of Significant of Accounting Policies (Schedule-19 A).		
8. The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under MICRO, Small and Medium Enterprises Development Act 2006) claiming their status as MICRO, Small and Medium Enterprises, consequently there are no such entities to whom the company owes dues which are outstanding for more than 45 days as on 31 st March 2010.		



9. In accordance with Accounting Standard (AS)-28 on "Impairment of Assets" notified under the Companies (Accounting Standards) Rules, 2006, the carrying amount of fixed assets have been reviewed at year end for indication of impairment loss, if any. As there is no indication of impairment, no loss has been recognized during the year.
10. The Government of India, Ministry of Chemicals & Fertilizers vide letters No.90/2/2008/HR-I dated 2nd March, 2009 and 80/1/2009-HR-I dated 30th April, 2009 has approved the Revision of Pay Scales of Board level and below Board level Executives and non-unionised supervisors w.e.f. 1.1.2007. The impact of pay revision during the current financial year is Rs 778.94 lakhs on implementation of full package (previous year Rs. 495.35 lakhs as part package).
- 10.1 As per requirement of Accounting Standard (AS)-15 (Revised) notified under the Companies (Accounting Standards) Rules, 2006, Medical Leave (ML) liability has been provided in the accounts on the basis of Actuarial Valuation. The past liabilities of Rs. 2.02 crore upto 31st March 2009, based on Actuarial Valuation, has been adjusted against Reserve & Surplus in accordance with Accounting Standard (AS)-15. The current year liability of Rs. 8.67 Lakhs has been charged to the current year accounts.



Employee Benefits

As per AS-15 'Employee Benefits' the disclosure of Employee Benefit as defined in Accounting Standard are given below.

a) Defined Contribution Plan

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

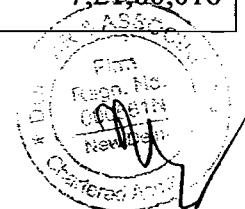
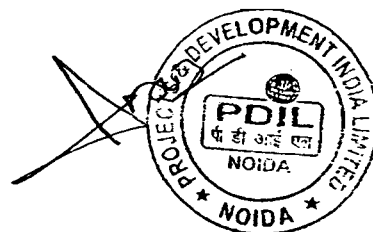
Description	31.03.2010 (Rs.)
Employer's contribution to Provident Fund	2,14,97,026
Employer's contribution to Pension Scheme	27,73,339
Employer's contribution to Superannuation	-

b) Defined Benefit Plan

The employees' gratuity fund scheme is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

1. Reconciliation of opening and closing balances of Defined Benefit Obligation (DBO)

Particulars	Gratuity (Funded) (Rs.)	Earned Leave (Unfunded) (Rs.)
Defined Benefit Obligation at the beginning of the year	14,02,73,183	5,50,20,344
Interest Cost	1,24,52,736	44,01,628
Current Service Cost	39,85,722	38,60,958
Benefits Paid	(1,80,86,594)	(94,01,858)
Actuarial (gain)/loss	81,33,888	-
Settlement cost	-	-
DBP at the end of the year	14,67,58,935	7,21,60,016



2. Reconciliation of opening and closing balances of Fair Value of Plan Assets

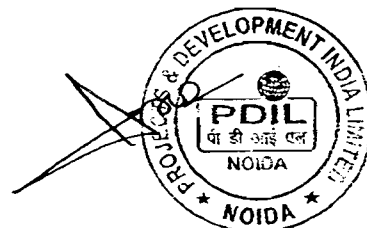
Particulars	Gratuity (Funded) (Rs.)
Fair value of plan assets as at the beginning of the year	12,70,73,957
Expected Return	1,20,64,368
Actuarial (gain)/loss	-
Contribution by Employer	3,76,53,794
Benefits Paid	(1,80,86,594)
Settlement cost	-
Fair value of plan assets as at the end of the year	15,87,05,525
Actual return on plan assets	1,20,64,368

3. Reconciliation of amount recognized in Balance Sheet

Particulars	Gratuity (Funded) (Rs.)	Earned Leave (Unfunded) (Rs.)
Fair Value of Plan Assets		-
Present value of obligation	Nil	7,21,60,016
Net asset/(liability) recognized in the Balance Sheet	Nil	(7,21,60,016)

4. Expense Recognized during the period in Profit & Loss A/c.

Particulars	Gratuity (Funded) (Rs.)	Earned Leave (Unfunded) (Rs.)
Interest Cost	1,24,52,736	44,01,628
Current Service Cost	39,85,722	38,60,958
Expected return on plan assets	(1,20,64,368)	-
Net Actuarial (gain)/ loss recognized during the period	81,33,888	1,82,78,944
Expenses recognized in the statement of Profit & Loss	1,25,07,978	2,65,41,530



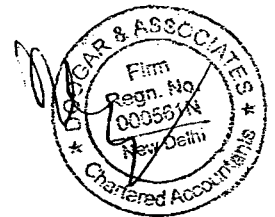
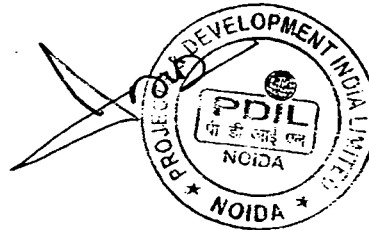
5. Actual Return on Plan Assets

Particulars	Gratuity (Funded) (Rs.)
Expected Return on Plan Assets	(1,20,64,368)
Actuarial (gain)/ loss	81,33,888
Actual return on plan assets	(1,20,64,368)

6. Principal Actuarial Assumptions

Particulars	Gratuity (Funded)	Earned Leave (Unfunded)
Mortality Table (LIC)	1994-96	1994-96
Discount rate	8.00 %	8.00 %
Future Salary Increase	5.50%	5.50 %
Expected rate of return on plan assets		-
Retirement Age	60 years	60 years
Withdrawal Rates		
Upto 30 years	3.00 %	3.00 %
Upto 44 years	2.00 %	2.00 %
Above 44 years	1.00 %	1.00 %

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.



11. Related Party Disclosures:-

Company is under administrative control of Ministry of Chemicals & Fertilizers, Government of India and within the meaning of state controlled enterprises of para 9 of Accounting Standards (AS)-18.

A. List of Related Parties & Relationships

a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries). None

b) Associates and joint ventures None

c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. None

d) Key Management Personnel and their relatives

(i) Shri R.G. Rajan, Chairman & Managing Director

(ii) Shri K.C. Katta, Director (Finance)

e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

(I) Shri K.C.Katta as Director (Finance) of M/s Hindustan Fertilizer Corporation Limited

(Rs. in Lakhs)

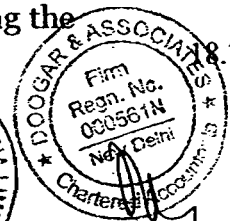
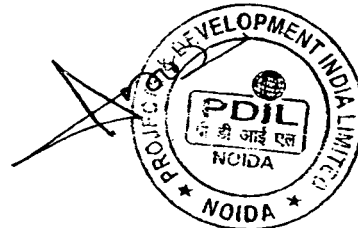
B The following transactions were carried out / outstanding with related parties in the ordinary course of business

1 With parties referred to in (a), (b) and (c) above. NIL

2 With parties referred to in (d) above.

(i) Salaries, Perquisites and other allowances paid during the year to Sh. R.G. Rajan* 21.79

(ii) Salaries, Perquisites and other allowances paid during the year to Sh. K.C. Katta* 8.75



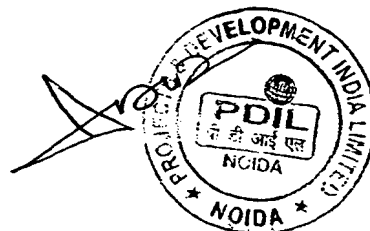
3 With parties referred to in (e) above.

(i) Engineering Services rendered & Others

44.38

(*) Excluding contributions to the Gratuity Fund / provision for encashable leave since the same are on actuarial valuation. In addition, full time Directors are also allowed to use the Company's Car for Private purpose upto 12000 Kms. per annum on payment of Rs. 520/- and Rs. 780/- per month for non air-conditioned and air conditioned Car respectively.

12. The company is engaged in engineering & consultancy services and manufacturing in Catalyst which are separate business Segment as per Accounting Standards (AS)-17 "Segment Reporting". The Revenue of Catalyst segment is lower than 10% of the total Revenue, as such no separate segment reporting is required.
13. As per the Revival package of the company approved by the Govt. of india vide letter No. 19027/2/99-FCA-II dated 7th May, 2003, the GOI has extended non- plan funds of Rs. 136.51 crores towards implementation of the sanctioned Revival Scheme. The unutilized funds of Rs. 3.95 crores (previous year Rs. 4.23 crores) have been kept in General Reserve for utilization in future. Further unutilized funds of Rs 3.40 crores (Previous Year Rs 3.40 crores) received for water supply and other infrastructure and technology up gradation of Catalyst plant, has been kept in Capital Reserve for utilization in future.
14. The fixed assets of R&D and E&C Divisions of Sindri, having depreciated value of Rs.77.53 lakhs and Rs. 81.01 lakhs respectively [after transfer of township of PDIL to Catalyst Division at a depreciated value Rs. 4.81 lakhs as at 31.3.2006 (Rs. 77.53 lakhs and Rs.119.58 lakhs as at 31.3.2006)] are to be disposed. The assets of E & C division are being used and accordingly depreciation continues to be provided in the books. Depreciation on the fixed Assets of closed R & D Division has not been provided.



15. **Income Tax**

15.1 Income Tax Assessment has been completed upto Assessment Year 2006-07 and no demand has been raised.

15.2 Income Tax payable as per returned Income for the Assessment Year 2007-08, 2008-09 and 2009-10 works out to Rs 840.20 lakhs and the company has paid Rs. 1338.69 lakhs. Tax payable as per Returned Income has been adjusted against the tax paid and the net amount Rs.498.49 lakhs has been shown as TDS deposit against Income Tax Payable in the books..

15.3 Disclosure of Deferred Tax Liability as per Accounting Standard- 22 of The Institute of Chartered Accountants of India.

Rs. in lakhs

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability Component		
Diff of W.D.V as per Companies act & Income tax Act	959.33	974.55
Total Deferred Liability Component	959.33	974.55
Total Deferred Tax Liability Component @ 33.99% (A)	326.08	331.25
Deferred Tax Assets Component		
Disallowance:		
-As Per Sec 43 B of I.T Act	741.14	708.32
-Other	107.54	134.31
Total Deferred Tax Assets Component	848.68	842.63
Total Deferred Tax Assets Component @ 33.99% (B)	288.47	286.41
Net Deferred Tax (Assets)/Liability Component (A-B)	37.62	44.84
Less : Opening Provision as on 01/04/2009	44.84	70.10
Provision Required/(written Back)	(7.22)	(25.26)

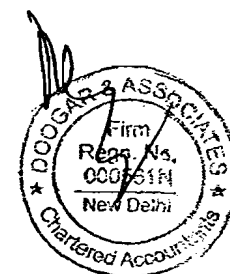
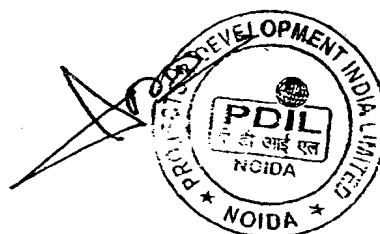


16. Government of India has released Rs.93.15 Lakhs during the year as grants-in-aid for Research project relating to “Use of spent High-Temperature Shift conversion Catalyst as Raw Material for preparation of fresh HT Shift Catalyst”. The grant of Rs. 12.22 lakhs has been utilized in the year for the said purposes. Unutilized amount of Rs. 80.93 lakhs has been shown as “Govt. of India Grant” in liabilities. Further unutilized Govt of India fund Rs. 0.37 lakhs for “Technical Audit of Fertilizer Plants” has been shown in other liabilities.

17. **Earning per Share**

Basic earning per share has been reported as per Accounting Standard-20 relating to “Earning per Share” , which has been computed by dividing net profit after tax by the weighted average number of shares outstanding for the period as under:-

Net profit for the year attributable to equity shareholder – (Rs.).	31.03.2010 144832061	31.03.2009 148164629
No. of Shares	172985	172985
Nominal Value per share (Rs.)	1000	1000
Earning per share (Basic & Diluted) (Rs.)	837.25	856.52



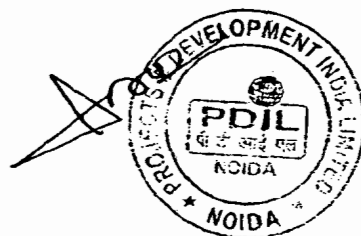
18 ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPH 3.4C & 4D OF PART - II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

CATALYST

(a) Production data :

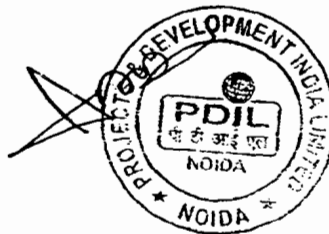
Class of Goods	Units of Measurement in MT					
	Licensed Capacity		Installed Capacity Certified by the Management		Actual Production	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
1 H.T. CATALYST	850	850	360	360	-	-
a. H. T. Co. Conv. Catalyst	-	-	-	-	31	52
b. Vanadium Pentoxide Cat.	-	-	-	-	2	18
2 NICKEL CATALYST	600	600	300	300	-	-
a. Reformation Catalyst					14	30
b. Methanation Catalyst					-	-
c. Alumina Balls					3	-
3 L.T. CATALYST	900	900	600	600		
a. L. T. Co. Conv. Catalyst					9	82
b. Zincoxide Catalyst	-	-	-	-	-	-
c. Sodium Nitrate	-	-	-	-	14	49
4 IRON OXIDE	1000	1000	330	330	-	1
Total					73	232
5 Others						

Note : For Nickel based Catalyst, if there are more than one products in a year (depending on market demand) the capacity in the the particular month of changeover shall be around 50% of the installed capacity.



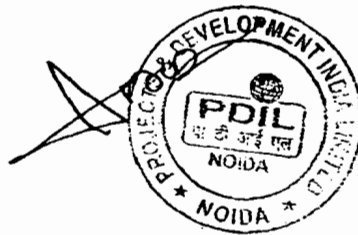
(b) Raw Materials Purchases :

Class of Goods	Unit of Measurement	Year Ended 31.03.2010		Year Ended 31.03.2009	
		Quantity	Rs./lakhs	Quantity	Rs./lakhs
1 CATALYST :					
Acetic Acid	MT	-	-	-	-
Chromic Acid	MT	7.350	11.81	7.000	11.01
Sulphuric Acid	MT	0.000	0.00	15.940	1.48
Aluminium Nitrate	MT	2.500	2.09	1.900	1.13
Bauxide Powder	MT	-	-	-	-
Copper	MT	0.000	0.00	19.999	33.06
Calcined Alumina	MT	8.079	1.79	35.736	8.17
Ferrous Sulphate	MT	204.850	10.87	193.770	9.47
Nickel	MT	1.500	12.45	4.464	39.54
Zinc Oxide	MT	3.000	3.50	21.000	14.57
Nitric Acid	MT	25.600	3.23	234.590	26.29
Soda Ash	MT	0.000	0.00	100.000	16.84
Caustic Soda	MT	50.604	11.03	69.370	14.02
Vanadium Pentoxide	MT	0.000	0.00	1.000	13.25
Potassium Sulphate	MT	-	-	-	-
Potassium Hydrite	MT	-	-	-	-
Copper Sulphate	MT	5.100	4.96	3.000	3.26
Others		-	4.20	-	5.38
Total			<u>65.93</u>		<u>197.47</u>



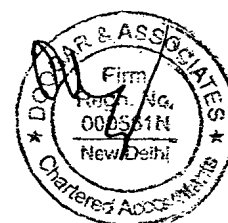
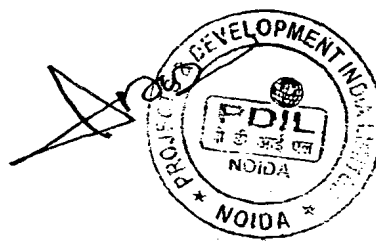
(c) Item-wise break-up of Raw Materials consumed :

Class of goods	Unit of Measurement	Year Ended 31.03.2010		Year Ended 31.03.2009	
		Quantity	Rs./lakhs	Quantity	Rs./lakhs
1 CATALYST :					
Acetic Acid	MT	-	-	-	-
Chromic Acid	MT	5.350	8.71	6.600	10.36
Copper	MT	3.000	4.96	18.000	32.29
Calcined Alumina	MT	8.000	1.77	40.559	9.38
Ferrous Sulphate	MT	204.850	10.87	193.770	9.47
Nickel	MT	1.225	10.42	4.700	40.78
Zinc Oxide	MT	2.000	1.90	22.730	16.78
Nitric Acid	MT	25.600	3.23	234.590	26.29
Ammonium-Bi-Carbonate	MT	7.000	1.18	19.150	2.45
Soda Ash	MT	8.000	1.35	99.500	16.55
Caustic Soda	MT	50.604	11.03	69.370	14.02
Vanadium Pentoxide	MT	-	-	1.250	16.06
Others (Includes workshop other material)		-	4.59	-	8.66
Potassium Sulphate		-	-	2.240	1.09
Copper Sulphate		3.100	3.08	3.500	3.72
Total			<u>63.09</u>		<u>207.90</u>



(d) Sales :

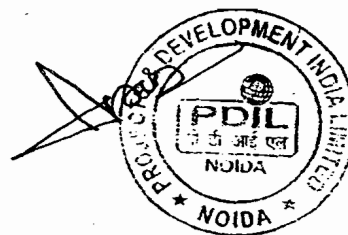
Class of goods	For the Current year		For the Previous year	
	Qty M.T.	Value (Rs./lakhs)	Qty M.T.	Value (Rs./lakhs)
1 H.T. CATALYST				
a. H. T. Co. Conv. Catalyst	52	115.58	50	85.69
b. Vanadium Pentoxide Cat.	2	7.63	8	27.94
2 NICKEL CATALYST				
a. Reformation Catalyst	14	59.44	39	178.95
b. Methanation Catalyst	7	26.27	-	-
c. Alumina Balls	3	3.33	-	-
3. L.T. CATALYST				
a. L. T. Co. Conv. Catalyst	9	27.26	85	264.35
4 Iron Oxide	-	0.00	2	5.64
5 Other (Sind Kote)	-	11.80	-	1.92
	87	251.31	184	564.49
6 Workshop Equipment/Others	Nil	Nil	Nil	Nil
7 Sodium Nitrate (By Product)	32	4.81	71	10.87
Total	119	256.12	255	575.36
Less : Excise Duty		19.52		42.32
Net Total	119	236.60	255	533.04



(e) STOCKS :

Units of Measurement in MT

Class of goods	Closing Stock as on 31.03.2009		Closing Stock as on 31.03.2010	
	Qty M.T.	Value (Rs./lakhs)	Qty M.T.	Value (Rs./lakhs)
1 H.T. CATALYST				
a. H. T. Co. Conv. Catalyst	24.00	29.53	3.00	4.97
b. Vanadium Pentoxide Cat.	14.00	23.56	14.00	23.56
2 NICKEL CATALYST				
a. Reformation Catalyst	26.00	58.55	26.00	58.55
b. Methanation Catalyst	9.00	18.89	2.00	5.25
c. Alumina Balls/Active Aluamina	0.11	0.09	0.11	0.09
3 L.T. CATALYST				
a. L. T. Co. Conv. Catalyst	3.00	5.36	3.00	5.36
b. Dehydrogenation Catalyst	3.00	5.00	3.00	5.00
c. Zincozide Catalyst	2.00	2.52	2.00	2.52
d. Thermobond		-		-
e. Sodium Nitrate	18.00	1.34	-	-
4 NOX Catalyst	0.10	0.17	0.10	0.17
5 Iron Oxide	-	-	-	-
6 Workshop Equipments				
Total	99.21	145.01	53.21	105.47
Add: Excise Duty		11.95		10.86
	99.21	156.96	53.21	116.33

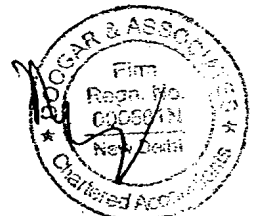
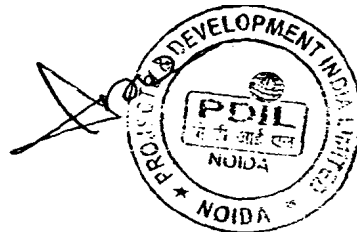


19 Statutory Auditor's Remuneration

Statutory Auditors	Current year 2009-2010 (Rs./Lakhs)	Previous Year 2008-2009 (Rs./Lakhs)
Audit Fees	2.10	2.10
For Certification/ fund/Tax Audit	0.63	0.63
For Travelling and out of pocket Exp. including provisions	1.27	1.27
	4.00	4.00

20 Other Additional information

	Current year 2009-2010 Rs./Lakhs	Previous year 2008-2009 Rs./Lakhs
(a) C.I.F. Value of Imports (mfg)		
(b) Expenditure in foreign currency :		
i) Foreign Tours	26.95	35.18
ii) Living Expenses	-	-
iii) Technical Know fee	17.43	-
iv) Others	5.20	8.62
(c) Earnings in Foreign Exchange for Royalty, know-how, professional and consultancy services etc.	441.67	544.05
(d) Value of Raw Materials, Spare parts components and stores consumed and percentage of the total :		
	Current Year 2009-10	Previous Year 2008-09
	Amount Rs./Lakhs	Amount Rs./Lakhs
	Percentage	Percentage
i) Raw Materials		
Imported	-	-
Indigenous	63.09	207.90
100		100
ii) Stores, Spare parts		
Imported	-	-
Indigenous	18.87	20.41
100		100



21 Remuneration of whole time Directors :

	Current year	Previous year
	2009-2010	2008-09*
	Rs.	Rs.
1 Salaries	3,143,172	3,601,870
2 Provident fund Contribution	265,585	245,100
3 Others	644,788	552,745
Total	<u>4,053,545</u> =====	<u>4,399,715</u> =====

In addition full time Directors are also allowed to use the Company's Car for Private purpose upto 12000 Kms. per annum on payment of Rs. 520/- and Rs.780/- per month for non air-conditioned and air conditioned Car respectively.


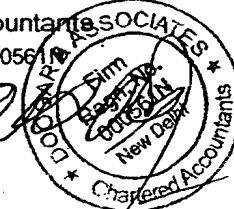
* Includes Arrears & Others Rs. 1067232

22 Previous year's figures have been re-casted / re-arranged and re-grouped wherever necessary to make them comparable with current year figures.

23 Schedules 1 -19 of Balance Sheet and Profit and Loss Account form an integral part of Accounts. Figures in brackets () indicate negative amount.

In term of our report of even date attached

For Doogar & Associates

Chartered Accountants
Firm Regn No.: 000561


Mukesh Goyal
Partner
M.No.: 081810

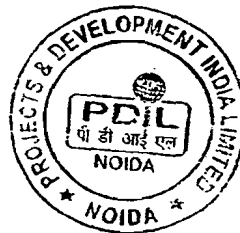

Dr. S.K. Das
Company Secretary


K.C. Katta
Director (Finance)


R.G. Rajan
Chairman & Managing Director

Place: Noida

Date: 9th June, 2010



**STATEMENT PURSUANT TO PART IV OF
SCHEDULE VI TO THE COMPANIES
ACT, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

I. Registration Details :

Registration No.

State Code

0 2 8 . 6 2 9

(Refer Code List)

2 0

Balance Sheet Date

3 1

0 3

2 0 1 0

Date

Month

Year

II. Capital raised during the year(Amount in Rs.Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

**III. Position of Mobilisation & Deployment of Funds
(Amount in Rs. Thousands)**

Total Liabilities

1 3 3 1 8 9 4

Total Assets

1 3 3 1 8 9 4

Sources of Funds

Paid-up-Capital

1 7 2 9 8 5

Reserve & Surplus

7 5 3 2 7 5

Secured Loans

N I L

Un-Secured Loans

N I L

Application of Funds

Net Fixed Assets

2 1 2 7 1 1

Investment

N I L

Net Current Assets

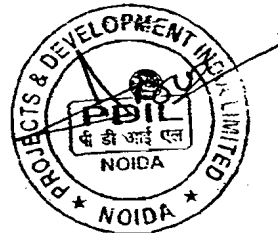
7 1 7 3 1 0

Misc.Expenditure

N I L

Accumulated Losses

N I L



IV. Performance of Company (Amount in Rs.Thousands)

Turnover

		8	3	5	2	6	8
--	--	---	---	---	---	---	---

Total Expenditure

		6	2	3	1	5	8
--	--	---	---	---	---	---	---

Profit/Loss Before Tax

		2	1	2	1	1	0
--	--	---	---	---	---	---	---

Profit/Loss After Tax

		1	4	4	8	3	2
--	--	---	---	---	---	---	---

(Please Tick Appropriate box + for Profit, - for Loss)

Earning per Share in Rs.

					8	3	7
--	--	--	--	--	---	---	---

Dividend rate %

2	2
---	---

 On paid up Share Capital

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.
 (ITC Code)

		3	8	1	5	1	0
--	--	---	---	---	---	---	---

Product Description

C	A	T	A	L	Y	S	T	S	&	C	A	T	A	L	Y	S	T
S	U	P	P	O	R	T	S										

Item Code No.
 (ITC Code)

9	8	0	1	0	0	0	1
---	---	---	---	---	---	---	---

Product Description

P	R	O	J	E	C	T	S										
---	---	---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--

Item Code No.
 (ITC Code)

N	A				
---	---	--	--	--	--

Product Description

I	N	S	P	E	C	T	I	O	N								
---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--	--	--

~~DR. S.K. Das~~
 Company Secretary

R.C. Katta
 Director (Finance)

R.G. Rajan
 Chairman & Managing Director

Place: Noida
 Date: 9th June 2010

