

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
(A Government of Maharashtra Undertaking)

MPCL
29th
ANNUAL REPORT
2009 - 2010

214, Marine Chambers, 2nd Floor, 43, New Marine Lines, Churchgate
Mumbai - 400 020.

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
TWENTY NINETH ANNUAL REPORT
(2009-10)

Board of Directors

- | | |
|----------------------------------|--|
| 1. Shri. Chandu Rane | Chairman w.e.f. 01.09.2006 |
| 2. Shri. S. S. Zende, IAS | Managing Director
w.e.f. 24.02.2009 till 14.07.2009 |
| 3. Shri V. N. More, IAS | Addl. Managing Director
w.e.f. 14.07.2009 till 27.07.2009 |
| 4. Shri. Ashish Kumar Singh, IAS | Managing Director
w.e.f. 27.07.2009 till 17.09.2009 |
| 5. Shri. M. S. Choudhari, IAS | Addl. Managing Director
w.e.f. 17.09.2009 till 19.11.2009 |
| 6. Shri. Sanjay Sawant, IAS | Managing Director w.e.f. 19.11.2009 |
| 7. Shri. J. S. Sahni, IAS | Director w.e.f. 17.11.2006 |
| 8. Smt Malini Shankar, IAS | Director
w.e.f. 04.07.2007 till 18.01.2010 |
| 9. Shri. Sanjay Sethi, IAS | Director w.e.f 18.01.2010 |

Auditors

M/s. N. B. Shah & Associates
Chartered Accountants
602, Damji Shamji Trade Centre,
Opp. Vidhyavihar Railway Station (W),
Mumbai 400 086.

Registered Office

214 Marine Chambers,
2nd Floor, 43, New Marine Lines,
Churchgate,
Mumbai-400 020.

**MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the 29th Annual General Meeting of the Maharashtra Petrochemicals Corporation Ltd, will be held on 24th September, 2010 at 12:00 noon, at the Registered office situated at 214 Marine Chambers, 43, New Marine Lines, Churchgate, Mumbai 400 020 to transact the following business.

- 1) To appoint M/s, N, B. Shah & Associates, Chartered Accountants, 602, Damji Shami Trade Centre, Opp. Vidhyavihar Rly. Station, Mumbai 400 086 as Statutory Auditor of the Corporation for the year 2010 - 2011 and fix up their remuneration.
- 2) To receive and adopt the Audited Accounts of the Corporation for the year ended 31st March, 2010 and the Directors' Report and Auditors' Report thereon to the shareholders and also the comments of the Comptroller and Auditor General of India for the said period..

NOTE:

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him / herself. The Proxy need not be a member of the Corporation. Form of Proxy is enclosed.

BY ORDER OF THE BOARD OF DIRECTORS
FOR MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED

SD/-

CHAIRMAN

Place : Mumbai
Dated : 27th August, 2010.

**MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the 29th *Adjourned Annual General Meeting* of the Maharashtra Petrochemicals Corporation Ltd. will be held on 8th April, 2011 at 12:30 p.m in the Registered office situated at 214 New Marine Lines, 2nd Floor, 43 New Marine Lines, Churchgate, Mumbai 400 020 to transact the following business.

- 1) To receive and adopt the Audited Accounts of the Corporation for the year ended 31st March, 2010 and the Directors' Report and Auditors' Report thereon to the shareholders and also the comments of the Comptroller and Auditor General of India for the said period.
- 2) To declare dividend, if any.

NOTE:

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him / herself. The Proxy need not be a member of the Corporation. Form of Proxy is enclosed.

BY ORDER OF THE BOARD OF DIRECTORS
FOR MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED

SD/-

CHAIRMAN

Place: Mumbai
Dated: 11th February, 2011

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the **29th Annual Report** of the Corporation for the year ended on **31.03.2010**. The Annual General Meeting for the year under review was held on **24.09.2010**. However, it was adjourned for completing the unfinished business of approval and adoption of Balance Sheet and Profit & Loss A/c. as of **31.03.2010**.

FINANCIAL RESULTS

The Corporation's source of income is interest on deposits, which were placed with SICOM Ltd. Bank of Maharashtra and ICICI Bank Ltd. The aggregate income of the company for the F.Y. 2009-10 is amounted to Rs. 155.84 lac. (Rs. 166.68 lac previous year) and the operating expenses are Rs.53.79 lac (Rs 68.01 lac previous year). The company made profit of Rs. 98.59 lacs. The Provision of taxation of Rs 31.86 lac has been made during the year (Rs. 31.29 lac previous year). The Corporation has made net profit after tax of Rs. 66.73 lacs (Rs. 54.60 lacs Profit previous year).

OPERATIONS

- MPCL is nominated as Nodal Agency for gas sector development in Maharashtra.
- MPCL is in the process of taking equity investment in following gas projects :
 - Mahanagar Gas Ltd. (transferring shares held by GOM to MPCL)
 - MIGTCL-Company promoted by MIDC
 - Pune Gas Distribution Company
- MPCL has approached Industries Dept. Govt. of Maharashtra (Letter dt. 28.07.2006) for approval of funds of about Rs. 70 crores which would be required over a period of next two years.
- MPCL has also approached Industries Dept. Govt. of Maharashtra for co-ordinating activities of MPCL with MIDC (Letter dt. 07.01.2009).
- MPCL has approached Gujarat State Petroleum Corporation Limited (GSPCL) vide letter dated 5th Oct, 2010 for collaborative activities in the areas of hydrocarbon exploration, production and distribution.
- M/s. Cambay Petroleum, has expressed its desire to be MPCL's collaborators/associates in various hydrocarbon related activities aimed at industrial and economic growth of the state.

OFFICE LEASE AGREEMENT

The case has been filed by the previous Licensor Smt. Kokila J. Shah & Shri. Nimish J. Shah in the Small Cause Court for difference in the office rent payable to them (as demanded by them) for the period 01.01.2007 till 30.09.2007. The company has engaged the lawyers and also exploring the option of negotiating with the party and to settle the same as out of the court. The company has entered into Lease Agreement in 2007 with M/s. Porwal & Porwal and renewed it vide Lease Agreement dt. 14/05/2010 w.e.f. 01.06.2010 to 31.05.2013 for 3 years.

BOARD OF DIRECTORS' CLARIFICATIONS ON COMMENTS OF STATUTORY AUDITOR AND COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE CORPORATION FOR THE YEAR ENDED 31.03.2010 UNDER REVIEW.

In regard to comments of M/s.N. B. Shah., Statutory Auditors of the company on Statutory Auditors' Report are as given as follows :-

1. **Auditor's Observation :-** Gratuity payable for 2008-09 & 2009-10 have been provided. However, provision for gratuity for the earlier years have not been provided for.

Comment : Provision for Gratuity for earlier years shall be provided in the year 2010-11 once calculation for exact provision for gratuity payable is obtained from actuary.

2. **Auditor's Observation :-** The property tax payable to BMC amounting to - Rs.1,11,481/- for the year 2007.- 08 for company's old premises has not been provided in the books.

Comment :- Provision for property tax payable amount of Rs, 1,11,481/- shall be made in the books of account only after receipt of court order as matter is pending before the court.

3. **Auditor's Observation :-** The Company's paid up capital and reserves exceed - Rs.50 lacs. It has no formal internal audit system till last year. However the company has appointed Internal Auditor in November 2009 who have submitted their first report on 15th July 2010.

Comment:- Self explanatory.

4. **Auditor's Observation :-** According to the explanations given to us and records of the company, Provident fund dues, Income tax, Professional tax and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities except TDS amounting to Rs. 39,607 was not deducted during the year. The same has been provided in the books as on 31st March 2010 & has been paid very late. Similarly, Income tax for financial year 2009-10 for - Rs.9,31,283/- has been paid with interest on 20th September 2010 till date.

Comment:- Self explanatory

5. **Auditor's Observation :-** The company has made excess payment of house rent allowance under 6th pay commission to their Ex- Managing Director & 2 Staff members amounting to Rs. 3,14,027/-. Out of the above the amount of Rs.2,22,993/- has been recovered.

Comment:- Follow up with respective department for recovery of excess payment made to Ex- Managing Director is already in process, The House rent allowance paid in excess amounting to Rs. 2,07,161/- of two staff members has been recovered and out the excess HRA amounting to Rs. 1,06,866/- of Shri. S. S. Zende, IAS, - Rs.15,832/- has been recovered.

6. **Auditor's Observation :-** The Balance sheet & the Profit & Loss account dealt with by this report have been prepared in compliance with the accounting standards

referred to in sub section (3C) of section 211 of Companies Act, 1956 except with reference to the accounting standard-15 relating to " Accounting for retirement benefits in the financial statements of employers" issued by the Institute of Chartered Accountants of India as disclosed in Note to accounts, schedule 14, A(i) & B (8).

Comment :- Accounting for retirement benefits :
Provision for Gratuity for earlier years shall be provided in the year 2010-11 once calculation for exact provision for gratuity payable is obtained from actuary.

DIVIDEND

The Board has recommended dividend of Rs. 1/- per equity share for the financial year end 31st March, 2010. The amount of dividend payable will be Rs. 8,95,660/-. The provision of - Rs.1,52,218/- will be made for the Corporate Dividend tax @ 16.995 % on the Dividend payable. The Dividend will be paid after the approval of the shareholders in the Adjourned General Meeting.

DIRECTORS

None of the Directors was liable to retire by rotation. During the year 2009-10 Govt. of Maharashtra has made the following changes in the Board of Directors of MPCL.

1. As per Government order Shri. S. S. Zende, IAS was transferred to MHADA, Slum Rehabilitation but was given additional charge of MD MPCL vide GR No. AEO 1109/10/2009/Ten, dated 21/02/2009 w.e.f. 24.02.2009 till 14.07.2009.
2. As per government order AEO-1 109/5/2009, dated 10.07.2009 Shri. V. N. More, IAS was given additional charge of MD MPCL w.e.f. 14.07.2009 in place of Shri. S. S. Zende who was transferred to MHADA, Slum Rehabilitation but was holding additional charge of MD MPCL.
3. As per government order no. AEO-1 109/5/10/2009/Ten, dated 22.07.2009 Shri. Ashish Kumar Singh, IAS was appointed as MD MPCL w.e.f. 27.07.2009 in place of Shri. V. N. More, IAS who was holding additional charge of MD MPCL.
4. Due to transfer of Shri. Ashish Kumar Singh, IAS w.e.f. 17.09.2009 as Addl. Municipal Commissioner, BMC as per government order no AEO-1109/5/2009/Ten, dated 09/09/2009 Shri. M. S. Choudhari, IAS was given additional charge of MD MPCL w.e.f. 17.09.2009.
5. In compliance to Government order no. AEO-1 108/10 (526)/2008/Ten, dated 18/11/2009 Shri. Sanjay Sawant, IAS was appointed as Managing Director of MPCL in place of Shri. M. S. Choudhari, IAS who was holding additional charge of MD MPCL.

The Board of Directors for the year 2009 -10 was as below:

1. Shri. Chandu Rane, EX Mayor (Navi Mumbai) - Chairman
2. Shri. J. S. Sahni, IAS Director
3. Smt. Malini Shankar, IAS Director (04.07.2007 till 18.01.2010)
4. Shri. Sanjay Sethi, IAS Director (18.01.2010 onwards)
5. Shri. S. S. Zende, IAS Managing Director (24.02.2009 till 14.07.2009)
6. Shri. V. N. More, IAS (Addl. Chrg of MD) (14.07.2009 till 27.07.2009)
7. Shri. Ashish Kumar Singh, IAS Managing Director (27.07.2009 till 17.09.2009)
8. Shri. M. S. Choudhari, IAS (Addl. Chrg of MD) (17.09.2009 till 19.11.2009)

9. Shri. Sanjay Sawant, IAS Managing Director w.e.f. 19.11.2009

AUDIT COMMITTEE

In terms of Sec. 292 (5) of Companies Act, 1956 Audit Committee of following Directors was re-constituted during the year i.e. 31.03.2010 as under viz.

- | | |
|----------------------------------|---------------------------|
| 1. Shri. Chandu Rane | Chairman of the Committee |
| 2. Smt. Malini Shankar, IAS | Member |
| 3. Shri. J. S. Sahni, IAS | Member |
| 4. Shri. S. S. Zende, IAS | Member (upto 14.07.2009) |
| 5. Shri. Ashish Kumar Singh, IAS | Member (upto 17.09.2009) |
| 6. Shri. M. S. Choudhari, IAS | Member (Upto 19.11.2009) |
| 7. Shri. Sanjay Sawant, IAS | Member |

In view of the limited range of activities of the Corporation the scope of functioning of Audit Committee comprised of providing direction to audit plan and review the performance revealed by actual data.

INFORMATION UNDER CORPORATE GOVERNANCE

The information regarding the meetings of Board of Directors and Audit Committee is as under :-

Sr No.	Name of the Directors	No of meeting held during the year and attendance of Directors (April, 2009 - March, 2010)			
		Board of Director's Meeting		Audit Committee Meeting	
		No.	Attendance	No.	Attendance
1.	Shri D. K. Rane, (Chairman) (w.e.f. 01.09.2006)	5	5	1	1
2.	Shri S. S. Zende, IAS (MD) (w.e.f. 24.02.2009 till 14.07.2009)	1	1	-	-
3.	Shri J. S. Sahni, IAS (Director)	5	1	-	-
4.	Smt. Malini Shankar, IAS (Director)	5	3	-	-
5.	Shri Ashish Kumar Singh, IAS (MD) (w.e.f. 27.07.2009 till 17.09.2009)	1	1	-	-
6.	Shri M. S. Choudhari, IAS (Addl. MD) (w.e.f. 17.09.2009 till 19.11.2009)	1	1	-	-
7.	Shri Sanjay Sawant, IAS (MD) (w.e.f. 19.11.2009)	2	2	1	1

AUDITORS

The Office of the Comptroller and Auditor General of India, New Delhi had appointed M/s. N. B. Shah., Chartered Accountants as Statutory Auditor for the year under report. The Board of Directors approved the remuneration of Auditors @ Rs. 10,000/- plus taxes as applicable,

M/s. N. B. Shah & Associates, Chartered Accountants has been appointed as Statutory Auditor for the said year 2010-11 vide DCA letter no. CA. V/COY/MAHARASHTRA, MHPETR (1)/1046, dated 25/08/2010.

EMPLOYEES

The information as per the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particular of Employees), Rules, 1975, is not required to be enclosed as the remuneration paid to the staff did not exceed the limits prescribed under the said section.

OTHER INFORMATION

In terms of Section 217 (1) (e) of the Companies Act, 1956 (As amended) and the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988, your Directors furnish hereunder-additional information as required:

- a) Conservation of energy and
- b) Technology absorption

Since your Corporation is not engaged in any manufacturing activity, additional information in respect of (a) Conservation of energy and- (b) Technology absorption is "NIL".

The Foreign Exchange earnings and outgo of the Corporation during the year under review are "NIL".

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm

1. That in the preparation of the Annual Accounts the applicable accounting standards have been followed and there has been no material departure,
2. That the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at 31.03.2010 and profit of the Corporation for the year ended on that date.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Corporation and for presenting and detecting fraud and other irregularities.
4. That the Annual Accounts have been prepared on a going concern bases.

ACKNOWLEDGEMENT

Your Directors placed on record their appreciation of the support and co-operation extended by Government of Maharashtra and other Agencies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

CHAIRMAN

PLACE: MUMBAI
DATED: 11th FEBRUARY, 2011.

MPCL

Addendum to the Director's Report dated 29th October, 2010.

The Company has received the comments dated 31st December, 2010 from the Accountant General, which is enclosed. The Accountant General (Commercial Audit) Maharashtra has given Report for the year ended 31st March, 2010 having no comments to make under Section 619 (4) of the Companies Act, 1956 and "Non-Review Certificate" if given for the same.

For and on Behalf of the Board of Directors
Maharashtra Petrochemicals Corpn. Ltd.

SD/-

CHAIRMAN

Place : Mumbai

Dated : 11/02/2011

N. B. SHAH & ASSOCIATES

CHARTERED ACCOUNTANT

602, Damji Shamji Trade Centre, Opp. Vidhyvihar Railway Station (West)

Mumbai - 400 086

Tel. : 2510 5575 • Telefax : 2510 5576 • MOB : 98211 56975 • Email :

nbshah@nbsha.com

AUDITOR'S REPORT

TO THE MEMBERS OF MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED

1. We have audited the attached Balance Sheet of **MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED** as at 31st March 2010 and the Profit & Loss Account of the company for the year ended on that date. 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 have 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 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.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b) In our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of such books.
 - c) The Balance Sheet & the Profit & Loss Account referred to in this report are in agreement with the books of account produced before us.
 - d) The Balance sheet & the Profit & Loss Account dealt with by this report have been prepared in compliance with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956, except with reference to the Accounting Standard - 15 relating to "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India as disclosed in Note to accounts, schedule 14, A(j) & B (7).

- e) As per the Notification No. G.S.R. 829 (E) dated 21-10-2003, issued by the Central Government, Clause (g) of Sub Section (1) of Section 274 of Companies Act, 1956 is not applicable to a Government Company and hence we offer no comment as to whether any of the directors are disqualified from being appointed as director in terms of the said section.
- f) 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 Company's Accounting policies and the Notes thereto more particularly Note no. 3(a) to Schedule 13 with reference to which we have relied on the management's perception, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2010.
- (ii) in the case of Profit & Loss Account of the Profit for the year ended on that date.

For M/S. N. B. SHAH & ASSOCIATES

NARESH B. SHAH
PARTNER
(Mem. No. 033692)

Place : Mumbai
Date : 29 Oct 2010

ANNEXURES TO THE AUDITOR'S REPORT

Referred to in Paragraph 3 of the Auditors Report of even date on the accounts of MAHARASHTRA PETROCHEMICALS LIMITED for the year ended 31st March, 2010.

1. a) The company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.
 - b) As explained to us, all the fixed assets were physically verified by the Management during the year at reasonable intervals. No material discrepancies were noticed on such verification.
 - c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. The company does not carry on any manufacturing or trading activity. Accordingly, sub-clause (a), (b) and (c) of clause (ii) are not applicable.
3. (a) As per records of the company, it has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of the clause are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and the nature of its business & activities.
5. a) Based on the audit procedures applied and to the best of our knowledge and belief and according to the information and explanations given to us, the transaction that needs to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 have been entered.
 - b) Further there are no such transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act 1956 during the year.
6. The Company has not accepted any deposit covered under provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. The Company's paid up capital and reserves exceed Rs. 50 lacs. It has no formal internal audit system till last year. However the company has appointed Internal Auditor in November 2009 who have submitted their first report on 15th July 2010.
8. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. a) According to the explanations given to us and records of the company, Provident fund dues, Income tax, Professional Tax and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities except TDS amounting Rs. 39,607 was not deducted during the year. The same has been provided in the books as on 31st March 2010 & has been paid very late. Similarly, Income Tax for financial year 2009-10 for Rs. 9,31,283/- has been paid with interest on 20th September 2010 till date. According to the records of the company, no undisputed

amounts payable in respect of Provident fund dues, Income tax, Professional Tax and other material statutory dues except above were outstanding at the year end for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues outstanding of Sales Tax, Income Tax, Custom Duty, Wealth tax, or cess on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum which dispute is pending
The Income Tax Act, 1961	Demand of Additional Tax	Rs. 2,48,387/- (N - 1)	A. Y. 1996-97	ITAT
The Income Tax Act, 1961	Demand of Additional Tax	Rs. 1,33,80,758/- (N - 2)	A. Y. 1997-98	ITAT
The Income Tax Act, 1961	Demand of Additional Tax	Rs. 17,45,093/- (N - 3)	A. Y. 2005-06	CIT(A) - III
The Income Tax Act, 1961	Demand of Additional Tax	Rs. 35,13,760/-	A. Y. 2007-08	CIT(A) - III

- N - 1 Income Tax department has raised demand for additional tax of Rs.2,48,387/- for assessment year 1996-1997. The company has preferred appeal with tribunal but has paid the additional tax amount to avoid further interest liability
- N - 2 ITAT order received and ITAT has restored the matter to the file of the Assessing Officer for adjudication denovo.
- N - 3 50% of the demand has been paid i.e. Rs. 9.00 Lacs. The appeal has been decided favour of the company and issue of the orders is pending with ITO.
- N - 4 Rs. 1.00 Lac out of total demand of Rs. 35,13,760/- has been paid & the appeal is pending before CIT(A)-II
- 10.
- a) The company has made excess payments of house rent allowance under 6th Pay commission to their Ex- Managing Director & 2 Staff members amounting Rs.3,14,027/- Out of the above the amount of Rs. 2,22,993/- has been recovered.
- b) The Company LNG Project study charges payable to SICOM provided since 2001 - 02 needs to be reviewed & reversed after confirmation from SICOM.
- c) Gratuity payables for 2008 - 09 & 2009 - 10 have been provided. However, provisions for gratuity for the earlier years have not been provided for. We suggest that the same should be provided at the earliest.
- d) The property tax payable to BMC amounting to Rs. 1,11,481/- for the year 2007 / 08 for company's old premises has not been provided in the books. We have been submitted by the company that the provision for the liability towards lease rent including BMC taxes shall be made after the settlement is made as per Court order.
11. The company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current year or in immediately preceding financial year.
12. The company has not taken any loan from Financial Institution, Banks or by way of issue of debentures. Accordingly, sub-clauses (xi) of clause 4 of the Order are not applicable.

13. According to the information & explanation given to us and based on the documents and records produced to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
14. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund/nidhi/mutual benefit fund/societies. Accordingly, clause 4(xiii) of the Order is not applicable.
15. In our opinion and according to the information and explanations given to us, the Company does not deal in shares, securities, debentures and other investments. Accordingly, sub-clause (xiv) of clause 4 of the order is not applicable. The shares, securities and debentures owned by the Company in the nature of investment have been held by the Company, in its own name.
16. According to the information & explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.
17. The company has not taken any term loan during the year. Accordingly, clause 4(xvi) of the Order is not applicable.
18. According to the information & explanation given to us and on an overall examination of the Balance Sheet, funds raised by the Company on long term basis have not been used to finance short term assets (excluding permanent working capital). There are no funds raised on short-term basis by the Company.
19. The company has not made any allotment of shares during the year. Accordingly, clause 4(xviii) of the Order is not applicable.
20. The company has not issued any debentures during the year. Accordingly, clause 4(xix) of the Order is not applicable.
21. The company is not a listed company. Accordingly, clause 4(xx) of the Order is not applicable.
22. Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M/S. N. B. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

NARESH B. SHAH
PARTNER
(Mem. NO. 033692)

Place : Mumbai
Date : 29 Oct 2010

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010

Schedules		31 st March 10 (Rs.)	31 st March 09 (Rs.)
I	SOURCES OF FUNDS		
	Shareholders' Funds		
	Share Capital	89,566,000	89,566,000
	Reserves and Surplus	100,920,672	94,247,405
		190,486,672	183,813,405
II	APPLICATION OF FUNDS		
	Fixed Assets		
	Gross Block	3,601,630	2,459,045
	Less: Depreciation	1,660,007	1,314,836
	Net Block	1,941,623	1,144,209
	Capital work in Progress	-	-
	Investments	-	-
	Current Assets, Loans, Advances & Deposits		
	Cash and Bank Balances	12,738,456	11,841,549
	Sundry Debtors	-	-
	Loans, Advances & Deposits	200,227,491	191,960,410
		212,965,947	203,801,959
	Less: Current Assets		
	Sundry Creditors	932,997	837,033
	Provisions	23,610,853	20,414,356
		24,543,850	21,251,389
	Net Current Assets	188,422,097	182,550,570
	Deferred Tax Asset	122,952	118,626
		190,486,672	183,813,405

Notes to Accounts forming an integral Part of
the Balance Sheet and Profit & Loss Account 13

AS PER OUR REPORT OF EVEN
DATED ATTACHED
FOR N.B. SHAH & ASSOCIATES.
CHARTERED ACCOUNTANTS

SD/-
N. B. SHAH
PARTNER
(Mem. NO. 033692)

SD/-
CHAIRMAN

SD/-
MANAGING DIRECTOR

DIRECTOR

FOR AND ON BEHALF OF THE BOARD

Mumbai
Dated : 29 Oct 2010

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED
31ST MARCH 2010

Schedules		31 st March 10 (Rs.)	31 st March 09 (Rs.)
I	INCOME		
	Income from Operations	15,580,611	16,638,740
	Other Income	3,703	30,022
		15,584,314	16,668,762
II	EXPENDITURE		
	Administrative Exps and other charges	2,774,055	2,797,866
	Personnel Expenses	2,605,109	4,003,384
	Depreciation	345,171	331,898
	Diminution in value of Investment	-	-
	Loss on sale of Assets	-	-
		5,724,335	7,133,148
	OPERATING PROFIT	9,859,980	9,535,614
	Less : Prior Period Adjustments	-	945,055
	Profit Before Tax	9,859,980	8,590,559
	Less: Provision for Taxation		
	Current Tax	3,125,972	3,055,149
	Income Tax Penalty	65,066	-
	Fringe Benefit Tax	-	58,808
	Deferred Tax (Refer Sch. 13, Note B9)	(4,326)	15,896
	Profit After Tax	6,673,267	5,460,706
	Balance Brought Forward	94,247,405	88,786,699
	Balance Carried to Balance Sheet	100,920,672	94,247,405
	EPS	7.45	6.10

Notes to Accounts forming an integral Part of
the Balance Sheet and Profit & Loss Account 13

AS PER OUR REPORT OF EVEN
DATED ATTACHED
FOR N.B. SHAH & ASSOCIATES.
CHARTERED ACCOUNTANTS

SD/-
N. B. SHAH
PARTNER
(Mem. NO. 033692)

SD/-
CHAIRMAN

SD/-
MANAGING DIRECTOR

DIRECTOR

FOR AND ON BEHALF OF THE BOARD

Mumbai
Dated : 29 Oct 2010

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	31st March 10 (Rs.)		31st March 09 (Rs.)
Schedule - 1			
Share Capital			
Authorised			
10,00,000 Equity Shares of Rs. 100/- each (P.Y. 10,00,000 Equity shares of Rs. 100/- each)	100,000,000		100,000,000
Issued, Subscribed and Paid up			
8,95,660 Equity Shares of Rs 100/- each fully paid up (P.Y. 8,95,660 Equity Shares of Rs. 100/- each fully paid up) The entire share capital is held by Government Of Maharashtra	89,566,000		89,566,000
	89,566,000		89,566,000
Schedule - 2			
Reserves & Surplus			
Profit & Loss A/c			
Opening Balance	94,247,405	88,786,699	
Add : Profit for current year	6,673,267	5,460,706	94,247,405
	100,920,672		94,247,405
	100,920,672		94,247,405
Current Assets, Loans, Advances and Deposits			
Schedule - 4			
Balance with Scheduled Banks			
Cash on hand	13,821		13,030
In Current A/c with scheduled bank	761,734		206,075
In Term Deposit with scheduled banks	11,963,901		11,622,444
	12,738,456		11,841,549
Schedule - 5			
Sundry Debtors			
(Unsecured and considered Good for more than six months)	-		-
Others	-		-

MAHARASHTRA PETROCHEMICALS CORPORATION LTD.
SCHEDULE 3
FIXED ASSETS AS AT 31ST MARCH 2010

Particulars	Rate	Gross Block			Depreciation		Net Block	
		As on 1/4/2009	Addition during the year	Deductions during the year	As on 31st March 2010	Deduction during the year	As on 31st March 2010	As on 31st March 2009
Computer	40%	296,250	134,372		42,455		156,079	63,162
Fur. & Fix	18,10%	627,543	17,340	644,893	79,684		372,633	434,977
Motor car	25.88%	1,265,695	937,620	2,203,315	200,057		1,230,229	492,666
Office eq.	13.91%	259,557	53,253	322,810	22,975		183,662	153,404
		2,459,045	1,142,585	3,601,630	345,171		1,941,623	1,144,209
		2,443,745	15,300	2,459,045	331,897		1,144,209	1,436,476

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	31st March 10 (Rs.)	31st March 09 (Rs.)
Schedule - 6		
Loans, Advances & Deposits		
<u>Advances recoverable in cash or in kind or for value to be received</u>		
Security Deposit & other Deposits	1,424,193	1,437,498
Deposit with SICOM LTD (A company in which a director is interested as Director)	163,116,635	156,927,535
Interest Receivable from Deposits	6,181,023	8,312,459
Prepaid Expenses & receivable	146,000	146,000
Income Tax Paid	27,445,126	25,087,168
Recoverable 6th Pay	1,830,902	-
TDS Recoverable	44,012	-
P T Recoverable	350	-
Advances to staff	39,250	49,750
	200,227,491	191,960,410
Schedule - 7		
Sundry Creditors		
Sundry Creditors for Expenses	932,997	837,033
SICOM LTD (excess interest received)	932,997	837,033
	932,997	837,033
Schedule - 8		
Provisions		
Income Tax	23,221,720	20,095,748
Fringe Benefit Tax	318,608	318,608
Other Provisions	70,525	-
	23,610,853	20,414,356

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

	31st March 10 (Rs.)	31st March 09 (Rs.)
Schedule - 9		
Income from Operations		
Interest on Fixed Deposit	15,580,611	16,638,740
	15,580,611	16,638,740
Schedule - 10		
Other Income		
Other Interest	3,509	30,022
Other Income	194	-
	3,703	30,022
Schedule - 11		
Direct and Administrative Expenses		
Filing Fees & Taxes	-	44,900
Auditors Remuneration	11,030	11,224
Travelling, Conveyance & Vehicle Expenses	222,975	517,497
Postage, Telephone Courier Charges	40,824	109,415
Printing and Stationery Expenses	200,011	98,570
Office General Expenses	31,540	86,095
Electricity Expenses	59,520	52,059
Legal & Professional Fees	291,068	129,227
Office Rent	1,752,000	1,700,424
Computer Expenses	10,782	16,674
Entertainment exps.	19,458	31,781
Internal Audit Fees	92,652	-
Repair & Maintance	9,950	-
Bank Charges	3,878	-
Bank Commission	1,074	-
Books & Periodicals	18,523	-
Cable Expenses	5,250	-
Appeal Fees	1,000	-
Company's Professional Tax	2,500	-
	2,774,055	2,797,866
Schedule - 12		
Personnel Expenses		
Honorarium Remuneration	-	129,000
Salaries to Staff	2,720,422	1,422,959
Managerial Remuneration (Refer Schedule 13, Note B-1)	(658,023)	2,428,179
Contract Staff	500,401	-
Staff Welfare	43,109	23,246
	2,605,109	4,003,384

MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED

SCHEDULE-13

SIGNIFICANT ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2010

A) ACCOUNTING POLICIES

a) Accounting Conventions

Financial Statements are prepared in accordance with the historical cost convention and keeping in view generally accepted Accounting Principles and Standards and the relevant presentational requirements of the Companies Act 1956.

b) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of incidental expenses related to acquisition and bringing the assets to its working condition.

c) Investments

Investments are stated at cost or market value which ever is lower. In appropriate cases diminution in value, which is considered to be permanent, is recognized in the financial statements accordingly.

d) Depreciation

Depreciation on fixed assets is calculated on written down value method on pro-rata basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

e) Lease

Where the lessor effectively retains substantially all the risks and the benefits of the ownership of the leased term are classified as operating leases. Operating lease payments are recognized as expense in the Profit & Loss account on a straight line basis over the lease term.

f) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount & the amount of such impairment loss is charged to Profit & loss Account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed & the asset is restated to that effect.

g) Revenue Recognition

Revenue (Income) is recognized when no significant uncertainty as to measurability or collectability exists on accrual basis.

h) Expenses

Expenses are accounted on accrual basis.

i) Tax on Income

Provision for Income tax is made on the basis of the estimated taxable Income for the current year in accordance with the provision of the Income Tax Act, 1961.

Deferred tax resulting from timing difference between book and tax profit is accounted for under the liability method, at the current rate of tax, to the extent that the timing difference are expected to crystallize.

j) Employee Benefits

The retirement benefits/ Gratuity for Managing Director, who is an IAS officer (appointed by Government of Maharashtra) is borne by Government of Maharashtra. The Company contributes for Leave & Pension Benefits as and called for by Pay & Accounts Dept of Government of Maharashtra.

k) Contingent Liabilities

Contingent Liabilities are disclosed by way of notes to Accounts. In appropriate cases necessary provision is made in the accounts.

B) NOTES TO ACCOUNTS

1) Managerial Remuneration

Particulars	31/03/2010	31/03/2009
Salary (including 6 th Pay arrears)	5,49,604	22,23,925
Leave Salary & Pension Contribution	0	1,25,916
Allowances	51,302	15,400
Medical reimbursement	28,330	2,938
Honorarium to Chairman	60,000	60,000
Vehicle Allowance	54,000	0
Telephone expenses	18,118	0
6 th Pay arrears recoverable	-14,20,117	0
Total	-6,58,823	24,28,179

2) Contingent liabilities not provided in Accounts

Income Tax department has raised demand for additional tax of Rs.2,48,387/- for assessment year 1996-1997. The company has preferred appeal with tribunal but has paid the additional tax amount to avoid further interest liability.

Income tax department has raised demand for additional tax of Rs.1,33,80,758/- for Assessment year 1997-1998. The Company has preferred appeal with tribunal for the same and has paid the additional tax to avoid further interest liability. The company has already provided for the amount in the F.Y.2000-2001.

The Income Tax department has raised demand of Rs. 17,45,093/- for Assessment year 2005-06. The Company has preferred appeal with the Commissioner of Income Tax (Appeals) and made payment of 50% of demand raised i.e. Rs.9,00,000/-

The Income Tax department has raised demand of Rs.35,13,760/- for Assessment year 2007-08. The Company has preferred appeal with the Commissioner of Income Tax (Appeals) and made payment of Rs. 1,00,000/- against demand raised.

The Company's Leave & Licence Agreement towards office premises had expired in December 2006. The landlords have demanded the rent at revised market rates prevailing in Nariman Point area. Shri Nimesh J Shah and Smt. Kokila J Shah owners of ex-office premises have filed suit against the company in The Small Causes Court at Mumbai for the differential amount. Company occupied the said office premise till 31st October, 2007.

Company has not made provision for differential rent from January, 2007 to October, 2007, which is approximately Rs. 11.40 lacs.

3. In the opinion of Board of Directors, adequate provision has been made in the accounts for all known liabilities and the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value stated in the Balance Sheet.
4. The balance of sundry debtors, sundry creditors, receivables and payables are subject to confirmation/reconciliation if any.
5. There is no outstanding to any Small Scale Industrial Undertaking, which is outstanding for more than 30 days.
6. The Company is yet to receive information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act 2006 and disclosures, if any relating to amount unpaid at the year end together with interest, if any as required under the said Act have not been given.
7. **Employee Benefits :**
The retirement benefits/ Gratuity for Managing Director, who is an IAS officer (appointed by Government of Maharashtra) is borne by Government of Maharashtra. The Company contributes for Leave & Pension Benefits as and called for by Pay & Accounts Dept of Government of Maharashtra. In case of other employees, provision for gratuity is made for the year 2008-09 & 2009-10, however provision for earlier years has not been provided.

8. Related Party Transactions :

Key management Personnel

Shri. Chandu Rane, Chairman
Shri. Ashish Kumar Singh, Managing Director.
Shri. S. S. Zende, Managing Director
Shri. Sanjay Sawant, Managing Director

Transactions with related parties

Name of the Key Management Personnel	Remuneration & Allowances
Shri Chandu Rane Joining Dt. October, 2006	Rs. 1,32,118/-
Shri S. S. Zende (24.02.2009 to 14.07.2009)	Rs. 21,599/-
Shri Ashish Kumar Singh (27.07.2009 to 17.09.2009)	Rs. 1,94,161/-
Shri Sanjay Sawant (19.11.2009 to 31.03.2010)	Rs. 4,13,476/-

9. Deferred Taxation Calculation

The breakup of deferred tax assets/liabilities into major components at the year end is as under:

Deferred Tax Working up to	31.03.2010		31.03.2009	
	Assets (Rs.)	Liabilities (Rs.)	Assets (Rs.)	Liabilities (Rs.)
Relating to Fixed Assets	4,326.00	NIL	118,626.00	NIL

10. Payment to Auditors

Particulars	31/03/2010	31/03/2009
For Audit fees	11,030	11,224
For Taxation matters	NIL	NIL
For Company Law Matters	NIL	NIL
For Management services	NIL	NIL
TOTAL	11,030	11,224

11. Earning per share :

Particulars	31/03/2010	31/03/2009
Net Profit after Tax	66,73,267	54,60,706
Weighted average no. of equity shares	895,660	895,660
Nominal value of equity shares	100/-	100/-
Basic Earnings per share & diluted	7.45	6.10

12. Additional information pursuant to the provisions of paragraph 4, 4A, 4C and 4D of part II Schedule VI of the Companies Act 1956 are not applicable to the Company.

13. Previous year's figures have been regrouped, recasted, rearranged, reclassified wherever necessary

AS PER OUR REPORT OF EVEN
DATED ATTACHED
FOR N.B. SHAH & ASSOCIATES.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-
N. B. SHAH
PARTNER
(Mem. No. 033692)

SD/-
CHAIRMAN

SD/-
MANAGING DIRECTOR

DIRECTOR

Mumbai
Dated : 29 Oct 2010

C Information pursuant to Part IV of Schedule VI to the Companies Act 1956 is given herein below

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Rs. In Thousands)

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details	State Code No. 11
Registration No. : 11-024192	
Balance Sheet Date : 31.03.2010	
II. Capital Raised during the year	
Public Issue : NIL	Rights Issue: NIL
Bonus Issue : NIL	Private Placement: NIL (Subscription)
III. Position of Mobilisation and Deployment of Funds (Rs. In Thousands)	
Total Liabilities : 190486.672	Total Assets: 190486.672
SOURCES OF FUNDS	
Paid up Capital : 89,566.00	Reserves & Surplus : 100,920.672
Secured Loans : NIL	Unsecured Loans : NIL
APPLICATION OF FUNDS	
Net Fixed Assets : 1,941.623	Investments : NIL
Net Current Assets : 188,422.097	Miscellaneous Expenditure : NIL
Deferred Tax Asset : 122.952	
IV Performance of the Company	
Turnover including other income	: 15,584.314
Total Expenditure including Depreciation	: 5,724.335
Profit Before Tax	: 9,859.980
Profit After Tax	: 6,673.267
Earning per Share :- Rs. 7.45	Dividend Rate %: NIL
V. Generic Names of the Three Principal Products / Services of the Company (As per monetary terms)	
Item Code No. (ITC Code)	Not Applicable
Product Description	Promotion of Petrochemical Products In Maharashtra

The schedule & notes referred to above form an integral part of the Accounts

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SD/-
N. B. SHAH
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(Mem. NO. 033692)

SD/-
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MANAGING
DIRECTOR

DIRECTOR

Mumbai
Dated : 29th Oct 2010

फैक्स नं. } 2209 2326
फैक्स नं. } 2205 4022
दूरभाष संख्या } 2205 7360
Telephone No. } 2201 4437

तार का पता : वाणिज्यिक परीक्षा
Telegraphic Address : (VANIJIYPARIKSHA)
e-mail : agcommnuMaharashtra@cag.gov.in

संख्या / No. Confidential
AG/CA/CAW-1/18/Petrochemicals/2009-10/ G 11831



महालेखाकार का कार्यालय
(वाणिज्यिक लेखापरीक्षा), महाराष्ट्र
प्रतिष्ठा भवन, तल मंजिल,
101, महर्षि कर्वे मार्ग, मुंबई - 400 020.
OFFICE OF THE ACCOUNTANT GENERAL
(COMMERCIAL AUDIT), MAHARASHTRA
PRATISHTHA BHAVAN, GROUND FLOOR,
101, MAHARSHI KARVE MARG, MUMBAI - 400 020.

दिनांक / Date : 31 DEC 2010

To,

Managing Director
Maharashtra Petrochemicals Corporation Limited,
Mumbai

Subject: - Comments on the accounts of Maharashtra Petrochemicals
Corporation Limited, Mumbai for the year ended 31 March 2010.

Sir,

Please find enclosed 'Non Review Certificate' of the Comptroller and Auditor
General of India under Section 619(4) of the Companies Act, 1956 on the accounts of
Maharashtra Petrochemicals Corporation Limited, Mumbai for the year ended
31 March 2010.

Five printed copies of Annual Report may be sent after holding of Annual
General Meeting.

Yours faithfully

Enclosed : As above.

The Managing Director



S. J. Jafar
ACCOUNTANT GENERAL
(COMMERCIAL AUDIT)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of the 'Maharashtra Petrochemicals Corporation Limited', Mumbai 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 9 December 2010.

I, on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors on the accounts of the 'Maharashtra Petrochemicals Corporation Limited', Mumbai for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of
The Comptroller and Auditor General of India

SD/-
ACCOUNTANT GENERAL
(COMMERCIAL AUDIT)

Place : Mumbai

Date : 31/12/2010