

**ADVANCE PETROCHEMICALS LTD.**

**NOTICE**

NOTICE is hereby given that 25th Annual General Meeting of the Members of Advance Petrochemicals Limited will be held on Thursday, the 30th day of September, 2010 at the Advance Synthetic Mills, Opp.Simla Hotel, Narol Char Rasta, Ahmedabad - 382 405 at 11.00 A.M. to transact the following business

**ORDINARY BUSINESS :**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March,2010 and Profit & Loss Account for the year ended on that date and the Report of the Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. Shailesh Singh Rajput, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor's and fix their remuneration and in this connection to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT M/s.Pipara & Co., Chartered Accountant, Ahmedabad be and are hereby appointed as Statutory Auditor of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board of Directors of the Company in conclusion with the aforesaid firm of Auditors."

**By order of the Board  
For Advance Petrochemicals Ltd.**

**Registered Office :**  
36, Kothari Market,  
Ahmedabad - 380 022  
Date: 03/09/2010

**(Ashok Goenka)**  
Chairman & Managing Director

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## ADVANCE PETROCHEMICALS LTD.

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### NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. A PROXY IN ORDER TO BE VALID NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY FILLED IN AND SIGNED SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE START OF THE MEETING.

1. Register of Member and Share Transfer Book of the company will remain closed from Monday, the 27th day of September,2010 to Thursday, the 30th day of September,2010.
2. Members/proxies should bring their attendance slips duly filled in for attending the meeting.
3. Members who have not encashed their dividend warrants pertaining to earlier years may approach the share department of the company for revalidating the warrants and for obtaining the duplicate warrants.
4. Members are requested to intimate the change in their address, if any, to the Registered office of the company writing their folio no.
5. Members holding shares in more than one folio in identical order of names are requested to write to the registered office of the company enclosing their share certificates to enable us to consolidate their holdings in one folio, to facilitate better service.
6. Members who have not forwarded earlier the details of their bank account number and the name and address of the bank are requested again to sent the same.
7. Shareholders seeking any information on account or operations are requested to write to the company at an early date so as to enable the management to keep the information ready.

**By order of the Board  
For Advance Petrochemicals Ltd.**

**Registered Office :**  
36, Kothari Market,  
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**(Ashok Goenka)**  
Chairman & Managing Director

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**ADVANCE PETROCHEMICALS LTD.**

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**DIRECTOR'S REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 25th Annual Report along with the Audited Account of the company for the period ended 31st March, 2010.

**FINANCIAL RESULTS :**

	(Rs.in Lacs)	
	2009-2010	2008-2009
Gross Income	664.08	440.19
Profit before interest, depreciation and tax	40.49	(6.46)
Profit before depreciation and tax	27.12	(16.92)
Depreciation	13.70	5.85
Profit before tax	13.42	(23.26)
Profit after tax	13.10	(23.26)
Add : Surplus as per last account	(25.03)	(0.54)
Surplus available for appropriation	(12.71)	(25.03)
Appropriations :		
Proposed Dividend	Nil	Nil
Transferred to General Reserve	Nil	Nil
Surplus Carried to next year	(12.71)	(25.03)

**DIVIDEND**

Due to inadequacy of profit available for appropriation during the year under review, your Directors express their inability to recommend any dividend for the year ended 31st March, 2010.

**OPERATION**

During the year under review your company have registered a sales turn over of Rs.664.08 lacks in comparison to the figure of Rs.440.19 lacks of the previous year. As a result of increase in sales turnover, net profit after tax has also increased to Rs.13.10 lacs as compared to Rs.(23.26) Lacs of the previous year.

**PUBLIC DEPOSITS**

The company has not accepted any deposits from the public during the year review and therefore the provisions of the companies Act, 1956 read with companies (acceptance of deposit) rules,1975 are applicable to the company.

**INSURANCE**

All the properties of your company have been adequately insured against fire, floods, riots, earthquake, malicious damage and explosion risks.

**AUDITOR'S REPORT**

All the items on which comments have been made by the auditors in their report to the shareholders are self explanatory as explained by way of notes to the accounts under schedule 12 to the Balance Sheet and Profit & Loss Accounts.

**AUDITORS**

M/s.Pipara & Company, Chartered Accountants, Ahmedabad retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. Company under the Section 224(1B) of the Companies Act, 1956 certify their eligibility.

**DIRECTOR'S RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT,1956**

Pursuant to section 217 (2AA) of the companies Act,1956, the preparation of the Directors confirm that :

- i) In the preparation of the annual account, the applicable accounting standards had been followed ;
- ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss account for the current financial year.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in and for preventing and detecting fraud and other irregularities;
- iv) The Annual Account have been prepared on a going concern basis.

**ISO 9001**

Your Directors have pleasure informing you that the company has ISO-9001 certification from the world renowned institution for its Chemical Division. Now your company enjoy coveted and prestigious ISO 9001 Status.

Company has successfully met all the stringent and rigorous revaluation and surveillance measures of UKAS Quality Management.

**EMPLOYEES**

There are no employees drawing salary of Rs.2,00,000/-p.m. and/or Rs.24,00,000/-p.a. and therefore particulars u/s.217 (2A) of the companies Act,1956 read with companies (particulars of employees) rules, are not required to be given.

**DIRECTORS**

As per the provisions of Section 256 of the companies Act,1956 read with Article 144 of the Articles of Association of the Company, Mr. Arvind Goenka, retire by rotation at the forth coming Annual General Meeting, being eligible offers himself for re-appointment.

**REMUNERATION COMMITTEE**

The company has set up remuneration committee. This committee comprises of three non executive independent Directors. The name of members as follows.

1. Shri Shailesh Singh Rajput : Chairman
2. Shri Gaurav Mittal : Member
3. Shri Omprakash Jalan : Member

## ADVANCE PETROCHEMICALS LTD.

This committee reviews and makes recommendations on annual salaries , performance commission, perquisites and other employment conditions of Executive Director(s)

### LISTING OF SHARES

The Equity shares of the company are listed on the following Stock Exchange :

Name	Address
Bombay Stock Exchange Limited	Phirozee JeeJee Bhoy Towers Dalal Street, Mumbai – 400 001.

Company has paid annual listing fees for the year 2010-2011.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Our industry is not a heavy consumer of energy, further during the year under review, the company made efforts to conserve energy through reduction consumption, the company will continue to endeavor of conserve energy and use it more efficiently.

	2009-2010	2008-2009
Electricity Purchase Unit	383175	69734
Total Amount (Rupees)	2405062	691852
Rate Unit (Rs.)	6.28	9.92

The Company is having research & development facilities. The process of development is a continuous process resulting in development of new & import substitute products.

Company is taking all appropriate measures to observe the Technology in its area of operation.

There has been no foreign exchange outgo in the current year. Company has earned Rs. 4,30,879/-. In foreign currency during the year.

### PERSONAL

Your company has been maintaining a very cordial and satisfactory relationship with its employees and your Directors wish to place on record their deep sense of appreciation for the devoted service of the executives, staff and workers of the company.

### COMPLIANCE CERTIFICATE

Compliance Certificate pursuant to Section 383A (1) of the Companies Act, 1956, received from a Practising Company Secretary is attached herewith and forms the part of this report.

### APPRECIATION

The Board wishes to express its sincere appreciation to all the staff member for the contribution to the performance of the company and to our valued clients, bankers, financial institutions and shareholders for the continued support and the same is expected in years to come.

For and on behalf of the Board  
For ADVANCE PETROCHEMICALS LTD.

Place : Ahmedabad  
Date : 03.09.2010

(Ashok Goenka)  
Chairman & Managing Director

## ADVANCE PETROCHEMICALS LTD.

### COMPLIANCE CERTIFICATE

Company No.:04:8013

Nominal Capital :Rs.200 Lacs.

To,

The Members

Advance Petrochemicals Limited

I have examined the registers, records, books and papers of M/s Advance Petrochemicals Limited as required to be maintained under the Companies Act, 1956 ( the Act ) and the rules made there under and also the provisions contained in the Memorandum and Articles of Associations of the Company for the financial year ended on 31st March, 2010. In My opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. the Company is a Public limited company and having the paid up capital exceeding minimum capital under the Act. The other comments are not required.
4. the Board of Directors duly met 7 times on 30/04/2009, 30/07/2009, 17/08/2009, 02/09/2009, 30/10/2009, 15/01/2010 and 31/01/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members during the year in accordance with the provisions of Section 154 of the Act.
6. the annual general meeting for the financial year ended on 31/03/2009 was held on 30/09/2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the year.
8. the company has not advanced loan to its parties as referred in Section 295 of the Companies Act, 1956.
9. The company has entered into Contract falling within the purview of Section 297 of the Act during the year under review.
10. the company is in the process of making entries in the register maintained under Section 301 of the Act.

## ADVANCE PETROCHEMICALS LTD.

11. As there were no instances falling within purview of Section 314 of the Act, the company has not obtained any approval from the Board of Directors, Members and Central Government.
12. the Board of Directors or committee of Directors has not approved the issue of duplicate share certificates.
13. the Company has
  - (i) not made allotment of securities during the year. The Company has delivered all the certificates on lodgment thereof for transfer/ transmission within the time prescribed under the provisions of the Act barring few exception of delayed transfer.
  - (ii) not deposited the amount of dividend since it has not declared the dividend during the year
  - (iii) not paid/posted warrants for dividends to all the members and deposited unpaid dividend as required under the Act as it has not declared any dividend during the year
  - (iv) no transfer of the amounts on account of application money due for refund, matured deposits, matured debenture and the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 years to Investor Education and Protection Fund was involved.
  - (v) duly complied with the requirement of Section 217 of the Act, to the extent applicable to it.
14. the Board of Directors of the company is duly constituted and appointment of directors has been duly made.
15. During the year, the company has appointed Managing Director/ whole time director/ executive director in accordance with the provisions of Schedule XIII to the Companies Act, 1956.
16. the Company has not appointed sole selling agent.
17. there were no transactions requiring the company to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under
19. the company has not issued any Shares/ debentures or other securities during the financial year.
20. the company has not bought back any shares during the year under scrutiny.

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21. the company has not redeemed any preference shares/debentures during the year.
22. there were no instances requiring the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted any deposits from the public and therefore the provisions of sections 58A, 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
24. the company has borrowed moneys in accordance with the provisions of section 293 (1) (d) of the Act.
25. during the year the company has not advanced any loans. However the company has not made investment, and has not given any guarantees or provided any security to other bodies corporate.
26. the company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. the company has not altered its articles of association during the year under review.
31. as informed to me by the Management that no prosecution has been initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company.
32. the company has not received any sum as security as referred to in Section 417 (1) of the Act, from its employees during the year under certification.
33. the company has not created any fund referred to Section 418 of the Companies Act, 1956 and hence said Section is not applicable to the company.

Signature :

Name of Company Secy.: Bipin L. Makwana  
C.P. No.: 5265

Place: Ahmedabad

Date : 03.09.2010



**ADVANCE PETROCHEMICALS LTD.**

**Annexure 'A'**

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Directors u/s 303
3. Register of Directors' Shareholdings u/s 307.
4. Register of Contracts u/s 301.
5. Register Of Share Transfers.
6. Register Of Charges.

**Annexure 'B'**

Forms and returns as filed by the company with the Registrar of Companies during the financial year.

Sl. No.	Nature of Document.	Date of Filing	Filed within prescribed time.	Not filed within prescribed time but filed with additional fees.
01	Form No.66 (Compliance Certificate for the year 31/3/2009 U/s 383A (1))	29/10/2009	Yes	---
02	Form No.23AC and Form No.23ACA (Balance Sheet, P& L A/c as at 31/3/2009 filed u/s 220 of the Act)	30/10/2009	Yes	---
03	Form No.20B (Annual Return made upto 30.09.2009 filed u/s 163 of the Act)	26/11/2009	Yes	---
04	Form No.8 for modification of charge filed u/s 135 of the Act.	15/02/2010	Yes	---

The Company has not filed any document with Company Law Board, Regional Director, Central Government during the year under review.

**AUDITOR'S REPORT**

To,  
The Members of  
Advance Petrochemicals Limited  
Ahmedabad.

1. We have audited the attached Balance Sheet of Advance Petrochemicals Limited as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date both 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.
2. We 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 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 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 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 report that:
  - (i) 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;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**ADVANCE PETROCHEMICALS LTD.**

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes, give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
  - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, Pipara & Company  
**Chartered Accountants**  
(Registration No. 107929W)

PLACE: AHMEDABAD  
DATE : 30.08.2010

(RASHMI RUNGTA)  
PARTNER  
Memb. No. 101176

ADVANCE PETROCHEMICALS LTD.

ANNEXURE TO THE AUDITORS REPORT  
(referred to in paragraph 3 of our report of evendate)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) During the year no disposal of fixed asset has been made which could affect the going concern status of the company.
- (ii) (a) The management has conducts physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) According to the information and explanations given to us and in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records have been properly dealt with in the books of accounts and were not material.
- (iii) (a) During the year, the company has not granted any loans, secured or unsecured, to companies or other parties covered in the maintained under section 301 of the companies act, 1956.
- Details of loans, secured or unsecured, taken from companies or other parties are as under :-
- |   |                  |
|---|------------------|
| No of Parties                           | : One            |
| Maximum amount Involved during the year | : Rs.17,49,997/- |
| Outstanding Balance as on 31.03.2010    | : Rs.16,58,766/- |
- (b) In our opinion, the loan taken and given are prima facie, not prejudicial to the interest of the company.
- (c) As stated in clause (iii) (b) above and in the absence of any stipulation for the repayment of principal amount and interest thereon, we are unable to give any comment on the regularity of payment of the principal amount and interest thereon.

## ADVANCE PETROCHEMICALS LTD.

- (d) As stated in clause (iii) (b) above and in the absence of any stipulation for the repayment of principal amount or interest, the overdue amount could not be found out. Hence, we are unable to give any comment on the steps taken by the Company on the steps taken by the Company for recovery / payment of the principal or interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of Rs 5,00,000 in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public and therefore the provisions of sections 58A, 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Cess, Custom Duty and other undisputed statutory dues were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable

**ADVANCE PETROCHEMICALS LTD.**

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service-tax, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in INR	Period to which the amount relates	Forum where dispute pending
Income Tax Act, 1961	Income tax on regular assessment	2,36,928	AY1992-93	Commissioner of Income Tax (Appeals), Ahmedabad
Income Tax Act, 1961	Income tax on regular assessment	9,21,642	AY1996-97	Deputy Commissioner - Udaipur

- (x) The Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks, financial institution or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not given guarantees for loans taken by subsidiaries from banks and financial institution, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans outstanding at the beginning of the year and raised during the year were, prima facie, applied by the Company for the purpose for which they were obtained.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short-term basis have not, prima facie, been used during the year for long-term investments.

**ADVANCE PETROCHEMICALS LTD.**

- (xviii) During the year, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year under our audit.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For, Pipara & Company  
**Chartered Accountants**  
(Registration No. 107929W)

PLACE: AHMEDABAD  
DATE : 30.08.2010

(RASHMIRUNGTA)  
PARTNER  
Memb. No. 101176

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**ADVANCE PETROCHEMICALS LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2010** Amount in Rs.

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>I. SOURCES OF FUNDS</b>			
1 Shareholders' Funds			
(a) Capital	1	9,000,000	9,000,000
(b) Reserves and Surplus	2	<u>4,387,870</u>	<u>4,507,145</u>
2 Loan Funds			
(a) Secured Loans	3	7,417,726	7,046,505
(b) Unsecured Loans	4	<u>10,497,868</u>	<u>9,999,520</u>
3 Deferred Tax Liability		398,204	320,416
<b>Total</b>		<u><b>31,701,668</b></u>	<u><b>30,873,586</b></u>
<b>II. APPLICATION OF FUNDS</b>			
1 Fixed Assets	5		
(a) Gross Block		30,818,478	30,116,510
(b) Less: Depreciation		<u>13,156,470</u>	<u>11,667,611</u>
(c) Net Block		17,662,008	18,448,899
(d) Capital Work-in-Progress		-	-
2 Investments	6	3,596,205	3,596,205
3 Current Assets, Loans and Advances	7		
(a) Inventories		6,116,046	4,803,524
(b) Sundry Debtors		10,348,269	7,127,403
(c) Cash and Bank Balances		2,300,605	1,280,926
(d) Other Current Assets		731,802	1,012,940
(e) Loans and Advances		<u>2,577,736</u>	<u>2,602,578</u>
<b>Total</b>		<u><b>22,074,458</b></u>	<u><b>16,827,371</b></u>
Less: Current Liabilities and Provisions	8		
(a) Current Liabilities		12,557,331	10,125,689
(b) Provisions		<u>344,386</u>	<u>464,326</u>
<b>Total</b>		<u><b>12,901,717</b></u>	<u><b>10,590,015</b></u>
Net Current Assets		9,172,741	6,237,356
4 (a) Miscellaneous Expenditure to the Extent Not Written Off or Adjusted	9	-	87,737
(b) Profit and Loss Account		<u>1,270,715</u>	<u>2,503,389</u>
<b>Total</b>		<u><b>31,701,668</b></u>	<u><b>30,873,586</b></u>
Notes to Accounts	18		

In terms of our report of even date  
For, PIPARA & COMPANY,  
CHARTERED ACCOUNTANTS.

(RASHMI RUNGTA)  
PARTNER  
Memb. No. 101176  
PLACE : AHMEDABAD  
DATED : 30-08-2010

For, ADVANCE PETROCHEMICALS LIMITED  
ASHOK GOENKA CHAIRMAN &  
MANAGING DIRECTOR  
ARVIND GOENKA DIRECTOR  
J. K. TRIVEDI DIRECTOR  
SHAILESH SINGH RAJPUT DIRECTOR  
OMPRAKASH JALAN DIRECTOR  
GAURAV MITTAL DIRECTOR  
PLACE : AHMEDABAD  
DATED : 30-08-2010

ADVANCE PETROCHEMICALS LTD.

**SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
<b>SHARE CAPITAL - Schedule "1"</b>		
<b>a) Authorised Share Capital:-</b>		
20,00,000 Equity Shares of Rs.10/- each	20,000,000	20,000,000
<b>b) Issued, Subscribed &amp; Paid-up:-</b>		
9,00,000 Equity Shares of Rs.10/- each	<u>9,000,000</u>	<u>9,000,000</u>
<b>TOTAL RS:</b>	<b><u>9,000,000</u></b>	<b><u>9,000,000</u></b>
<b>RESERVES AND SURPLUS - Schedule "2"</b>		
- General Reserve	3,054,137	3,054,137
- Revaluation Reserve	1,333,733	1,453,008
<b>TOTAL RS:</b>	<b><u>4,387,870</u></b>	<b><u>4,507,145</u></b>
<b>SECURED LOANS- Schedule "3"</b>		
Cash Credit from State Bank of India (Secured against Entire current assets)	3,677,726	2,130,505
Term Loan from State Bank of India (Secured against Plant & Machinery)	3,740,000	4,916,000
<b>TOTAL RS:</b>	<b><u>7,417,726</u></b>	<b><u>7,046,505</u></b>
<b>UNSECURED LOANS- Schedule "4"</b>		
From Relatives & Body Corporate (As per Grouping)	7,648,437	6,751,669
From Others (As per Grouping)	2,849,431	3,247,851
<b>TOTAL RS:</b>	<b><u>10,497,868</u></b>	<b><u>9,999,520</u></b>

ADVANCE PETROCHEMICALS LTD.

FIXED ASSETS - Schedule "5"

Description of Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01.04.2009	Addition	Deletion	As on 01.04.2009	For the year 2008-09	For the year 31.03.2010	As at 31.03.2010	As at 31.03.2009
Computer	278,993	-	-	278,993	284,177	5,926	270,103	8,890
Factory Building	5,098,094	155,240	-	5,253,334	3,179,163	196,655	3,378,618	1,916,931
Factory Land	46,000	-	-	46,000	-	-	-	46,000
Furniture & Fixture	166,280	71,981	-	238,261	143,415	8,975	152,390	85,871
Machinery Scrap	965,653	-	-	965,653	-	-	-	965,653
Office Equipment	376,103	3,450	-	379,553	312,413	14,974	326,487	53,066
Plant & Machinery (Pipels)	21,300,430	398,716	-	21,699,146	6,273,276	228,772	7,426,668	14,272,478
Vehicles	1,884,957	72,581	-	1,957,538	1,495,167	106,837	1,602,004	365,534
<b>Total</b>	<b>30,116,610</b>	<b>701,969</b>	<b>-</b>	<b>30,818,478</b>	<b>11,667,511</b>	<b>228,772</b>	<b>13,166,470</b>	<b>17,662,008</b>
Previous Year	19,999,260	10,886,278	767,018	30,116,610	11,303,144	-	11,667,511	18,448,899

**ADVANCE PETROCHEMICALS LTD.**

<b>PARTICULARS</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
<b>INVESTMENTS - Schedule "6"</b>		
900 Equity shares of Wellspun Gujarat Stahl Rohern	5,985	5,985
2,45,600 Fully paid Equity shares of Rs.10 each of Advance Multitech Ltd.	3,590,220	3,590,220
<b>TOTAL RS:</b>	<b><u>3,596,205</u></b>	<b><u>3,596,205</u></b>
<b>CURRENT ASSETS - Schedule "7"</b>		
<b>(a) Inventories (Refer Notes to Accounts)</b>		
- Raw Materials, Stores & Consumables	1,846,828	550,618
- Work-in-Progress	3,253,881	2,947,600
- Finished Goods	525,337	805,306
- Packing Material	180,000	195,000
- Stores & Spares	95,000	—
- Coal	215,000	305,000
<b>TOTAL RS:</b>	<b><u>6,116,046</u></b>	<b><u>4,803,524</u></b>
<b>(b) Sundry Debtors</b>		
(Unsecured but considered good by the management)		
- Outstanding for more than six months	1,712,383	1,279,547
- Others	8,635,886	5,847,856
<b>TOTAL RS:</b>	<b><u>10,348,269</u></b>	<b><u>7,127,403</u></b>
<b>(c) Cash &amp; Bank Balances</b>		
- Cash on Hand	40,500	101,106
- Petty Cash	1,517,413	258,147
- TDR & S.P.T.D.R(SBS I.F.Branch)	629,000	629,000
- Earnest Money Deposit A/c	21,000	71,000
- Balance with Ahmedabad District Co. Bank	82,299	48,728
- Balance with Standard Chartered Bank	9,367	171,919
- Balance with S.B.S	1,026	1,026
<b>TOTAL RS:</b>	<b><u>2,300,605</u></b>	<b><u>1,280,926</u></b>

ADVANCE PETROCHEMICALS LTD.

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
<b>(d) Other Current Assets</b>		
- Security Deposits (As per Grouping)	47,500	47,500
- TDS (Asset) (As per Grouping)	684,302	965,440
	<u>731,802</u>	<u>1,012,940</u>
<b>(e) Loans &amp; Advances</b>		
(Unsecured but considered good)	467,219	485,688
- Advances to suppliers	2,110,517	2,116,890
- Other Advances	<u>2,577,736</u>	<u>2,602,578</u>
TOTAL RS:		
<b>CURRENT LIABILITIES - Schedule "8"</b>		
- Sundry Creditors	11,790,169	9,302,573
- Advance From Customers	569,610	609,400
- TDS Payable	148,495	80,029
- Other Liabilities	49,057	133,687
	<u>12,557,331</u>	<u>10,125,689</u>
- Provision for Taxation	32,000	-
- FBT Payable	-	48,718
- Provision for Expenses	3,12,386	4,15,608
	<u>3,44,386</u>	<u>4,64,326</u>
TOTAL RS:	<u>12,901,717</u>	<u>10,590,015</u>
<b>Miscellaneous Expenditure to the extent Not Written off or Adjusted - Schedule "09"</b>		
- Deferred revenue expense on Brand Building	-	50,043
- Research & Development	-	37,694
	<u>-</u>	<u>87,737</u>
TOTAL RS:		
<b>Sales - Schedule "10"</b>		
- Domestic Turnover	56,902,913	27,324,691
- Export Turnover	7,011,322	13,299,852
	<u>63,914,235</u>	<u>40,624,543</u>
TOTAL RS:		

**Schedule 18: Notes to Accounts**

A. Significant Accounting Policies

1 Basis of Accounting

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2 Revenue Recognition

- a) Sales including export sales and trading sales are recognised when goods are dispatched from the factory and are recorded at net of shortages, claims settled, rate differences, rebate allowed to customers.
- b) Export Sales are booked at the rate on the date of transaction and the resultant gain or loss on realisation or on translation is accounted as "Foreign Exchange Rate Fluctuation" and is dealt with in the statement of Profit and Loss Account.

3 Fixed Assets and Depreciation

Fixed assets, other than Plant & Machinery, are valued and stated at cost less accumulated depreciation calculated on the basis of Written Down Value Method on prorata basis and at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of Plant & Machinery, depreciation has been provided on Straight Line Method (SLM) basis. Depreciation of Rs.1,19,275/- has been debited to Revaluation Reserve Account out of total depreciation of Rs.13,69,584/-.

4 Inventories

Inventories of Raw Materials, Stores and Spares, Packing material, Coal, Goods in process and Finished goods are stated at cost or net realisable-value whichever is lower, as certified by management. Cost comprises of cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costing formula used is First-in-First-out (FIFO).

5 Investments

Investments are classified as Long Term Investments. Long term investments are stated at Cost. Provision is made for diminution in the value of Long term Investments to recognise a decline, if any other than temporary in nature.

6 Use of Estimates

The preparation of financial statements requires management to make estimates

## ADVANCE PETROCHEMICALS LTD.

and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates.

### 7 Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.

### 8 Employee Benefits

- a) Short term employee benefits are recognized as an expense at undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the Profit & Loss Account in the year of payment.

### 9 Miscellaneous Expenditure

- a) It consist of deferred revenue expenses incurred by the company for the development of brand name for one of its major product, known as "APIBRAKO" and Research & development expenditure. One fourth part of total brand building expenditure is being written off in current year. One fifth part of total expenditure on Research & Development is being written off in the current year.

### B. Assets and Liabilities

- 1 All debit and credit balances and accounts squared up during the year are subject to confirmation from respective parties.
- 2 In the opinion of the Board of Directors the current assets, loans & advances are approximately of the value at which these are stated in the Balance Sheet if realised in the ordinary course of business.
- 3 Adequate provisions have been made for all known liabilities and the provision are not in excess of the amount reasonably necessary.
- 4 The computation of net profits for the purpose of calculation of Directors remuneration u/s.349 of the Companies Act, 1956 is not enumerated since no commission has been paid to the Directors as per shedule XIII to the Companies Act, 1956. However, fixed remuneration paid to director as per shedule XIII to the Companies Act, 1956 was Rs.5,76,000 /-. (Previous year Rs. 5,04,000 /-)

**ADVANCE PETROCHEMICALS LTD.**

	2009-10	2008-09
<b>C. Remuneration to Auditors</b>	30,000	30,000
a) As Auditor		
b) As Advisor, or in any other capacity in respect of-	15,000	15,000
- Taxation Matters	-	-
- Company Law Matters	-	-
- Management Services and	500	-
c) Out of pocket expenses	4,635	5,562
d) Service Tax	<u>50,135</u>	<u>50,562</u>
Total		

**D. Accounting for Taxes**

1 As required by "Accounting Standard 22 - Accounting for Taxes on Income", the company has provided for Deferred Taxes. The tax effect of timing differences originating and reversing during the year has been reflected in the current year's Profit & Loss Account.

Opening Deferred Tax (Asset)/Liability	320,416
Current Year's Difference of Depreciation between that under	8,537,973
Other temporary differences	-
Total Difference	<u>8,537,973</u>
Less : Tax effect Carried Forward of losses	(7,249,286)
Tax effect of timing difference (Assets)/Liabilities	398,204
Closing Deferred Tax (Asset)/Liability	<u><u>77,789</u></u>

**E Segment Reporting**

The Company has a single business segment namely PETROLEUM PRODUCT. Hence, the company's business does not fall under different business segments as defined by AS - 17 " Segmental Reporting " issued by the ICAI.

**F Related Party Transactiona**

<b>Name of Associates:</b>	135,961
- Advance Multitech Limited	

**G Directors of Company :-**

Chairman & Managing Director	:-	Shri Ashokbhai Goenka
Director	:-	Shri Arvindbhai Goenka
Director	:-	Shri J. K. Trivedi
Director	:-	Shri Shailesh Singh Rajput



**ADVANCE PETROCHEMICALS LTD.**

Director	:-	Shri Om Prakash Jalan
Director	:-	Shri Gaurav Mittal

**H Transactions with Related Parties**

Following transaction were carried out with related parties in the ordinary course of business :

	Amount (Rs.)
Director Remuneration	576,000
Rent Received from Advance Multitech Ltd.	240,000

**I** Additional information pursuant to the provision of paragraphs 3, 4(c) and 4(d) of Part II of Schedule VI of the Companies Act, 1956 regarding quantitative information in respect of each class of goods is as under :-

**Licenced Capacity :**

The Company is not required to obtain any licence under the Industries Development Regulation Act, therefore, the details of licenced capacity are not applicable.

**MANUFACTURING ACTIVITIES**

	Current Year		Previous Year	
	Qty.(Kg./Ltr.)	Value (Rs.)	Qty.(Kg./Ltr.)	Value (Rs.)
<b>1 FINISHED GOODS Chemicals :</b>				
Op. Stock	8,000	8,05,306	460	29,829
Production	885867	—	497,893	—
Sales	888,197	63,318,770	490,353	40,673,203
Cl. Stock	5,670	5,25,337	8,000	805,306

**NOTE :**

Opening and closing semi-finished goods have considered while working out above production. The details of opening and closing stock of semi finished goods are as under:-

**2 RAW MATERIAL CONSUMED :**

	Current Year			Previous Year		
	Quantity (Kgs.)	Value (Rs.)	Percentage (%)	Quantity (Kgs.)	Value (Rs.)	Percentage (%)
1 Indigenous	948203	—	—	460185	37971531	100
2 Imported	—	—	—	—	—	—

**ADVANCE PETROCHEMICALS LTD.**

**3 STORES & SPARES CONSUMED :**

	Current Year		Previous Year	
	Value (Rs.)	Percentage (%)	Value (Rs.)	Percentage (%)
1 Indigenous	681563	100	83,000	100
2 Imported				

J Earning in Foreign Currency Rs.4,30,879/- (Previous Year Rs. 1,32,99,852).

K C.I.F. value of Imports Rs. NIL (Previous Year: NIL).

L Schedules "1" to "18" form part of the accounts for the year ended on 31st March, 2010.

M Previous year figures have been rearranged / regrouped wherever necessary.

For, PIPARA & COMPANY,  
CHARTERED ACCOUNTANTS.

(RASHMI RUNGTA)  
PARTNER  
Memb. No. 101176  
PLACE : AHMEDABAD  
DATED : 30-08-2010

For, ADVANCE PETROCHEMICALS LIMITED  
ASHOK GOENKA CHAIRMAN &  
MANAGING DIRECTOR  
ARVIND GOENKA DIRECTOR  
J. K. TRIVEDI DIRECTOR  
SHAILESH SINGH RAJPUT DIRECTOR  
OMPRAKASH JALAN DIRECTOR  
GAURAV MITTAL DIRECTOR  
PLACE : AHMEDABAD  
DATED : 30-08-2010



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ADVANCE PETROCHEMICALS LTD.

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
<b>(d) Other Current Assets</b>		
- Security Deposits (As per Grouping)	47,500	47,500
- TDS (Asset) (As per Grouping)	684,302	965,440
	<u>731,802</u>	<u>1,012,940</u>
<b>(e) Loans &amp; Advances</b>		
(Unsecured but considered good)	467,219	485,688
- Advances to suppliers	2,110,517	2,116,890
- Other Advances	<u>2,577,736</u>	<u>2,602,578</u>
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- Advance From Customers	569,610	609,400
- TDS Payable	148,495	80,029
- Other Liabilities	49,057	133,687
	<u>12,557,331</u>	<u>10,125,689</u>
- Provision for Taxation	32,000	-
- FBT Payable	-	48,718
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	<u>3,44,386</u>	<u>4,64,326</u>
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- Research & Development	-	37,694
	<u>-</u>	<u>87,737</u>
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- Export Turnover	7,011,322	13,299,852
	<u>63,914,235</u>	<u>40,624,543</u>
TOTAL RS:		

**ADVANCE PETROCHEMICALS LTD.**

<b>PARTICULARS</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
<b>OTHER INCOME - Schedule "11"</b>		
	1,645,790	-
- Job Work	30,275	185,908
- Interest Received	111,821	27,656
- Sundry Balance Written Off	-	615,360
- Due to GSFC waived during the financial year	671,740	1,416,423
- Commission Received	240,000	240,000
- Factory Rent	945	945
- Dividend Received	600	600
- A.E.Co. Substation Rent	430,879	62,734
- Exchange Difference	236,928	-
- Income Tax Refund	-	8,900
- Service Tax	-	7,079
- Short Payment Rounded Off	-	4,860
- Sales Tax Refund	-	-
<b>TOTAL RS:</b>	<b>3,368,978</b>	<b>2,570,465</b>
<b>Increase/(Decrease) in Stock of Finish Goods- Schedule "12"</b>		
Opening Stock of Finished Goods	805,306	29,829
Opening Stock of Semi Finished Goods	-	-
	805,306	29,829
Less: Closing Stock of Finished Goods	(525,337)	805,306
Less: Closing Stock of Semi Finished Goods	-	-
<b>Increase / (Decrease) in Stock of Finished Goods</b>	<b>279,969</b>	<b>775,477</b>
<b>Cost of Production- Schedule "13"</b>		
Opening Stock of Raw Material	550,618	659,580
Add: Purchases	51,995,568	38,875,085
Add: Inward Freight, Octroi and Cartage	2,214,631	1,134,738
	54,760,817	40,669,403
(Less): Closing Stock of Raw Material	(1,846,828)	(550,618)
<b>Raw Material Consumed</b>	<b>52,913,989</b>	<b>40,118,785</b>

ADVANCE PETROCHEMICALS LTD.

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
Add: Other Production Expenses	681,563	83,000
Stores Consumed	355,950	32,615
Repairs & Maintenance	2,495,062	2,009,737
Power and Fuel	20,595	61,439
Factory Expense	41,427	39,063
License Expense	49,778	13,458
Lab Chemicals & Instruments	73,149	3,042
Job work Charges	-	79,150
Shortage	2,947,600	-
Add: Opening WIP	59,579,113	42,440,289
(Less): Closing WIP	(3,253,881)	(2,947,600)
Cost of Production	<u>56,325,232</u>	<u>39,492,689</u>
<b>PERSONNEL EXPENSES - Schedule "14"</b>		
Salaries	1,132,151	696,825
Directors' Remuneration	576,000	304,000
Contribution to Provident Fund	108,607	83,444
Gratuity	27,162	239,393
Staff Welfare	24,536	42,485
Bonus	73,131	57,050
Lodging & Boarding Expenses	1,030	2,823
Leave Salary	60,617	54,684
Labour Welfare Fund	153	-
E.S.I.C	33,549	25,757
<b>Total Rs.</b>	<u>2,036,936</u>	<u>1,506,461</u>



ADVANCE PETROCHEMICALS LTD.

PARTICULARS	2009-10 (Rs.)	2008-09 (Rs.)
<b>ADMINISTRATIVE EXPENSES - Schedule "15"</b>		
Advertisement Expense	46,606	67,117
Remuneration to Auditors	45,000	45,500
Bank Commission & Discounting Charges	76,564	171,302
Brand Building W/Off	50,043	50,043
Certification Charges	37,617	11,525
Cess Expense	997	631
Clearing & Forwarding Charges	183,286	44,104
Compensation	-	227,490
Computer Repairing	13,895	9,160
Computer Software Expenses	5,400	-
Consultancy Charges	64,900	64,812
Conveyance Expenses	166,156	212,153
Electric Expenses	92,044	88,637
FBT	-	496
First Aid Medical Treatment	-	220
Handling Charges	-	34,054
Inspection Fees	7,800	8,004
Insurance Exp.	126,815	93,182
ISO Audit Fees	34,060	-
Interest on Income Tax	-	-
Interest on Service Tax	-	1,040
Interest on TDS	-	160
Lawn Maintenance	300	3,640
Listing Fees & Filing Expenses	15,114	15,182
Legal & Professional Expenses	51,426	67,931

**ADVANCE PETROCHEMICALS LTD.**

<b>PARTICULARS</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
Loss on Vehicle Sale	-	41,042
Medical Exp. Director	-	200,000
Membership & Subscription Fees	50,000	-
Miscellaneous Exp	18,641	20,034
Municipal Tax	223,940	261,848
Office Expense	709	28,070
Provident Expense	-	3,024
Public Welfare Expenses	35,131	4,025
Registration Fees	-	12,100
Rent Rates & Taxes	38,400	38,400
Pollution Control Expenses	33,300	-
Research & Development W/Off.	37,694	37,693
Postage Expenses	24,719	19,237
Printing & Stationery	59,107	54,686
Repairs and Maintenance - Vehicle	28,723	52,208
Sec. Edu. Cess Exp.	-	183
Security Charges	33,000	101,600
Secretarial Charges	-	6,000
Service Tax	25,348	-
Subscription Fees	14,736	6,097
Telephone Exp.	219,329	174,641
Tender Fees	3,000	28,431
Testing & Certification	68,026	82,208
Travelling Expenses	116,844	122,846
Valuation Charges	-	8,500
<b>TOTAL RS:</b>	<b><u>2,048,670</u></b>	<b><u>2,519,256</u></b>

**ADVANCE PETROCHEMICALS LTD.**

<b>PARTICULARS</b>	<b>2009-10 (Rs.)</b>	<b>2008-09 (Rs.)</b>
<b>FINANCIAL EXPENSES - Schedule "16"</b>		
Bill Discounting Charges	-	163,773
Financial Charges	82,620	223,482
Interest Expenses	1,249,409	572,394
Interest on FBT	5,382	-
Interest on Sales Tax	24	-
Loan Procurement Exp.	-	87,000
<b>TOTAL RS:</b>	<b><u>1,337,435</u></b>	<b><u>1,046,649</u></b>
<b>SELLING &amp; DISTRIBUTION EXPENSES - Schedule "17"</b>		
Export Expense	62,295	2,724
Freight Outward	-	58,557
Commission and Brokerage on Sales	420800	113,146
Packing Material Consumed	1,464,364	868,880
Sales Promotion	-	31,256
<b>TOTAL RS:</b>	<b><u>1,947,459</u></b>	<b><u>1,074,563</u></b>

**Schedule 18: Notes to Accounts**

A. Significant Accounting Policies

1 Basis of Accounting

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## ADVANCE PETROCHEMICALS LTD.

and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates.

### 7 Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.

### 8 Employee Benefits

- a) Short term employee benefits are recognized as an expense at undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the Profit & Loss Account in the year of payment.

### 9 Miscellaneous Expenditure

- a) It consist of deferred revenue expenses incurred by the company for the development of brand name for one of its major product, known as "APIBRAKO" and Research & development expenditure. One fourth part of total brand building expenditure is being written off in current year. One fifth part of total expenditure on Research & Development is being written off in the current year.

### B. Assets and Liabilities

- 1 All debit and credit balances and accounts squared up during the year are subject to confirmation from respective parties.
- 2 In the opinion of the Board of Directors the current assets, loans & advances are approximately of the value at which these are stated in the Balance Sheet if realised in the ordinary course of business.
- 3 Adequate provisions have been made for all known liabilities and the provision are not in excess of the amount reasonably necessary.
- 4 The computation of net profits for the purpose of calculation of Directors remuneration u/s.349 of the Companies Act, 1956 is not enumerated since no commission has been paid to the Directors as per shedule XIII to the Companies Act, 1956. However, fixed remuneration paid to director as per shedule XIII to the Companies Act, 1956 was Rs.5,76,000 /-. (Previous year Rs. 5,04,000 /-)

**ADVANCE PETROCHEMICALS LTD.**

	2009-10	2008-09
<b>C. Remuneration to Auditors</b>	30,000	30,000
a) As Auditor		
b) As Advisor, or in any other capacity in respect of-	15,000	15,000
- Taxation Matters	-	-
- Company Law Matters	-	-
- Management Services and	500	-
c) Out of pocket expenses	4,635	5,562
d) Service Tax	<u>50,135</u>	<u>50,562</u>
Total		

**D. Accounting for Taxes**

1 As required by "Accounting Standard 22 - Accounting for Taxes on Income", the company has provided for Deferred Taxes. The tax effect of timing differences originating and reversing during the year has been reflected in the current year's Profit & Loss Account.

<b>Opening Deferred Tax (Asset)/Liability</b>	320,416
Current Year's Difference of Depreciation between that under	8,537,973
Other temporary differences	-
Total Difference	<u>8,537,973</u>
Less : Tax effect Carried Forward of losses	(7,249,286)
Tax effect of timing difference (Assets)/Liabilities	398,204
Closing Deferred Tax (Asset)/Liability	<u><u>77,789</u></u>

**E Segment Reporting**

The Company has a single business segment namely PETROLEUM PRODUCT. Hence, the company's business does not fall under different business segments as defined by AS - 17 " Segmental Reporting " issued by the ICAI.

**F Related Party Transactiona**

<b>Name of Associates:</b>	135,961
- Advance Multitech Limited	

**G Directors of Company :-**

Chairman & Managing Director	:-	Shri Ashokbhai Goenka
Director	:-	Shri Arvindbhai Goenka
Director	:-	Shri J. K. Trivedi
Director	:-	Shri Shailesh Singh Rajput

**ADVANCE PETROCHEMICALS LTD.**

Director	:-	Shri Om Prakash Jalan
Director	:-	Shri Gaurav Mittal

**H Transactions with Related Parties**

Following transaction were carried out with related parties in the ordinary course of business :

	Amount (Rs.)
Director Remuneration	576,000
Rent Received from Advance Multitech Ltd.	240,000

**I** Additional information pursuant to the provision of paragraphs 3, 4(c) and 4(d) of Part II of Schedule VI of the Companies Act, 1956 regarding quantitative information in respect of each class of goods is as under :-

**Licenced Capacity :**

The Company is not required to obtain any licence under the Industries Development Regulation Act, therefore, the details of licenced capacity are not applicable.

**MANUFACTURING ACTIVITIES**

	Current Year		Previous Year	
	Qty.(Kg./Ltr.)	Value (Rs.)	Qty.(Kg./Ltr.)	Value (Rs.)
<b>1 FINISHED GOODS Chemicals :</b>				
Op. Stock	8,000	8,05,306	460	29,829
Production	885867	—	497,893	—
Sales	888,197	63,318,770	490,353	40,673,203
Cl. Stock	5,670	5,25,337	8,000	805,306

**NOTE :**

Opening and closing semi-finished goods have considered while working out above production. The details of opening and closing stock of semi finished goods are as under:-

**2 RAW MATERIAL CONSUMED :**

	Current Year			Previous Year		
	Quantity (Kgs.)	Value (Rs.)	Percentage (%)	Quantity (Kgs.)	Value (Rs.)	Percentage (%)
1 Indigenous	948203	—	—	460185	37971531	100
2 Imported	—	—	—	—	—	—

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**3 STORES & SPARES CONSUMED :**

	Current Year		Previous Year	
	Value (Rs.)	Percentage (%)	Value (Rs.)	Percentage (%)
1 Indigenous	681563	100	83,000	100
2 Imported				

J Earning in Foreign Currency Rs.4,30,879/- (Previous Year Rs. 1,32,99,852).

K C.I.F. value of Imports Rs. NIL (Previous Year: NIL).

L Schedules "1" to "18" form part of the accounts for the year ended on 31st March, 2010.

M Previous year figures have been rearranged / regrouped wherever necessary.

For, PIPARA & COMPANY,  
CHARTERED ACCOUNTANTS.

(RASHMI RUNGTA)  
PARTNER  
Memb. No. 101176  
PLACE : AHMEDABAD  
DATED : 30-08-2010

For, ADVANCE PETROCHEMICALS LIMITED  
ASHOK GOENKA CHAIRMAN &  
MANAGING DIRECTOR  
ARVIND GOENKA DIRECTOR  
J. K. TRIVEDI DIRECTOR  
SHAILESH SINGH RAJPUT DIRECTOR  
OMPRAKASH JALAN DIRECTOR  
GAURAV MITTAL DIRECTOR  
PLACE : AHMEDABAD  
DATED : 30-08-2010





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