

ADVANCE PETROCHEMICALS LIMITED

ANNUAL REPORT

2010-11



SCC/IN/QMS/1678



Head Office:

"Pipara Corporate House",
Near Gruh Finance, Netaji
Marg, Law Garden,
Ahmedabad-380006,
Gujarat, INDIA.

Branch Office:

703, Gajlaxmi CHS Ltd.,
Vasant Rao Cross
Road, Borivali (West),
Mumbai-400092,
Maharashtra, INDIA.

Branch Office:

D-612, International
Trade Centre,
Majura Gate,
Surat-395003,
Gujarat, INDIA.

Phone: +91-79-40 370 370 to 374

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Verified by CA Naman 27.09.11



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, 2011**, the **Profit & Loss Account** and also the **Cash Flow Statement** of the Company for the year ended on that date, both annexed hereto. 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. 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 & 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 purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii) The Balance Sheet, Profit & 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 & Loss Account and Cash Flow Statement dealt with by this report comply with the Applicable 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, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



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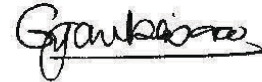
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- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and notes give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) In the case of the **Balance Sheet**, of the **State of affairs** of the Company as at 31st March, 2011;
 - b) in the case of **Profit & Loss account**, of the **Profit** for the year ended on that date; and
 - c) in the case of **Cash Flow Statement**, of the **Cash Flow** for the year ended on that date.

For PIPARA & COMPANY
CHARTERED ACCOUNTANTS
(Registration No. 107929W)



GYAN PIPARA
Partner
Membership No. 034298

Place: Ahmedabad

Date: 30 AUG 2011

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 3 of our report of even date)

- (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 the 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 conducted 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	: ₹.17,49,997/-
Outstanding Balance as on 31.03.2011	: ₹.16,58,766/-

- (b) In our opinion, the loans 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.
- (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 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, 2011 for a period of more than six months from the date they became payable
- (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:

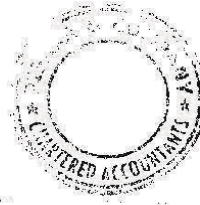
Name of the statute	Nature of dues	Amount in INR	Period to which the amount relates	Forum where dispute pending
Income Tax Act, 1961	Income tax on regular assessment	2,36,928	AY1992-93	Commissioner of Income Tax (Appeals), Ahmedabad
Income Tax Act, 1961	Income tax on regular assessment	9,21,642	AY1996-97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



A handwritten signature in black ink, appearing to read "Gyan Pipara".

GYAN PIPARA
Partner
Membership No.034289

Place: Ahmedabad

Date: **30 AUG 2011**

ADVANCE PETROCHEMICALS LIMITED

Balance Sheet as at March 31, 2011

Particulars		Sch. No.	As at 31st March 2011		As at 31st March 2010	
			₹		₹	
I.	<u>SOURCES OF FUNDS</u>					
1	Shareholders' Funds					
	(a) Capital	1	9,000,000		9,000,000	
	(b) Reserves and Surplus	2	4,280,523	13,280,523	4,387,870	13,387,870
2	Loan Funds					
	(a) Secured Loans	3	7,896,641		7,417,726	
	(b) Unsecured Loans	4	15,929,096	23,825,737	10,497,868	17,915,594
3	Deferred Tax Liability			856,130		398,204
	Total			37,962,390		31,701,668
II.	<u>APPLICATION OF FUNDS</u>					
1	Fixed Assets	5				
	(a) Gross Block		31,215,309		30,818,478	
	(b) Less: Depreciation		14,404,301		13,156,470	
	(c) Net Block		16,811,008		17,662,008	
	(d) Capital Work-in-Progress		-	16,811,008	-	17,662,008
2	Investments	6		3,596,205		3,596,205
3	Current Assets, Loans and Advances	7				
	(a) Inventories		9,684,034		6,116,046	
	(b) Sundry Debtors		12,287,003		10,348,269	
	(c) Cash and Bank Balances		2,959,363		2,300,605	
	(d) Other Current Assets		697,606		731,802	
	(e) Loans and Advances		2,059,068		2,577,736	
	Total		27,687,074		22,074,458	
	Less: Current Liabilities and Provisions	8				
	(a) Current Liabilities		10,279,299		12,557,331	
	(b) Provisions		552,439		344,386	
	Total		10,831,738		12,901,717	
	Net Current Assets			16,855,337		9,172,741
4	(a) Miscellaneous Expenditure to the Extent Not Written Off or Adjusted	9		-		-
	(b) Profit and Loss Account			699,840		1,270,715
	Total			37,962,390		31,701,669
	Notes to Accounts	18				

In terms of our report of even date

For PIPARA & COMPANY
CHARTERED ACCOUNTANTS
 (Registration No. 107929W)

GYAN PIPARA

Partner

M.No.034289

Date **30 AUG 2011**

Place: Ahmedabad



On behalf of Board of Directors
For ADVANCE PETROCHEMICALS LTD.

[Signature]

Director

Date **30 AUG 2011**

Place: Ahmedabad

Director

ADVANCE PETROCHEMICALS LIMITED

Profit and Loss Account for the year ending on March 31, 2011

Particulars	Sch. No.	2010-11 ₹	2009-10 ₹
<u>INCOME</u>			
Gross Turnover	10	58,707,973	68,105,552
(Less): Excise Duty & V.A.T.		(7,133,430)	(4,786,782)
Net Sales		51,574,543	63,318,770
Other Income	11	341,970	3,368,978
Increase / (Decrease) in Stock of Finished Goods	12	(525,337)	(279,969)
TOTAL		51,391,176	66,407,779
<u>EXPENDITURE</u>			
Cost of Production	13	41,480,239	56,325,232
Personnel Expenses	14	2,020,402	2,036,936
Administrative & Other Expenses	15	1,796,771	1,972,106
Finance Expenses	16	1,485,810	1,413,999
Selling & Distribution Expenses	17	2,125,463	1,947,459
Depreciation	5	1,140,483	1,140,812
Short Depreciation of F.Y.2008-09		-	228,772
TOTAL		50,049,169	65,065,316
Profit Before Taxation		1,342,008	1,342,463
(Less): Provision for Taxation		(273,070)	(32,000)
Profit After Taxation		1,068,938	1,310,463
Add / (Less): Deferred Tax Asset / (Liability) for the Year		(457,926)	(77,789)
Excess Provision of Income Tax of Earlier Year		40,137	-
		570,875	1,232,674
Add: Balance Brought Forward		(1,270,715)	(2,503,389)
Balance Carried over to Balance Sheet		(699,840)	(1,270,715)
Earnings Per Share		0.63	1.37
Notes to Accounts	18		

In terms of our report of even date

For PIPARA & COMPANY
CHARTERED ACCOUNTANTS
(Registration No. 107929W)

Gyan Pivara
GYAN PIPARA
Partner
M.No.034289



Date 30 AUG 2011
Place: Ahmedabad

On behalf of Board of Director

For ADVANCE PETROCHEMICALS LTD.

[Signature]
Director

Director

Date : 30 AUG 2011
Place: Ahmedabad

ADVANCE PETROCHEMICALS LIMITED

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Particulars	As at Mar 31, 2011	As at Mar 31, 2010
	₹	₹
<u>SHARE CAPITAL - Schedule "1"</u>		
a) Authorised Share Capital:- 20,00,000 Equity Shares of Rs.10/- each	20,000,000	20,000,000
b) Issued, Subscribed & Paid-up:- 9,00,000 Equity Shares of Rs.10/- each	9,000,000	9,000,000
TOTAL RS:	9,000,000	9,000,000
<u>RESERVES AND SURPLUS - Schedule "2"</u>		
- General Reserve	3,054,137	3,054,137
- Profit & Loss Balance C/F	-	-
- Revaluation Reserve	1,226,386	1,333,733
TOTAL RS:	4,280,523	4,387,870
<u>SECURED LOANS- Schedule "3"</u>		
- Cash Credit from State Bank of Saurashtra (Secured against Entire current assets)	-	3,677,726
- S.B.I. CC Account	4,837,857	-
- Term Loan from State Bank of India (Secured against Plant & Machinery)	3,058,784	3,740,000
TOTAL RS:	7,896,641	7,417,726
<u>UNSECURED LOANS- Schedule "4"</u>		
From Relatives & Body Corporate	15,929,096	7,648,437
From Others	-	2,849,431
TOTAL RS:	15,929,096	10,497,868

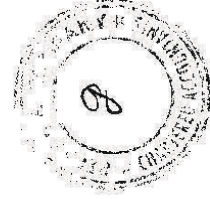


ADVANCE PETROCHEMICALS LIMITED

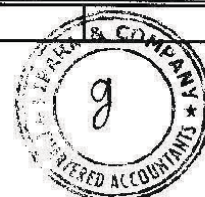
Schedule 5: Fixed Assets

Amounts in ₹

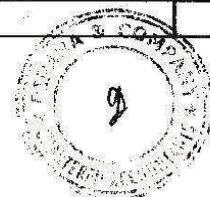
Description of Assets	Gross Block			Accumulated Depreciation			Net Block	
	As at 01.04.10	Addition	Deletion	As at 31.03.11	For the year	As at 31.03.11	As at 31.03.11	As at 31.03.10
Computer	278,993	-	-	278,993	3,556	273,659	5,334	8,890
Factory Building	5,253,334	166,270	-	5,419,604	190,947	3,569,765	1,849,839	1,874,516
Factory Land	46,000	-	-	46,000	-	-	46,000	46,000
Furniture & Fixture	238,261	-	-	238,261	15,543	167,933	70,328	85,871
Machinery Scrap	965,653	-	-	965,653	-	-	965,653	965,653
Office Equipment	379,553	-	-	379,553	9,605	336,092	43,461	53,066
Plant & Machinery (Pipe))	21,699,146	230,561	-	21,929,707	936,132	8,362,800	13,566,907	14,272,478
Vehicles	1,957,538	-	-	1,957,538	92,048	1,694,052	263,486	355,534
Total	30,818,478	396,831	-	31,215,309	1,247,830	14,404,301	16,811,008	17,662,008
Previous Year	19,998,250	10,885,278	767,018	30,818,478	717,145	13,156,470	17,662,008	8,695,106



Particulars	As at Mar 31, 2011	As at Mar 31, 2010
	₹	₹
INVESTMENTS- Schedule "6"		
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 Limited	3,590,220	3,590,220
TOTAL RS:	3,596,205	3,596,205
CURRENT ASSETS - Schedule "7"		
(a) Inventories (Refer Point "I" of Notes to Accounts)		
- Raw Materials, Stores & Consumables	2,511,082	1,846,828
- Work-in-Progress	6,474,640	3,253,881
- Finished Goods	-	525,337
- Packing Material	402,005	180,000
- Stores & Spares	55,000	95,000
- Coal	241,307	215,000
TOTAL RS:	9,684,034	6,116,046
(b) Sundry Debtors		
(Unsecured but Considered Good by the Management)		
- Outstanding for more than Six Months	3,049,819	1,712,383
- Others	9,237,185	8,635,886
TOTAL RS:	12,287,003	10,348,269
(c) Cash & Bank Balances		
-Cash on Hand	552,882	40,500
-Petty Cash	1,425,987	1,517,413
-TDR & S.P.T.D.R(SBS I.F.Branch)	729,456	629,000
-Earnest Money Deposit Account	131,000	21,000
-Balance with Ahmedabad District Co. Bank	92,340	82,299
-Balance with Standard Chartered Bank	26,673	9,367
-Balance with S.B.S	1,026	1,026
TOTAL RS:	2,959,363	2,300,605
(d) Other Current Assets		
-Security Deposits	47,500	47,500
-TDS (Asset)	650,106	684,302
	697,606	731,802
(e) Loans & Advances -		
- Advances to Suppliers	484,199	467,219
- Other Advances	1,574,869	2,110,517
TOTAL RS:	2,059,068	2,577,736



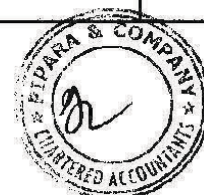
Particulars	As at Mar 31, 2011	As at Mar 31, 2010
	₹	₹
<u>CURRENT LIABILITIES & PROVISIONS - Schedule "8"</u>		
- Sundry Creditors	8,948,402	11,790,169
- Advance From Customers	1,205,479	569,610
- TDS Payable	125,418	148,495
- Other Liabilities	-	49,057
TOTAL RS:	10,279,299	12,557,331
<u>PROVISIONS</u>		
- Provision for Taxation	273,070	32,000
- Provision for Expenses.	279,369	312,386
TOTAL RS:	552,439	344,386
<u>Miscellaneous Expenditure to the extent Not Written off or Adjusted - Schedule "9"</u>		
-Deferred Revenue Expense on Brand Building	-	-
-Research & Development	-	-
TOTAL RS:		-
<u>Sales - Schedule "10"</u>		
-Domestic Turnover	52,250,261	56,902,913
-Export Turnover	7,176,746	7,011,322
TOTAL RS:	59,427,007	63,914,235
<u>OTHER INCOME - Schedule "11"</u>		
-Job Work	-	1,645,790
-Interest Received	49,283	30,275
-Sundry Balance Written Off	-	111,821
-Commission Received	-	671,740
-Factory Rent	240,000	240,000
-Dividend Received	1,260	945
-A.E.Co. Substation Rent	-	600
-Exchange Difference	50,821	430,879
-Income Tax Refund	-	236,928
-Short Payment Rounded Off	606	-
TOTAL RS:	341,970	3,368,978



Particulars	As at Mar 31, 2011	As at Mar 31, 2010
	₹	₹
<u>Increase/(Decrease) in Stock of Finish Goods- Schedule "12"</u>		
Opening Stock of Finished Goods	525,337	805,306
Opening Stock of Semi Finished Goods	-	-
	525,337	805,306
Less: Closing Stock of Finished Goods	-	(525,337)
Less: Closing Stock of Semi Finished Goods	-	-
Increase / (Decrease) in Stock of Finished Goods	525,337	279,969
<u>Cost of Production- Schedule "13"</u>		
Opening Stock of Raw Material	1,846,828	550,618
Add: Purchases	40,191,453	51,995,568
Add: Inward Freight, Octroi and Cartage	2,009,049	2,214,631
	44,047,330	54,760,817
(Less): Closing Stock of Raw Material	2,511,082	(1,846,828)
Raw Material Consumed	41,536,248	52,913,989
Add: Other Production Expenses		
Store Spares Consumed & Electric Goods Fitting	335,765	681,563
Repairs & Maintenance	115,640	355,950
Power and Fuel	2,451,498	2,495,062
Factory Expenses	141,986	20,595
License Expenses	36,140	41,427
Lab Chemicals & Instruments	56,076	49,778
Job Work Charges	27,645	73,149
Add: Opening WIP	3,253,881	2,947,600
	47,954,879	59,579,113
(Less): Closing WIP	(6,474,640)	(3,253,881)
Cost of Production	41,480,239	56,325,232
<u>PERSONNEL EXPENSES - Schedule "14"</u>		
Salaries	1,153,986	1,132,151
Directors' Remuneration	606,633	576,000
Contribution to Provident Fund	99,547	108,607
Gratuity	17,480	27,162
Staff Welfare	3,026	24,536
Bonus	43,121	73,131
Lodging & Boarding Expenses	-	1,030
Leave Salary	60,075	60,617
Labour Welfare Fund	150	153
E.S.I.C	36,384	33,549
TOTAL RS:	2,020,402	2,036,936



Particulars	As at Mar 31, 2011	As at Mar 31, 2010
	₹	₹
ADMINISTRATIVE EXPENSES - Schedule "15"		
Advertisement Expense	42,452	46,606
Remuneration to Auditors	70,000	45,000
Brand Building Written Off	-	50,043
Calibration Charges	1,000	
Certification Charges	31,570	37,617
Cess Expense	1,119	997
Clearing & Forwarding Charges	93,328	183,286
Computer Repairing	5,635	13,895
Computer Software Expenses	2,500	5,400
Consultancy Charges	210,825	64,900
Conveyance Expenses	194,069	166,156
Electric Expenses	33,972	92,044
Inspection Fees	6,200	7,800
Insurance Expenses	86,667	126,815
ISO Audit Fees	5,000	34,060
Lawn Maintenance	3,280	300
Listing Fees & Filing Expenses	11,500	15,114
Legal & Professional Expenses	37,982	51,426
Membership & Subscription Fees	43,853	50,000
Miscellaneous Expense	-	18,641
Municipal Tax	293,645	223,940
Office Expense	4,816	709
Public Welfare Expenses	-	35,131
Rent Rates & Taxes	38,400	38,400
Pollution Control Expenses	13,483	33,300
Research & Development Written Off	-	37,694
Postage Expenses	30,517	24,719
Printing & Stationery	44,023	59,107
Repairs and Maintenance - Vehicle & Building	45,659	28,723
Security Charges	3,202	33,000
Service Tax	39,093	25,348
Subscription Fees	6,700	14,736
Telephone Expenses	215,290	219,329
Tender Fees	8,531	3,000
Testing & Certification	98,409	68,026
Travelling Expenses	74,051	116,844
TOTAL RS:	1,796,771	1,972,106



Particulars	As at Mar 31, 2011	As at Mar 31, 2010
	₹	₹
<u>FINANCIAL EXPENSES - Schedule "16"</u>		
Financial Charges	-	82,620
Interest Expenses	1,385,867	1,249,409
Interest on FBT & Service tax & TDS	109	5,382
Bank Commission & Discounting Charges	99,832	76,564
Interest on Sales Tax	2	24
TOTAL RS:	1,485,810	1,413,999
<u>SELLING & DISTRIBUTION EXPENSES - Schedule "17"</u>		
Export Expense	15,749	62,295
Commission and Brokerage on Sales	433,747	420,800
Sales Return & Shortage	102,397	-
Sales Rebate	12,806	-
Packing Material Consumed	1,529,654	1,464,364
Sales Promotion	31,110	-
TOTAL RS:	2,125,463	1,947,459



ADVANCE PETROCHEMICALS LIMITED

Schedule 18: Notes to Accounts

A. Significant Accounting Policies

1 Basis of Accounting

The Financial Statements are prepared under the historical cost convention, on the accrual basis of accounting and comply with the provisions of Companies Act, 1956, accounting principles generally accepted in India and Accounting Standards issued under Companies (Accounting Standards) Rules 2006 as amended / issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable.

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 ₹.1,07,347/- has been debited to Revaluation Reserve Account out of total depreciation of ₹.12,47,830/-.

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 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.

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 Schedule XIII to the Companies Act, 1956. However, fixed remuneration paid to director as per Schedule XIII to the Companies Act, 1956 was Rs.6,06,633 /-.(Previous year ₹. 5,76,000 /-)

C. Remuneration to Auditors

	2010-11	2009-10
a) As Auditor	30,000	30,000
b) As Advisor, or in any other capacity in respect of-		
- Taxation Matters	15,000	15,000
- Company Law Matters	-	-
- Management Services and	-	-
c) Out of pocket expenses	500	-
d) Service Tax	4,635	5,562
Total	50,135	50,562

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		398,204
Current Year's Difference of WDV between that under Income Tax Act and that as per books of accounts	8,943,181	
Other temporary differences	-	
Total Difference	8,943,181	
Less : Tax effect Carried Forward of Losses	(6,172,533)	
Tax effect of timing difference (Assets)/Liabilities		457,926
Closing Deferred Tax (Asset)/Liability		856,130

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.



G Directors of Company :-

Chairman & Managing Director	:-	Shri Ashokbhai Goenka
Director	:-	Shri Arvindbhai Goenka
Director	:-	Shri J. K. Trivedi
Director	:-	Shri Shailesh Singh Rajput
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 (₹.)
Director Remuneration	606,633
Rent Received from Advance Multitech Ltd.	240,000
Interest paid on Unsecured Loan to Advance Multitech Ltd.	179,830

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 :-**Licensed 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**1 FINISHED GOODS Chemicals :**

	Current Year		Previous Year	
	Qty.(Kg./Ltr.)	Value (₹.)	Qty.(Kg./Ltr.)	Value (₹.)
<u>Openir</u>	5,670	525,337	5,670	805,306
<u>Producr</u>	689,936	-	885,867	-
<u>Sales</u>	695,606	59,427,007	888,197	63,318,770
<u>Closing Stock</u>	-	-	5,670	525,337

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	Value	Percentage	Quantity	Value	Percentage
	(Kgs.)	(₹.)	(%)	(Kgs.)	(₹.)	(%)
1 Indigenous	708,749	-	-	-	948,203	-
2 Imported	--	--	--	--	--	--

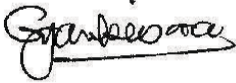
3 STORES & SPARES CONSUMED :

	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
	(₹.)	(%)	(₹.)	(%)
1 Indigenous	758518	100	681563	100
2 Imported	-	-	-	-



- J** Earning in Foreign Currency ₹.7,176,746/- (Previous Year ₹. 7,011,322/-).
- K** C.I.F. value of Imports ₹. NIL (Previous Year: ₹. NIL).
- L** Schedules "1" to "18" form part of the accounts for the year ended on 31st March, 2011.
- M** Previous Year figures have been rearranged / regrouped wherever necessary.

For PIPARA & COMPANY
CHARTERED ACCOUNTANTS
(Registration No. 107929W)

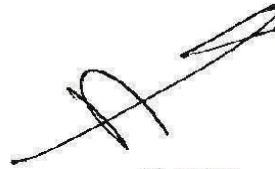


GYAN PIPARA
Partner
M.No.034289



Date: **30 AUG 2011**
Place: Ahmedabad

For Advance Petrochemicals Ltd.



Director

Director

Date: **30 AUG 2011**
Place: Ahmedabad

ADVANCE PETROCHEMICALS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

Section	Details	Amt. (₹.in '000)
I.	REGISTRATION DETAILS	
	Registration No.	8013
	State Code	4
	Balance Sheet date	31 March,2011
II.	CAPITAL RAISED DURING THE YEAR	
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III.	POSITION OF MOBILISATION AND DEPLOYMENT FUND	
	Total Liabilities	48,794
	Total Assets	48,794
	SOURCES OF FUNDS	
	Paid-up Capital	9,000
	Reserve & Surplus	4,281
	Share Application Money	-
	Secured Loans	7,897
	Unsecured Loans	15,929
	Deferred Tax Liability	856
	APPLICATION OF FUNDS	
	Net Fixed Assets	16,811
	Capital work in progress	-
	Investments	3,596
	Net Current Assets	16,855
	Misc. Expenditure	-
	Accumulated losses	700
IV.	PERFORMANCE OF THE COMPANY	
	Total Income	51,391
	Total Expenditure (including prior period adjustments)	50,049
	Profit before Tax	1,342
	Profit after Tax	1,069
	Earning per Share	0.63
	Dividend Rate (%)	NIL
V.	GENERAL NAME OF PRINCIPAL PRODUCTS SERVICES OF THE CO.	
	Item Code No.	2922
	Product Description	MDEA
	Item Code No.	3819
	Product Description	DOT 3
	Item Code No.	2,909
	Product Description	Apisolve - 76

On behalf of Board of Directors
For Advance Petrochemicals limited

Date : 30 AUG 2011

Place: Ahmedabad


Director

Director