
ADVANCE PETROCHEMICALS LTD.

ADVANCE PETROCHEMICALS LIMITED

27th ANNUAL REPORT

BOARD OF DIRECTORS

Ashok Goenka	Chairman & Managing Director
Arvind Goenka	Director
J.K. Trivedi	Executive Director
Shailesh Singh Rajput	Director
Omprakash Jalan	Director
Nirish J. Parikh	Director

ANNUAL GENERAL MEETING

On Saturday, 29th September, 2012
Plot No. 167
Pirana Approach,
Village : Piplej,
Ahmedabad.
At 11.00 A.M.

AUDITORS

Pipara & Co.
Chartered Accountants,
"Pipara Corporate House"
Netaji Marg,
Law Garden,
Ahmedabad - 380 006.

BANKERS

Oriental Bank of Commerce
Ashram Road Branch,
Ahmedabad-380 009.

Shareholders are requested to bring their copy of the Annual Report alongwith them at the Meeting, as the copies of the Report will not be distributed at the meeting.

REGISTERED OFFICE

36,Kothari Market,
Ahmedabad - 380 022.

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NOTICE

NOTICE is hereby given that 27th Annual General Meeting of the Members of Advance Petrochemicals Limited will be held on Saturday, the 29th day of September, 2012 at Plot No. 167, Pirana Approach, Village Piplej, Ahmedabad 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,2012 and Profit & Loss Statement 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. J. K. Trivedi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shaileshsingh Rajput, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 : 31/08/2012

(Ashok Goenka)
Chairman & Managing Director

ADVANCE PETROCHEMICALS LTD.

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 Tuesday, the 25th day of September, 2012 to Saturday, the 29th day of September, 2012.
2. Members/proxies should bring their attendance slips duly filled in for attending the meeting.
3. 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.
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 send the same.

Statement Regarding the Directors seeking appointment/ re appointment in ensuing annual general meeting.

Name of Director	Mr. J. K. Trivedi	Mr. Shailesh Singh Rajput
Date of Birth	24/05/1943	19/05/1967
Date of appointment	09/02/1988	16/02/2001
Expertise in specific functional area	33 Years experience in Petro Oil & Gas Ind marketing	26 Experience in Production Quality Control

ADVANCE PETROCHEMICALS LTD.

Qualification	B. Com	BSC
No. of Equity Shares held	Nil	Nil
List of Outside Company Directorship held	Advance Multitech Limited	Advance Multitech Ltd
Chairman/ Member of Committees of Board Of Directors of the Company.	Member- Audit Committee	Member- Audit Committee Chairman- Remuneration Committee
Chairman/ Member of Committees of Board of Directors of the Companies in which he/she is director	Member- Audit Committee	Member- Audit Committee Member- Remuneration Committee
Audit Committee Shareholders Grievance Committee		

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

Registered Office :
36, Kothari Market,
Ahmedabad - 380 022
Date :31/08/2012

(Ashok Goenka)
Chairman & Managing Director

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 27th Annual Report along with the Audited Account of the company for the period ended 31st March, 2012.

FINANCIAL RESULTS :

	(Rs.in Lacs)	
	2011-2012	2010-2011
Sales Turnover	794.67	515.74
Gross Income	806.50	519.16
Profit before Finance Cost, depreciation and tax	52.98	39.67
Profit before depreciation and tax	24.99	24.82
Depreciation	12.70	11.40
Profit before tax	12.89	13.42
Profit after tax	9.56	5.71
Add : Surplus as per last account	(7.00)	(12.71)
Surplus available for appropriation	2.56	(7.00)
Appropriations :		
Proposed Dividend	Nil	Nil
Transferred to General Reserve	Nil	Nil
Surplus Carried to next year	2.56	(7.00)

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, 2012.

OPERATION

During the year under review your company have registered a sales turnover of Rs.794.67 lacks in comparison to the figure of Rs.515.74 of the previous year. Despite slow down of economy and increasing competition, your company has registered increase in sales turnover of the Company. As a result of increase in sale turnover on one hand and at the same curbing expenses on the other hand, net profit after tax has increased to Rs.9.56 Lacs as compared to Rs.5.71 Lacs of the previous year. The Management is hopeful of achieving better results in years to come.

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.5,00,000/-p.m. and/or Rs.60,00,000/-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

ADVANCE PETROCHEMICALS LTD.

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. J. K. Trivedi and Mr. Shaileshsingh Rajput, retire by rotation at the forth coming Annual General Meeting, being eligible offers themselves for re-appointment..

Audit Committee :

The company had constituted an Audit Committee. The scope of the activities of the Audit Committee is asset out clause 49 of the listing agreements with the Stock Exchanges read with section 292A of the companies act,1956. The terms of reference of the audit committee broadly are as under :

- a) To hold periodic discussions with the Statutory Auditors and internal auditors of the company concerning the accounts of the company, internal control systems scopes of audit and observation of the Auditors/Internal Auditors;
- b) To review compliance with internal control systems.
- c) To review the quarterly, half-yearly and annual financial results of the company before submission of the Board;
- d) To make recommendations to the Board on any matter relating to the financial management of the company including the Audit Report;
- e) Recommending the appointment of statutory auditors and fixation of their remuneration.

The Chairman of the Audit Committee, Mr.Omprakash Jalan was present at the Annual General Meeting held on 30th September,2011.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Names of Members	Category	No.of Meetings attended during the year 2011-2012
Mr. Omprakash Jalan	Independent Non-Executive	5
Mr. Shaileshsingh Rajput	Independent Non-Executive	4
Mr. Jitendra Trivedi	Independent Non-Executive	5
Mr. Nirish Parikh	Independent Non-Executive	3
Mr. Ashok Goenka	Non-Independent Non-Executive	2

Five audit committee meetings were held during 2011-12.

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 Omprakash Jalan : Member
3. Shri Nirish J. Parikh : Member

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 2012-2013.

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.

	2011-2012	2010-2011
Electricity Purchase Unit	273208	218510
Total Amount (Rupees)	1972943	1520956
Rate Unit (Rs.)	7.22	6.96

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.11821040/- 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.

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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.

APPRICIATION

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 : 31/08/2012

(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, 2012. 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 11 times on 30/04/2011, 12/05/2011, 23/05/2011, 30/05/2011, 01/07/2011, 30/07/2011, 30/08/2011, 28/09/2011, 31/10/2011, 15/12/2011 and 31/01/2012 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 31/03/2011 was held on 30/09/2011 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.

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8. the company has not advanced loan to the parties as referred in Section 295 of the Companies Act, 1956.
9. The company has not entered into Contract falling within the purview of Section 297 of the Act during the year under review.
10. the company has no transactions to make entries in the register maintained under Section 301 of the Act.
11. The company has duly complied with the provisions of section 314 of the Act.
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 during the year in accordance with the provisions of the Act.
16. the Company has not appointed sole selling agent.
17. there were no other transactions requiring the company to obtain approvals of

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- 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.
 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 public but it has taken unsecured loans from related parties other than directors.
 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 loans. 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.

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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 : 31/08/2012

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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.32 for appointment/ resignation of director	31/05/2011	Yes	—
02	Form No.20B (Annual Return made upto 30.09.2011 filed u/s 159 of the Act)	27/11/2011	Yes	—
03	Form No.32 for appointment of director at AGM	26/12/2011	No	Yes
04	Form No.23 and Form No.25C for appointment of MD	26/12/2011	No	Yes
05	Form No.66 (Compliance Certificate for the year 31/3/2011 U/s 383A (1))	26/12/2011	No	Yes
06	Form No.23AC and Form No.23ACA (Balance Sheet, P& L A/c as at 31/3/2011 filed u/s 220 of the Act)	30/12/2011	Yes	—

The Company has not filed any document with Company Low 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, 2012**, 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012

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from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with 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, 2012;
 - 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)

PLACE: AHMEDABAD
DATE : 31/08/2012

(GYAN PIPARA)
PARTNER
Membership No. 034298

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	: Rs.10,76,822/-
Outstanding Balance as on 31.03.2012	: Rs.60,15,554/-

- (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.

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- (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, 2012 for a period of more than six months from the date they became payable
(c) According to the records of the Company, There are no dues outstanding of income-tax, sales-tax, service-tax, cess on account of any dispute.

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- (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.

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- (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 : 31/08/2012

(GYAN PIPARA)
PARTNER
Membership No. 034298

ADVANCE PETROCHEMICALS LTD.

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2012

Note No. : 1.1

(In Rs.)

Share Capital	As at March 31, 2012		As at March 31, 2011	
	Number	Amount Rs.	Number	Amount Rs.
Authorised Equity Shares of Rs. 10/- each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued Equity Shares of Rs. 10/- each	9,00,000	90,00,000	9,00,000	90,00,000
Subscribed & Paid up Equity Shares of Rs. 10/- each fully paid	9,00,000	90,00,000	9,00,000	90,00,000
Total	9,00,000	90,00,000	9,00,000	90,00,000

The authorised share capital of the company throughout 2010-11 & 2011-12 was Rs. 20,00,00,000/- representing 2,00,00,000 ordinary shares of Rs.10 each.

The allotted, called up and fully paid ordinary share capital of the company at 31st March, 2012 was Rs. 9,00,00,000 (2011 : Rs. 9,00,00,000) representing 900,000 (2011:900,000) ordinary shares of Rs. 10 each.

Note No. : 1.1 (a)

Shareholders having more than 5% of Shares:

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pulkit Ashok Goenka	50,800	5.64%	50,800	5.64%
Advance Multitech Ltd.	1,75,050	19.45%	1,75,050	19.45%
Honest Synthetic Pvt..Ltd.	1,57,500	17.50%	1,57,500	17.50%
Total	3,83,350	42.59%	3,83,350	42.59%

Note No. : 1.2

Reserves & Surplus

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
a. Revaluation Reserve	1,129,773	1,226,386
b. General Reserve	3,054,137	3,054,137
	4,183,910	4,280,523

ADVANCE PETROCHEMICALS LTD.

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
c. Surplus		
Opening balance	(699,841)	(1,270,715)
(+) Net Profit/(Net Loss) For the current year	956,367	570,874
Closing Balance	256,526	(699,841)
Total	4,440,436	3,580,682

Note No. : 1.3

Long Term Borrowings

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Term Loan from State Bank of India (Secured against Plant & Machinery)	-	2,227,897
Unsecured		
(a) Loans repayable on demand		
From Body Corporate:		
Religare Finvest Ltd	1,475,644	-
Megma Fincorp Ltd	1,408,326	-
Kotak Mahindra Bank Ltd	1,064,267	-
Bajaj Finance Ltd	432,902	-
R.K. Mittal Finance Ltd	275,000	275,000
	4,656,139	275,000
(b) Loans and advances from related parties :		
Advance Multitech Ltd		
Advance Stainless P.Ltd	950,000	950,000
Advance Synthetic Mills	6,862,456	6,694,090
Dropadidevi Dhanuka	243,200	243,200
Pawan Dhanuka	364,800	364,800
Seema Sanjay Goenka	975,453	930,622
	9,395,909	9,182,712
Total	14,052,048	11,685,609

ADVANCE PETROCHEMICALS LTD.

Note No. : 1.5

Short Term Borrowings

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Secured		
Term Loan from State Bank of India (Secured against Plant & Machinery)	2,227,897	-
S.B.I. CC Account (Secured against Stock & Plant & Machinery)	4,967,598	4,837,857
	7,195,495	4,837,857
Unsecured		
(a) Loans and advances from related parties :		
Advance Multitech Ltd	5,054,133	5,963,804
Sanjay R. Goenka Huf	-	57,580
Surrendra Lajpatraj Agarwal	-	200,000
Surrendra Lajpatraj Agarwal Huf	-	250,000
Tanvi Arpit Agarwal	1,100,000	-
	6,154,133	6,471,384
Total	13,349,628	11,309,241

Term Loan from SBI has been classified as current liability for the financial year under consideration (as against Non-Current classification for the previous year) as the management has decided to retire the loan in Financial Year.

Note No. : 1.6

Trade Payable

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Creditors for goods (Refer Grouping)	5,136,676	8,019,911
Total	5,136,676	8,019,911

Note No. : 1.7

Other Current Liabilities

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
(a) Current maturities of long-term debt		
Term Loan - SBI	-	830,887
From Body Corporate:		
Reliagare Finvest Ltd	748,063	-

ADVANCE PETROCHEMICALS LTD.

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Megma Fincorp Ltd	758,202	-
Kotak Mahindra Bank Ltd	602,361	-
Bajaj Finance Ltd	910,203	-
	3,018,829	830,887
<u>Other Current Liabilities</u>	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.
(b) Revenue Received in Advance:		
Advance from customers :		
J.V. Chem (Ind)	32,698	109,698
Power Additives India P.Ltd	1,563	-
Carbon Clean Solutions P.Ltd	1,600	-
Emarson Chemicals P.Ltd	1,517	-
K.B. Shah & Co.	-	49,500
Matangi Industries	-	1,046,281
	37,378	1,205,479
(c) Other payables :		
Creditors for Expenses	479,629	529,303
Creditors for Transporter	744,642	399,188
Professional Tax Payable	1,960	1,740
ESIC	6,897	4,544
Conveyance Payable	7,411	-
Expense Payable	8,260	-
Bonus Payable	54,538	43,121
Power Payable	168,433	136,585
Excise Duty on Finished Goods	333,158	-
Provident Fund Payable	22,685	15,464
Salary Payable	107,554	77,915
Service Tax Payable	93,164	93,164
TDS PAYABLE		
TDS-Brokerage	5,165	3,628

ADVANCE PETROCHEMICALS LTD.

	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.
TDS-Salary	16,000	-
TDS-Contract/Sub-Contract	165	451
TDS On Interest	26,823	21,175
TDS-Professional	7,500	7,000
	2,083,984	1,333,278
Total	5,140,191	3,369,644

Note No. : 1.8

Short Term Provision

	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.
Provision For Income Tax	450,000	273,070
Total	450,000	273,070

Note No. : 2.1

DESCRIPTION OF ASSETS	A) GROSS BLOCK		B) ACCUMULATED DEPRECIATION			C) NET BLOCK			
	Balance As at 01.04.2011	Additions/ (Disposal)	Balance As at 31.03.2012	Balance As at 01.04.2011	Depreciation charge for the year	Additions/ (Disposal)	Balance As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets:									
- Factory Building	5,419,604	-	5,419,604	3,569,765	184,984	-	3,754,749	1,664,855	1,849,839
- Plant & Machinery	21,929,707	385,471	22,315,178	8,362,800	946,262	-	9,309,062	13,006,116	13,566,907
- Machinery Scrap	965,653	(405,800)	559,853	-	-	-	-	559,853	965,653
- Furniture & Fixtures	238,261	23,500	261,761	167,933	15,315	-	183,248	78,513	70,328
- Computer	278,993	-	278,993	273,659	2,134	-	275,793	3,200	5,334
- Vehicle	1,957,538	1,072,999	2,803,968	1,694,052	210,078	-	1,904,130	899,838	263,486
		(226,569)							
- Office Equipments	379,553	-	379,553	336,092	7,866	-	343,958	35,595	43,461
- Factory Land	46,000	-	46,000	-	-	-	-	46,000	46,000
TOTAL RS:	31,215,309	849,601	32,064,910	14,404,301	1,366,639	-	15,770,940	16,293,970	16,811,008

ADVANCE PETROCHEMICALS LTD.

Note No. : 2.2

<u>Non-current Investment</u>	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
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	3,596,205	3,596,205

Note No. : 2.3

<u>Long Term Loans and Advances</u>	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Other loans and advances:		
Deposits:		
Ahmedabad Electricity Co. Ltd.	45,000	45,000
Vijay Gas & Domestic Appliance	2,500	2,500
Earnest Money Deposit With BEST	37,000	131,000
Total	84,500	178,500

Note No. : 2.4

<u>Other Non Current Asset</u>	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
TDS Recievable (AY12-13)	651,009	650,106
Total	651,009	650,106

Note No. : 2.5

<u>Inventories</u>	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Raw Materials, Stores & Consumables	1,128,901	2,511,082
Work-in-Progress	4,950,100	6,474,640
Work-in-Progress Slow Moving	4,800,000	-
Finished Goods	3,028,607	-
Packing Material	300,000	402,005
Stores & Spares	48,000	55,000
Coal	150,000	241,307
Total	14,405,608	9,684,034

ADVANCE PETROCHEMICALS LTD.

Note No. : 2.6

<u>Trade Receivables</u>	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
<u>Unsecured, considered good</u>	8,899,002	9,237,185
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
<u>UnSecured, considered good :</u>	2,784,030	3,049,818
Total	11,683,032	12,287,003

Note No. : 2.7

<u>Cash and cash equivalents</u>	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.
a. Balances with banks		
TDR & S.P.T.D.R(SBS I.F.Branch)	731,967	729,456
Balance with Ahmedabad District Co. Bank	275,019	92,340
Balance with Standard Chartered Bank	-	26,673
Balance with H.D.F.C. Bank	14,932	-
Balance with S.B.S	1,026	1,026
b. Cash on hand	2,422,639	1,978,869
Total	3,445,583	2,828,363

Note No. : 2.8

<u>Short-term loans and advances</u>	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.
Unsecured, considered good :		
<u>- Advance to Suppliers</u>	211,195	484,199
Total	211,195	484,199

ADVANCE PETROCHEMICALS LTD.

Note No. : 2.9

<u>Current Assets</u>	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
Add.Guj. Vat Receivable	154,104	47,584
Gujarat Vat Receivable	224,908	69,626
Balance in Modvat A/c	646,169	489,128
Balance in Modvat A/c (Add)	179,527	81,093
Balance in Modvat A/C (Cess)	3,850	5,552
Balance in Modvat A/C (Sec)	4,516	5,418
Balance in PLA A/C	14,296	14,298
Balance in PLA A/C Cess	846	846
Balance in PLA A/C Edu Cess	3,168	3,169
Balance in RG 23 C Part II	20,145	2,414
Balance in RG 23 C Part II Cess	402	48
Balance in RG 23 C Part II Sec	199	25
Balance in RG 23 A Part II Ser.Tax	192,313	138,287
Balance in RG 23 A Part II S.T Cess	3,886	2,806
Balance in RG 23 A Part II S.T Sec	1,661	1,122
Cess on Service Tax Receivable	621	618
Excise on Goods Return Receivable	-	1,986
Export Incentive Receivable	335,574	335,574
Service Tax Receivable	29,072	28,972
Interest receivable	57,212	1,703
Interest receivable on AEC	2,700	2,700
Vijay Goyal	-	150,000
Shailesh Sing	-	75,000
Prepaid Expenses:		
Prepaid Insurance	31,395	44,160
Prepaid Licence	30,380	72,740
Total	1,936,944	1,574,869

ADVANCE PETROCHEMICALS LTD.

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Refer Note No.	Figures for the current reporting period ended 31.03.2012 Rs.	Figures for the previous reporting period ended 31.03.2011 Rs.
I. Revenue from operations	3.1	79,466,811	51,574,543
II. Other income	3.2	1,183,570	341,970
III. Total Revenue (I + II)		80,650,381	51,916,513
IV. Expenses:			
Cost of materials consumed	4.1	67,932,417	41,536,248
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	4.2	(6,304,067)	(2,695,422)
Employee benefits expense	4.3	2,225,047	2,020,402
Finance costs	4.4	2,798,894	1,485,699
Depreciation and amortization expense		1,270,026	1,140,484
Other expenses	4.5	11,499,774	7,087,095
Total expenses		79,422,090	50,574,506
V. Profit before exceptional items and tax (III-IV)		1,228,291	1,342,007
VI. Exceptional Items			
Profit On Sale Of Fixed Assets		61,014	-
VII Profit before tax (V- VI)		1,289,305	1,342,007
VIII Tax expense:			
(1) Current tax		450,000	273,070
(2) Deferred tax		(117,063)	457,926
(3) Excess provision of IT written back		-	40,137
IX Profit (Loss) for the period (VII - VIII)		956,367	570,874
XVI Earnings per equity share:			
(1) Basic		1.06	0.63
(2) Diluted		1.06	0.63
Significant Accounting Policies		A	
For, PIPARA & COMPANY, CHARTERED ACCOUNTANTS. (Registration No. 107929W)	For, ADVANCE PETROCHEMICALS LIMITED ASHOK GOENKA ARVIND GOENKA	CHAIRMAN & MANAGING DIRECTOR DIRECTOR	
(GYAN PIPARA) PARTNER Memb. No. 034289 PLACE : AHMEDABAD DATED : 31-08-2012	PLACE : AHMEDABAD DATED : 31-08-2012		

ADVANCE PETROCHEMICALS LTD.

**NOTES TO AND FORMING PART OF STATEMENT OF
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

Note No.: 3.1

<u>Revenue From Operations</u>	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
Domestic Sales	76,912,830	51,531,227
Export & Deemed Export Turnover	11,821,040	7,176,746
Less : Excise Duty	(9,267,059)	(7,133,430)
Total	79,466,811	51,574,543

Note No.: 3.2

<u>Other Income</u>	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
A.E.Co Substation Rent	600	-
Exchange Difference	160,366	50,821
Factory Rent	240,000	240,000
Dividend Received	1,260	1,260
Interest Received	67,044	49,283
Short Payment Rounded Off	-	606
Commission Received	714,300	-
Total	1,183,570	341,970

Note No.: 4.1

<u>Cost of Material Consumed</u>	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
Opening Stock of Raw Material	2,511,082	1,846,828
<u>Purchases</u>		
Raw Material	63,207,982	40,191,453
Add: Inward Freight, Octroi and Cartage	3,342,254	2,009,049
Less: Closing Stock of Raw Material	(1,128,901)	(2,511,082)
Total	67,932,417	41,536,248

ADVANCE PETROCHEMICALS LTD.

Note No.: 4.2

<u>Changes In Inventories</u>	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
Opening stock of finished goods	-	525,337
Less: Closing Stock of Finished Goods	3,028,607	-
Increase/(Decrease) in Stock of Finished Goods	(3,028,607)	525,337
Opening WIP	6,474,640	3,253,881
Less: Closing WIP	9,750,100	(6,474,640)
Increase / (Decrease) in WIP	(3,275,460)	(3,220,759)
Total	(6,304,067)	(2,695,422)

Note No. : 4.3

<u>Employee Benefits Expense</u>	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
(a) Salaries and incentives	1,385,772	1,153,986
(b) Contributions to -		
(i) Provident Fund	114,126	99,547
(ii) Gratuity fund	18,700	17,480
(iii) E.S.I.C	45,879	36,384
(c) Leave Salary	67,885	60,075
(d) Bonus	94,265	43,121
(e) Labour Welfare Fund	153	150
(f) Director's Remuneration	486,202	606,633
(g) Staff welfare expenses	12,065	3,026
Total	2,225,047	2,020,402

Note No. : 4.4

<u>Financial Costs</u>	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
Interest Expenses	2,571,557	1,385,867
Loan Processing Charges	174,395	-
Bank Commission & Discounting Charges	52,942	99,832
Total	2,798,894	1,485,699

ADVANCE PETROCHEMICALS LTD.

Note No. : 4.5(a)

Payments to the auditor	For the year ended March 31, 2012	For the year ended March 31, 2011
	Rs.	Rs.
a. For Statutory audit Fees	35,000	30,000
b. For Tax audit Fees	15,000	15,000
c. For Other matters	18,320	19,865
d. For Services Tax	6,180	4,635
e. For reimbursement of expenses	500	500
Total	75,000	70,000

Note No. : 4.5(b)

Other Expenses	For the year ended March 31, 2012	For the year ended March 31, 2011
	Rs.	Rs.
Other Manufacturing Expenses		
Store Spares Consumed & Electric Goods Fitting	524,216	335,765
Repairs & Maintenance	244,916	115,640
Power and Fuel	3,868,044	2,451,498
Factory Expenses	48,847	141,986
License Expenses	67,560	36,140
Lab Chemicals & Instruments	68,581	56,076
Job Work Charges	65,250	27,645
Administrative, Selling & Other Expenses		
Advertisement Expense	174,798	42,452
Calibration Charges	-	1,000
Certification Charges	22,316	31,570
Cess Expense	4,076	1,119
Clearing & Forwarding Charges	700,907	93,328
Computer Repairing	5,220	5,635
Computer Software Expenses	-	2,500
Consultancy Charges	313,975	210,825
Conveyance Expenses	180,335	194,069
Electric Expenses	-	33,972
Excise on Finish Goods	333,158	-
Inspection Fees	10,800	6,200
Insurance Expenses	91,935	86,667

ADVANCE PETROCHEMICALS LTD.

Payments to the auditor	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
ISO Audit Fees	8,500	5,000
Lawn Maintenance	1,350	3,280
Listing Fees & Filing Expenses	59,988	11,500
Legal & Professional Expenses	22,700	37,982
Membership & Subscription Fees	18,161	43,853
Municipal Tax	259,479	293,645
Office Expense	2,632	4,816
Rent Rates & Taxes	38,400	38,400
Pollution Control Expenses	22,850	13,483
Postage Expenses	52,532	30,517
Printing & Stationery	38,548	44,023
Repairs and Maintenance - Vehicle & Building	80,240	45,659
Security Charges	63,931	3,202
Service Tax	80,709	39,093
Subscription Fees	18,200	6,700
Telephone Expenses	244,866	215,290
Tender Fees	24,650	8,531
Testing & Certification	71,112	98,409
Travelling Expenses	25,336	74,051
Lodging & Boarding Expenses	4,000	-
Interest on FBT & Service tax & TDS	3,072	109
Interest on Sales Tax	-	2
Valuation Charges	500	-
Export Expense	93,667	15,749
Commission and Brokerage on Sales	69,598	433,747
Sales Return & Shortage	7,990	102,397
Sales Rebate	-	12,806
Packing Material Consumed	3,359,295	1,529,654
Sales Promotion	420	31,110
Short Payments W/off	27,114	-
Total	11,424,774	7,017,095

Notes No. : A

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 by The Institute of Chartered Accountants of India (ICAI) to the extent applicable. There is change in Accounting policy of the company in the current year in order to comply with the requirement of Revised Schedule VI. Operating Cycle of the company is less than 12 months, hence period of twelve months has been considered as the operating cycle of the company and the same is considered for bifurcation of current & non current items. In order to comply with the Revised Schedule VI, previous years' figures have been regrouped/reclassified.

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 ₹ 96,613/- has been debited to Revaluation Reserve Account out of total depreciation of ₹ 12,70,026/-.

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).

ADVANCE PETROCHEMICALS LTD.

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 ' 4,86,202 /-. (Previous year ' 6,06,633 /-)

ADVANCE PETROCHEMICALS LTD.

C. 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 Ac

Opening Deferred Tax (Asset)/Liability	856,130
Current Year's Difference of WDV between that under Income Tax Act and that as per books of accounts	8,520,739
Other temporary differences	-
Total Difference	8,520,739
Less : Tax effect Carried Forward of Losses	6,128,935
Tax effect of timing difference (Assets)/Liabilities	(117,063)
Closing Deferred Tax (Asset)/Liability	739,067

D 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.

E 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 Nirish Parikh

F Trasactions with Related Parties

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

	Amount (Rs)
Director Remuneration	486,202
Rent Received from Advance Multitech Ltd.	240,000
Salary To Pulkit Goenka	180,000
Interest paid on Unsecured Loan to Advance Multitech Ltd.	603,172

ADVANCE PETROCHEMICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012
(Pursuant to the Listing Agreement with Stock Exchanges)

	As at 31st March 2012		As at 31st March 2011	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit/(Loss) Before Taxation		1,289,305		1,342,007
Adjustment for:-				
- Depreciation (Net)	1,270,026		1,140,484	
- Interest Income	(67,044)		(49,283)	
- Dividend Income	(1,260)		(1,260)	
- Interest and other Financial Charges	2,745,952		1,385,867	
Short Payment W/O	27,114		(606)	
- Foreign Exchange Rate Difference	(160,366)		(50,821)	
- Profit on Car Sold	(61,014)	3,753,407	0	2,424,381
Operating Profit before Working Capital Changes		<u>5,042,712</u>		<u>3,766,388</u>
Adjustment for:-				
- Increase in Liabilities	1,770,547		0	
- Decrease in Current Liabilities	(842,847)		(2,311,049)	
- Increase in Inventories	(4,721,574)		(3,567,988)	
- Increase in Current Assets	(362,978)		(1,385,870)	
- Decrease in Current Assets	970,975		0	
- Provision for Expenses and Taxation	0		0	
- Trade Payables	0		0	
		<u>(3,185,878)</u>		<u>(7,264,907)</u>
Tax Paid		<u>(239,177)</u>		<u>(79,889)</u>
Cash Form Operating Activities Before Extra-Ordinary Items		1,617,657		(3,578,408)
Adjustment for:-				
- Foreign Exchange Rate Difference		<u>160,366</u>		<u>(50,821)</u>
NET CASH FROM OPERATING ACTIVITIES (A)		<u>1,778,023</u>		<u>(3,629,229)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(1,394,387)		(396,831)	
Sale of Fixed Assets	544,792		-	
Insurance Claim Received	-		-	
Interest Received	67,044		49,283	
Dividend Received	1,260		1,260	
NET CASH FROM INVESTING ACTIVITIES (B)		<u>(781,291)</u>		<u>(346,288)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest and Other Financial Charges Paid	(2,745,952)		(1,385,867)	
Total Proceeds from Borrowings (Net of Repayments)	2,366,439		5,910,143	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		<u>(379,513)</u>		<u>4,524,276</u>
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>617,219</u>		<u>548,759</u>
CASH AND CASH EQUIVALENTS AS AT 1.4.2010 (E)		<u>2,828,364</u>		<u>2,279,605</u>
CASH AND CASH EQUIVALENTS AS AT 31.3.2011 (D+E)		<u>3,445,583</u>		<u>2,828,364</u>

For, and of behalf of the Board

PLACE : AHMEDABAD
DATED : 31-08-2012

ASHOK GOENKA
Managing Director

AUDITOR'S CERTIFICATE

The above Cash Flow Statement has been compiled from and is based on the audited accounts of the Advance Petrochemicals Ltd. for the year ended on 31st March, 2012 reported upon by us on 31.08.2012. According to the information and explanations given the aforesaid Cash Flow statement read with note thereon, has been prepared pursuant to Clause 32 of Listing Agreement with Stock Exchange and the re-allocation required for the purpose are as made by the Company.

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

PLACE : AHMEDABAD
DATE : 31-08-2012

(G. C. PIPARA)
PARTNER
Memb. No. 034289

ADVANCE PETROCHEMICALS LTD.

ADVANCE PETROCHEMICALS LIMITED

Regd. Office : 36, Kothari Market, Ahmedabad - 380 022.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the Shareholders (in Block Letters) _____

Member's Folio Number _____

Name of the Proxy (in Block Letters). To be filled if the proxy attends instead of the member

No. of Shares held _____

I hereby record my presence at the Annual General Meeting to be held on Saturday the 29th September, 2012 at 11.00 A.M., Plot No.167, Pirana Road, Piplej, Ahmedabad.

Proxy's/Member's Signature

1. To be signed at the time of handing over this slip.
2. Shareholders are requested to advise, indicating their Folio Numbers the change in their addresses, if any, to the Company.

ADVANCE PETROCHEMICALS LIMITED

Regd. Office : 36, Kothari Market, Ahmedabad - 380 022.

PROXY FORM

Member's Folio Number.

I/We _____

of _____

being a member/members of the above named Company, hereby appoint _____

of _____

or failing him _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Saturday the 29th September, 2012 at 11.00 A.M. Plot No.167, Pirana Road, Piplej, Ahmedabad.

Revenue
Stamp of
Rs.1/-

Signed : _____

Date : _____

- Note :
1. The Instrument of proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the holding of the Meeting.
 2. The form should be signed across the stamp as per specimen signature registered with the Company.
 3. A proxy need not be a member.

BOOK - POST

If Undelivered please return to :

ADVANCE PETROCHEMICALS LIMITED

Regd Office :

36, Kothari Market,
Opp. Hirabhai Market,
Ahmedabad-380 022.

GIRISH - Ph. 22745361, 22778341

**ADVANCE
PETROCHEMICALS
LIMITED**



**27th
Annual
Report
2011-2012**