

ADVANCE PETROCHEMICALS LIMITED

ANNUAL REPORT

2010-11



PIPARA & CO.
CHARTERED ACCOUNTANTS
An ISO 9001:2008 Organization

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

Branch Office:
703, Gajlaxmi CHS Ltd.,
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Verified by CA Naman Rajani 27.08.11



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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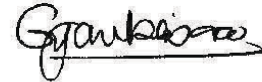
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- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and notes give a true and fair view in conformity with the accounting principles 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.

