

ADVANCE PETROCHEMICALS LIMITED



**22nd
Annual
Report
2006-2007**

ADVANCE PETROCHEMICALS LTD.**ADVANCE PETROCHEMICALS LIMITED**

22nd 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
Gaurav Mittal	Director

ANNUAL GENERAL MEETING

On Saturday, 29th September, 2007
 Advance Synthetic Mills
 Opp. Simla Hotel,
 Narol Char Rasta,
 Ahmedabad - 382 405.
 At 11.00 A.M

AUDITORS

Pipara & Co.
 Chartered Accountants,
 201 N.R. House,
 Near Popular House,
 Ashram Road,
 Ahmedabad - 380 009.

BANKERS

State Bank of Saurashtra
 IF Branch,
 Ahmedabad.

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 22nd Annual General Meeting of the Members of Advance Petrochemicals Limited will be held on Saturday, the 29th day of September, 2007 at the Advance Synthetic Mills, Opp. Simla Hotel, Narol Char Rasta, Ahmedabad - 382 405 at 11.00 A.M. to transact the following business

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date and the Report of the Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. Omprakash Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor's and fix their remuneration and in this connection to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

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

By order of the Board

For ADVANCE PETROCHEMICALS LTD.

Registered Office
36, Kothari Market,
Ahmedabad - 380 022.
Date : 29-8-2007

(Ashok Goenka)
Managing Director

NOTES:

1. 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.

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2. Register of Member and Share Transfer Book of the company will remain closed from Monday, the 24th day of September, 2007 to Saturday, the 29th day of September, 2007 (both days inclusive).
3. Members/proxies should bring their attendance slips duly filled in for attending the meeting.
4. Members who have not encashed their dividend warrants pertaining to earlier years may approach the share department of the company for revalidating the warrants and for obtaining the duplicate warrants.
5. Members are requested to intimate the change in their address, if any, to the Registered office of the company writing their folio no.
6. 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.
7. Members who have not forwarded earlier the details of their bank account number and the name and address of the bank are requested again to sent the same.
8. Shareholders seeking any information on account or operations are requested to write to the company at an early date so as to enable the management to keep the information ready.

By order of the Board
For ADVANCE PETROCHEMICALS LTD.

Registered Office
36, Kothari Market,
Ahmedabad - 380 022.
Date : 29-8-2007

(Ashok Goenka)
Managing Director

ADVANCE PETROCHEMICALS LTD.

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 22nd Annual Report along with the Audited Account of the company for the period ended 31st March, 2007.

FINANCIAL RESULTS :

(Rs.in Lacs)

	2006-2007	2005-2006
Gross Income	613.95	501.56
Profit before interest, depreciation and tax	13.27	32.64
Profit before depreciation and tax	13.09	21.53
Depreciation	9.13	14.69
Profit before tax	3.96	6.85
Profit after tax	2.80	3.91
Add : Surplus as per last account	81.55	84.19
Surplus available for appropriation	85.98	81.55
Appropriations :		
Proposed Dividend	Nil	Nil
Transferred to General Reserve	Nil	Nil
Surplus Carried to next year	85.98	81.55

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, 2007.

OPERATION

During the year under review your company have registered a sales turn over of Rs.613.95 lacks in comparison to the figure of Rs.501.56 lacks of the previous year. In spite of increase of sales turnover, net profit after tax has decreased to Rs.2.80 lacs as compared to Rs.3.91 Lacs of the previous year.

In the first of June, 2007, a major fire occurred inside the factory premises of the company due to explosion in the distillation tank which has caused a heavy damage to Plant of the company and most of stocks have been destroyed. There were also some casualty happened. Recovery and repair to the Plant are under progress.

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

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deposit) rules, 1975 are applicable to the company.

INSURANCE

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

AUDITOR'S REPORT

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

AUDITORS

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

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

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

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

ISO 9001

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

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

EMPLOYEES

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

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DIRECTORS

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

Remuneration of Shri Shailesh Singh Rajput, Director of the company has been increased to Rs. 8300/-per month from the date of 01.07.2006. The immense and varied experience of Shri Shailesh Singh Rajput and Shri J.K.Trivedi, continued to be of immense beneficial for the over all business operation of the company.

REMUNERATION COMMITTEE

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

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

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 2007-2008.

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.

	2006-2007	2005-2006
Electricity Purchase Unit	280940	361430
Total Amount (Rupees)	1440161	1757763
Rate Unit (Rs.)	5.13	4.36

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.27,50,603

ADVANCE PETROCHEMICALS LTD.

In foreign currency during the year.

PERSONAL

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

COMPLIANCE CERTIFICATE

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

APPRECIATION

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

For and on behalf of the Board

Place : Ahmedabad

For ADVANCE PETROCHEMICALS LIMITED

Date : 29-8-2007

(Ashok Goenka)

Managing Director

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COMPLIANCE CERTIFICATE

Company No. 04-8013

Nominal Capital : Rs.200 Lacs (20,00,000 Equity shares

To,

of Rs. 10/- each)

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 rule made there under and also the provision contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2007. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me the company, its officers and agent, 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 of the Act 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 with 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 6 times on 29.04.2006, 04.08.2006, 29.07.2006, 30.10.2006, 20.01.2007 and 29.01.2007 and in respect of which meetings proper notices were given and the proceeding were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has not closed its Register of Members during the year.
6. The Annual General Meeting for the financial year ended on 31st March,2006 was held on 30th September,2006 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. One Extra-ordinary General Meeting was held during the financial year after giving due notice to the members of the company and the resolution passed thereat were duly recorded in minutes book maintained for the purpose.
8. The company has not advanced loan to its Directors and/or person firm or companies referred in section 295 of the companies Act, 1956.
9. The company has duly entered into contract falling within the purview of section 297 of the Act during the year under review.

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10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there was no instance falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members and Central Government.
12. The Board of Directors or committee of Directors has not approved the issue of duplicate share certificate.
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 exceptions 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 deposit, 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. However, the company has not transferred the unclaimed dividend to the account of Central Government.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and appointment of Directors has been duly made.
15. The company has appointed Mr.J.K. Trivedi as whole time Executive Director of the company in accordance with the provisions of Schedule XIII to the Companies Act, 1956 and also revised remuneration of Mr. Shailesh Singh Rajput.
16. The company has not appointed any Sole Selling Agents.
17. There were no transactions requiring the company to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of act and the rules made thereunder.
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.