

ADVANCE PETROCHEMICALS LIMITED



**23rd
Annual
Report
2007-2008**

015-12



ADVANCE PETROCHEMICALS LTD.**ADVANCE PETROCHEMICALS LIMITED****23rd 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 Tuesday, 30th September, 2008
 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-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 23rd Annual General Meeting of the Members of Advance Petrochemicals Limited will be held on Tuesday, the 30th day of September, 2008 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, 2008 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. Gaurav Mittal, 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.”

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

“Resolved That subject to provisions of Section 198, 269, 309 of the Companies Act, 1956 and other applicable provisions if any, Schedule XIII to the Companies Act, 1956 and subject to the confirmation of Remuneration by Remuneration Committee Meeting, consent of members of the company be and is hereby given to the appointment of Mr. Ashok Kumar V. Goenka, as a Managing Director of the Company for further period of 3 years w.e.f. 01.08.2008 on the following board terms and conditions:-

1. Shri Ashok Kumar Vishwanath Goenka shall be the Managing Director of the Company for a period of three years with effect from 1st August, 2008.

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2. The Managing Director shall unless prevented by ill health, through out the said term devote his entire time and attention to the business of the company perform such duties and exercise such powers as shall from time to time be assigned to and vested him by the Board of Directors and shall comply with such orders, directors and regulations from time to time by the Board of Directors of the Company and shall faithfully serve the Company and use his utmost endeavours to promote the interest thereof,
3. Without prejudice to the provisions of clause 2 hereof and subject to the control and supervision of the companies Act, 1956, the Managing Director shall have the general conduct and management of the business affairs of the company and subject to such control and supervision shall exercise the following powers, namely:
 - (a) To manage the affairs of the Company and to perform and exercise all those rights, powers, discretion assigned to or vested in him by these presents or by the Articles of Association and those may which from time to time be assigned to or vested in him by the Directors and/or by the company in General Meeting.
 - (b) To enter into and become parties to and to sing, execute all deeds, documents, instruments, contracts, receipts, writings and all other things on behalf of the company not required to be executed under it's Common Seal or not other wise or vided for in the Articles of Association of the company.
 - (c) To make, sign, draw, endorse, negotiate, sell or otherwise transfer on behalf of the company all cheques, bills of exchange, drafts, hundis, promissory notes, dock warrents, delivery orders, railways receipts, bills of lading other mercantile documents and other negotiable instruments, securities and debentures.
 - (d) To become parties to and to present for registration and admit execution of and to do every act, deeds, matters or things necessary or proper to enable registration on behalf of the company of all the deeds and instruments whatsoever.
 - (e) To institute, defend, prosecute, conduct, refer to arbitration, abandon and compromise, legal or other proceedings, claims or disputes by or against the company or in which the company may be concerned or interested.
 - (f) To receive and give effectual receipts and discharge for all the moneys, goods or property payable to or to be received by the company.
 - (g) To purchase, pay for, acquire, sell, re-sell, re-purchase, import, export all

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machinery, machines, raw-materials and other things necessary or expedient for or in the course of the business of the company.

- (h) Subject to the approval of the Board of Directors and within such limits as may have been prescribed by them, to take on lease, hire, rent any movable or immovable properties required for the purpose of business of the company at such rent, hire charges or consideration and for such period and on such terms and conditions as he may think fit.
- (i) Subject to the approvals of the Directors and within such limits or price as they may from time to time prescribe to acquire by purchase or otherwise, lands, here documents, buildings and immovable property of every description or kind.
- (j) To effect, maintain, alter and extend works, factories, factory building, warehouses and buildings and works of every description and kind within such limit of the prices, if any, which the Board of Directors may time to time prescribe,
- (k) To sell, transfer and dispose off immovable property of every description and kind.
- (l) To let or hire out any movable or immovable properties of the company at such rent, hire charges or consideration and for such period and on such terms and conditions as he may think fit.
- (m) To raise or borrow (otherwise than on debentures) from time to time in the name of the company or otherwise on behalf of the company but not exceeding the total amount, if any, which may be specified by the Board of Directors from the to time such sums or sum of money on such terms as the Managing Director think expedient.
- (n) To insure and keep insured the company's premises, buildings, machinery, plant, materials and equipments and all other properties and assets of the company against loss or damage by fire or otherwise.
- (o) With in the limits from time to time fixed by the Board of Directors to invest and deal with the money of the company not immediately required upon investment of such nature including Government securities as may be specified by the Board of Directors from time to time and subject as aforesaid to deposit the same with banks, shroffs or persons and from time to time to realize and vary investment.
- (p) To operate upon and open accounts, currents, cash credit, over drafts, fixed or otherwise with any Banks or bankers, merchant or merchants or with any

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company, firm or firms, individual or individuals and to pay moneys into and to draw moneys from any such account or accounts from time to time as the Managing Director may deem fit.

- (q) To attend and vote at all meeting in all bankruptcy insolvency and liquidation or other proceedings in which the company may be interested or concerned.
- (r) To appoint, employ, remove, dismiss, discharge, suspend, re-appoint or re-employ or replace for the purpose of the company's officers, manager (not being a managers defined in the Companies Act,1956), solicitors, advocates, consultants, accountants, architects, bankers, secretaries, clerks, servants, workmen and other employees, bankers, engineers, mechanics, macadam and /or experts in any branch of business carried on by the company with such powers and duties and upon such terms and conditions as to duration of employment, remuneration or otherwise, as the Managing Director may think fit, subject to any restrictions, if any, which the Board of Directors may have laid down.
- (s) To delegate to any person all or any of the powers, authorities and discretion for the time being vested in him and to revoke or with draw all or any powers so delegated by him and from time to time withdraw all or any such power.
- (t) And generally to make all such arrangements and to do all such acts, deeds, matters and things on behalf of the company as may be usual, necessary or expedient in the conduct and management of the business as are not the Act or by the Memorandum or Articles expressly forbidden to be done by the Managing Director or as are not required to be done by the Company in General Meeting or the Board of Director.
- (4) However, the Managing Director shall not exercise the power to :-
 - (a) Markets calls on Shareholders in respect of money unpaid on shares of the Company.
 - (b) Issue debentures ; and
 - (c) Except as may be specifically delegated by the Board under Section 292 of the Act, invest the funds of the Company or make loans or borrow moneys.
- (5) The Company shall pay to the Managing Director as from the date of re-appointment i.e 01.08.2008 remuneration for his services as such as follows, which was approved by the remuneration committee of the Board of Directors at it's meeting held on 31.07.2008 :

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- (a) A salary of Rs.20,000/- (Rupees Twenty thousand only) per month.

CATEGORY A :-

This will comprise housing, medical re-imburement, leave travel concession, club fees and other Benefits, allowances, expenses etc.

These may be provided for as under :-

(i) HOUSING :-

- (a) The expenditure by the Company on hiring unfurnished accommodation subject to a ceiling as may be agreed between the parties.
- (b) In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall deducted by the Company.
- (c) In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to a ceiling laid down in housing (a).
- (ii) Payment of gas, electricity, water expenses and furnishing to be valued as per Income Tax, Rules 1962.

(iii) Medical/Hospitalisation Expenses Re-imburement :-

Expenses incurred for the appointee and the family subject to a ceiling of one month's salary for each completed year of service or three month's salary over a period of three years.

(iv) Leave travel concession :-

For self and family two times in a block of four years incurred in accordance with the Rules of the Company.

(v) Club Fees :-

Fees for clubs subject to a maximum of two clubs. Admission fees and life membership fees to be paid as per the rules of the Company.

(vi) Personal/Medical/Accident Insurance :-

Personal Medical Accident Insurance of an amount, the annual premium of which shall be paid as Per the rules of the company.

- (vii) Any other benefits, facilities, allowances and expenses as may be allowed under company rules/ schemes and available to other employees.

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Note :-

- (i) for the purpose of perquisites stated hereinabove, "family" means spouse, dependent children and dependent parents of the appointee.
- (ii) perquisites shall be evaluated as per the income-tax rules, wherever applicable.

CATEGORY B:-

- 1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or taken together, are not taxable under the Income Tax, Act, 1961. Gratuity payable shall not include half a month's salary for each completed year of services.
- 2. Earned Leave :- on full pay and allowances as per the rules of the Company.
- 3. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY C:-

Provisions of car for use of Company's business and Telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

- (6) Remuneration referred to in sub-clause (a) and (b) above are subject to a limit of 5% of the annual net profit of the company. Provided however, wherein, in any financial year, during the currency of the tenure of the Managing Director, the company has no profit or its net profit is inadequate, the company shall pay to the Managing Director minimum remuneration by way of salary, perquisites, dearness allowance subject to a ceiling as laid down in section (ii) (1) (A) part(ii) of Schedule (xiii) of the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective capital of the Company.
- (7) In the event of re-appointment or cessation of office during any financial year during the tenure of service of contract, a rateable proportion of the aforesaid remuneration shall be payable to the Managing Director.
- (8) The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meeting so the Board of Directors or committee thereof.
- (9) The Managing Director shall not so long as he function as such, become interested in or otherwise concerned with directly or through his wife and/or minor children

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in any selling Agency of the Company without the prior approval of the Central Government.

- (10) If prior to the expiration of this period of this agreement, the tenure of the office of the Managing Director is determined by the Company (as provided in clause 10(b) hereof) then and in such case the Managing Director shall be entitled subject to the provisions and limitations contained in Section 318 of the Companies Act, 1956 to receive compensation from the Company for the loss of office to the extent provided in that section.
- (a) If the Managing Director is desirous of resigning his office as Managing Director, he shall be entitled to do so on giving the Company atleast 90 days notice in writing in that behalf at the end of which period his resignation shall take effect.
- (b) If the Company is desirous of termination the Services of the Managing Director then in such case the Company shall be bound to give to the Managing Director at least 90 days notice in writing in that behalf at the end of which period the termination shall take effect.
- (11) The Managing Director may be removed from office for gross negligence, breach of duty or breach of trust, if the Company passes a special Resolution to that effect but no such resolution shall be passed or be effective unless the Company shall have given due notice of it's intention to the Managing Director and after giving him an opportunity of being heard and in such event, the Managing Director for loss of office.
- (12) The Managing Director shall be entitled to re-imbusement of all expences which may be incurred by him on behalf of the Company.
- (13) The Managing Director shall not as long as he continues to be the Managing Director of the Company be liable to retires by rotation and he shall not reckoned as Director for the purpose of determining the numbers of Directors liable to retirement by rotation.”.

By order of the Board

Registered Office:

36, Kothari Market,
Ahmedabad - 380 022.

Date : 02.09.2008

For ADVANCE PETROCHEMICALS LTD.

(Ashok Goenka)
Managing Director