

ATREYA PETROCHEM LIMITED

ANNUAL REPORT

2009-10

ATREYA PETROCHEM LIMITED

NOTICE:

Notice is hereby given that Annual General Meeting of the Members of **Atreya Petrochem Limited** will be held on Thursday, September 30, 2010, at 11 .00 AM at, Vill : Tundao, Tal: Salvi, Vadodara – 391 775 to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31st March, 2010 and Audited Profit and Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.

“RESOLVED THAT the Audited Balance Sheet as on 31st March, 2010 and Audited Profit and Loss Account for the year ended on that date, together with the reports of the Director and Auditors thereon be and hereby received and adopted.”

2. To appoint a director in the place of Mr. Sombhai Shankarbhai Thakkar who retires by rotation and being eligible, offers himself for re-appointment.

“RESOLVED THAT Mr. Sombhai Shankarbhai Thakkar, Director of the Company, retiring by rotation at this Annual General Meeting be and is hereby re-appointed as Director of the Company.”

3. To re-appoint Auditors of the Company and fix their remuneration.

N. R. Parikh & Co, Chartered Accountants has expressed their willingness to continue as the auditors of the Company after the conclusion of the Annual General Meeting of the Company and their appointment would be within the limits prescribed under section 224 (1) of the Companies act, 1956.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provision of Sub-section (1) of Section 224 of the Companies Act, 1956, M/s. N. R. Parikh & Co Chartered Accountants, be and they are hereby appointed audited of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to audit the financial accounts of the Company for the financial year 2010 - 2011 on a remunerated by way of such fees as the directors may determine.”

By order of the Board
For Atreya Petrochem Limited
Sd/-

Date: 25th August, 2010.
Place: Vadodara

Director

NOTICE:

- ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXY FORM IS HEREBY ENCLOSED.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 26th Day of September, 2010 to 30th Day of September, 2010 (both days inclusive)
- The members are requested to:
 - Intimate to the Company's Registrars and Share Transfer Agents, **Link Intime India Private Limited** (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
 - Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
 - Members/beneficial Owners are requested to quote their full name as per the Company's record, Folio No. /DP and Client ID Nos. as the case may be, in all their correspondence with the Company.
 - In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

By Order of the Board
Sd/-

Date: 25th August, 2010.

Place: Vadodara.

Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2010.

(1) **FINANCIAL AND WORKING RESULTS :**

<u>PARTICULARS</u>	2009-2010 (Rs.)	2008-2009 (Rs.)
Profit Before Depreciation:	95,82,385	(1,31,062)
(Less): Depreciation	(12,83,163)	(2,14,956)
Profit After Depreciation:	82,99,222	(3,46,018)
(Less): Prior Period Expenses	-	(15,000)
Net Profit Before Taxation	82,99,222	(3,61,018)
(Less): Provision for Taxation	-	-
Net Profit After Taxation	82,99,222	(3,61,018)
(Less): Prior Period Expenses	(30,000)	-
(Less): Loss brought forward from previous year	(2,98,30,885)	(2,94,69,867)
Balance Carried to Balance Sheet	(2,15,61,663)	(2,98,30,885)

(2) **DEPOSITS:**

The Company has not accepted any deposits during the year with the meaning of the Companies (Acceptance of Deposits) Rules, 1975.

(3) **DIVIDENDS:**

In view of carried forward losses, your Directors do not recommend any dividend.

(4) **PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration of Rs. 24,00,000 per annum or Rs. 2,00,000 per month for any part of the year or more and hence no particulars have been furnished as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules), 1975.

(5) **PARTICULARS RELATING TO CONSERVATION OF ENERGY,**

A. CONSERVATION OF ENERGY:

The Company does not have material information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Board of Directors) Rules, 1988 to offer and hence no particulars have been furnished.

B. FOREIGN EXCHANGE EARNING & OUTGO:

During the year, the Company has neither earned nor spent any foreign exchange.

(6) **DIRECTORATE:**

Mr. Santoshbhai R. kahar retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as Director liable to retire by rotation.

(7) **DIRECTORS RESPONSIBILITY STATEMENT:**

- (i) Your Directors have followed the applicable accounting standards alongwith proper explanation relating to material departure if any, while preparing the annual accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for the period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

(8) AUDITORS:

M/s. N. R. PARIKH & CO., Chartered Accountants, Vadodara, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. You are requested to appoint Auditors and fix their remuneration.

(9) AUDITORS' REPORT:

Clause no. 4 of Notes to Accounts (schedule L) is self explanatory in respect of Auditors' comment in clause no. 3 of their Report.

(10) ACKNOWLEDGEMENTS:

Your Directors take opportunity to express their gratitude to government, employees and bankers and for their valuable support and co-operation.

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara.

Date : 25/08/2010.

Chairman

Corporate Governance Report

● Philosophy of the Company on Corporate Governance:

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behavior. As an organization the Corporate through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency fair play and independence in its decision making.

● Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of the listing agreement.

■ Composition of the Board:

Name of the Directors	Designation	Meeting Held	Meetings Attended
Sombhai Shankarbai Thakkar	Director	5	5
Santosh Ranchhodhbhai Kahar	Executive Director	5	5
Bachubhai Shankerlal Thakkar	Director	5	5
Mr. Bharat L. Patel*	Director	5	4

* Mr. Bharat L. Patel resigned from the post of Director on 15th November, 2009. Thus, he ceased to be the Director of the Company from the said date.

■ Number of Board Meeting During the year:

The Board of Directors met Five times during the financial year, on the following dates:

- ▶ 30th April, 2009.
- ▶ 31st July, 2009.
- ▶ 25th August, 2009.
- ▶ 31st October, 2009.
- ▶ 31st January, 2010.

The Company placed before the Board the budgets, Annual operating plans, performance of the business and various other information, including those specified under Clause 49 of the Listing Agreement, from time to time.

■ Other provisions as to Board and Committees:

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the Companies in which he is a Director and do not hold the office of Director in more than fifteen public Companies.

■ **Code of Conduct:**

- ▶ The Board shall lay down a **code of conduct** for all Board members and senior management of the Company. The code of conduct shall be posted on the website of the Company.
- ▶ All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director.

The Committee of the Board:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/ noting.

● **Audit Committee:**

During the financial year 2009-10, Five Audit Committee Meetings were held on the following dates:

- ▶ 22nd April, 2009.
- ▶ 22nd July, 2009.
- ▶ 18th August, 2009.
- ▶ 22nd October, 2009.
- ▶ 22nd January, 2010.

The constitution of the Committee and the attendance of each member of the Committee are given below:

Members	Designation	Meetings Held	Meetings attended
Bachubhai Shankerlal Thakkar	Chairman	5	5
Sombhai Shankarbhai Thakkar	Member	5	5
Santosh Ranchhodbhai Kahar	Member	5	5

■ **Powers of Audit Committee:**

The audit committee shall have powers, which should include the following:

- ▶ To investigate any activity within its terms of reference.

- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

• **Role of Audit Committee:**

The role of the Audit committee shall include the following:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

▪ Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- ▶ Management discussion and analysis of financial condition and results of operations.
- ▶ Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- ▶ Management letters / letters of internal control weaknesses issued by the statutory auditors.
- ▶ Internal audit reports relating to internal control weaknesses.
- ▶ The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

● Investors' Grievance Committee:

▪ Terms:

- ▶ The Committee may invite other Directors/ Officers of the Company to attend the meetings of the Compensation Committee as 'Invitees' from time to time as and when required.
- ▶ Minutes of the Investor Grievance Committee are placed before the Board in its subsequent meeting.

▪ The key responsibilities of the investor grievance committee:

Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.

- ▶ Redressal of shareholders and investor complaints/ grievances e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.
- ▶ To approve, register, refuse to register transfer / transmission of shares and other securities.
- ▶ To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company.
- ▶ To issue duplicate share other security(ies) certificate(s) in lieu of the original share / security(ies) certificate(s) of the Company;
- ▶ To approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder.

- To dematerialize or rematerialize the issued shares.

● **Remuneration Committee:**

Remuneration Committee reviews and makes recommendations on annual salaries, performance linked bonus, stock options, perquisites and other employment conditions for executive Directors.

Non-executive Directors are paid remuneration by way of Commission and Sitting Fees. The payment of Commission is decided broadly on the basis of Board Meetings and Committee Meetings attended by the Non-executive Directors, their respective contribution to the Company and the overall performance of the Company.

● **General Body Meeting:**

- **Details of Annual / Extra- Ordinary General Meetings held during the past three years:**

Year	Date	Location	Time
2007	29/09/2007	Tundav Anjesar Road, Village :- Tundao, Tal. Savli Vadodara.	11.00 A.M
2008	30/09/2008	Tundav Anjesar Road, Village :- Tundao, Tal. Savli Vadodara.	11.00 A.M
2009	30/09/2009	Tundav Anjesar Road, Village :- Tundao, Tal. Savli Vadodara.	11.00 A.M

- No Special Resolution was passed during the previous three AGMs.
- No Special resolution was passed last year through postal ballot.

● **Subsidiary Company:**

Company does not have any Subsidiary Company.

● **Disclosure:**

- **Significant related party transaction:**

There are some transactions in which directors of the company are interested. The details of Related Party Transaction are as followed

Loans Taken

Name of the Party	Amount in Rupees
Empire Unifor Software Solution Limited	34,59,588.50

■ **Disclosure of Accounting Treatment:**

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

■ **Risk Management:**

Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimization procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

■ **Proceeds from public issues, right issues, preferential issues etc.**

During the year under review your Company has not raised any proceeds from public issue, right issue or preferential issue.

■ **Whistle Blower Policy:**

Your Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee.

● **Means of Communication:**

- The Annual, half-yearly and quarterly results are regularly posted by the Company on its website. These are also submitted to the Stock Exchanges and published in newspapers in accordance with the Listing Agreement. The presentations are simultaneously posted on the Company's website for dissemination to investors.
- Management Discussion & Analysis forms part of this Annual Report.

● **General Shareholders information:**

■ **Annual General Meeting:**

- **Date:** 30th September, 2010.
- **Day:** Thursday.
- **Time:** 11.00 A.M
- **Venue:** Village :- Tundao, Tal. Savli, Vadodara.

● **Book Closure:**

Register of Member & share Transfer Book will remain closed from the 26th Day of September, 2010 to the 30th Day of September, 2010 (both days inclusive).

● **Financial Calendar:**

Financial Reporting for the year under review	Month of Reporting (Tentative)
Unaudited Financial Result for the Quarter ending 30 th June, 2010.	31 st July, 2010
Unaudited Financial Result for the Half ending 30 th September, 2010.	31 st October, 2010
Unaudited Financial Result for the Quarter ending 31 st December, 2010.	15 th February, 2011
Unaudited Financial Result for the Year ending 31 st March, 2011.	15 th May, 2011

● **Listed on Stock Exchange:**

Listed on Stock Exchange	Script Code
Bombay Stock Exchange	514444
Vadodara Stock Exchange	240
Ahmedabad Stock Exchange	Atreya

● **Market Pricing Data:**

The Company's Equity shares have been suspended from the Bombay Stock Exchange Limited mainly due to none compliances of listing agreement and hence data on market price are not available.

● **Registered Office:**

Tundav Anjesar Road, Village :- Tundao, Tal. Savli Vadodara.

● **Registrar:**

Link Intime India Private Limited
Jaldhara Complex,
Opp. Manisha Society,
Manisha Chokdi,
Old Padra Road,
Vadodara – 390 015.

Link Intime India Private Limited., are acting as Registrar & Transfer Agents (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All works relating to Equity Shares are being done by them. The Shareholders are therefore, advised to send all their

correspondence to the RTA. However, for the convenience of Shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

■ **Share Transfer System:**

Securities lodged for transfer at the Registrar's office are normally processed within 30 days from the date of lodgment, if the documents are proper in all respect. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15/21 days. Any queries in respect of share transfer and transmission are dealt with by the Shareholder's Grievances Committee.

■ **Dematerialization of shares and liquidity:**

The Company has not entered into the Agreement with NSDL and CDSL.

■ **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

Not Applicable to the Company.

■ **Address for future Correspondence:**

- ▶ **Address:** 9th Floor Galav Chambers,
Near Sardar Patel Statue,
Sayajigunj,
Vadodara, - 390 005.
- ▶ **Telephone Number:** 0265-3010545
- ▶ **FAX Number:** 265 2361551
- ▶ **Email I.D:** atreypetrochem@gmail.com

Certification under Clause 49 (I) (D) of the Listing Agreement

All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for **Atreya Petrochem Limited** for the financial year ended 31st March, 2010.

By order of the Board
For Atreya Petrochem Limited
S/d-

Date: 25th August, 2010.
Place: Vadodara.

Director

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF BUSINESS:

Atreya Petrochem Limited, was established to manufacture various Petrochemical Downstream Products such as Specialty Oils, Petroleum Sulphonates, Solvents, etc. for Industrial Applications Such As Rubber, Ink And Paint Industries.

However, due to Cut-Throat Competition in the Market and also due to both Indian and World Economic Meltdown, the Management was forced to stop Manufacturing Activities in March, 2000. The Board is still waits for favorable market conditions so the object for which the company has been formed can be restart.

The Management, due to their Untiring Efforts, has started to revive the activities in 2009. Accordingly, your Company has restarted the Production Activities by June 2009 and your Company has got supply of Crude Oil from Gujarat Petroleum Corporation Limited.

INDUSTRY OUTLOOK:

The chemical industry in India is one of the most diversified and matured of all industrial sectors with thousands of commercial products. It contributes significantly towards industrial and economic growth of the nation, contributing approximately 3% to the GDP. The industry primarily consists of basic chemicals and its products, petrochemicals, agrochemicals, specialty chemicals, pharmaceuticals & biotech, paints & varnishes, dyestuff & inks, alco-chemicals, etc.

From January 2005, Research & Development (R&D) was given increased thrust when product patent regime came into enforcement and was backed by a large pool of trained engineers and scientists. Moreover, with increased globalization and domestic competition, Indian chemical players have to be more innovative by developing newer molecules by setting up cutting-edge R&D units. Based on inherent advantages like low cost labour and abundance of basic raw materials, Indian chemical players produces a large number of fine and specialty chemicals which have specific applications and find wide usage as food additives, pharmaceutical intermediates, toiletries, derivative products and anti-oxidants which can have multiple applications.

The overall chemical exports market from India grew at a CAGR of 21% from FY2004 to FY2009 while the overall chemical import market grew at a CAGR of 24.3% during the same period. The export growth over the period was quite impressive on the backdrop of global economic slowdown and depreciation of the Indian Rupee vis-à-vis the USD.

OUR STRENGTH:

- ❖ High levels of customization of products are required due to very specific applications.
- ❖ Atreya Petrochem Limited is highly knowledge driven and continuous efforts are required to enhance product, process and application development to stay ahead in the industry.
- ❖ There needs to be flexibility and adaptability in manufacturing process as quick turnaround maybe required depending on different product orders or cost considerations.

- ❖ Price sensitivity in specialty chemicals industry is limited since it constitutes only a small portion of the customers total costs compared to the performance delivered.

OUR STRATEGY:

- ❖ Inspire Creativity
- ❖ Enhance our leadership position in the genres we compete.
- ❖ Continuous innovation to stay ahead of the curve and seize growth opportunities.
- ❖ Invest in the business in a focused, disciplined way and achieve superior financial performance
- ❖ To use the strong cash flows of our business to improve returns to shareholders.
- ❖ Reaffirm our commitment to highest level of integrity and professionalism throughout our business.

INTERNAL CONTROLS:

The company has well defined organizational structure and pre-determined authority levels and system of internal control for maximum utilization of its resources and safeguarding the same from misuse. The company has a budgetary control system for film production and an Internal audit system supplements the same.

The Company's Audit Committee and Board of Directors consist of qualified and experienced professionals; meet regularly to review the operations and adequacies of internal controls.

RISKS MANAGEMENT:

The Management is in search of strategic investor who can provide substantial amount of fund and take care of the company with new line of action. Till such time, the Company's activity will not start. Even the management is also looking for some technical and market support so the commercial activity can be kicked off.

Risks are categorized as:

- ❖ Strategic
- ❖ Operational
- ❖ Financial and
- ❖ Compliance related risks

HUMAN RESOURCES:

The growth and sustained leadership of the company is largely a function of the competence and quality of its human resource. The company has always aimed to create a workplace where every person can achieve his optimum potential. The company has a performance-rewarding culture throughout, enabling it to create leaders out of its own employees. The company has also undertaken various training and development initiatives to hone the skills and expertise of its people.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental / related factors.

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
ATREYA PETROCHEM LIMITED
(formerly known as Jal Hi Power Petrochem Limited)

WE HAVE EXAMINED THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE by Atreya Petrochem Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrar of the Company to the Grievance Committee as on 31st March, 2010, there were no Investor Grievance Matters against the Company remaining unattended/ pending for more than 30 days.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.R PARKIH & CO.
CHARTERED ACCOUNTANTS
FRN No. 107563W

S/d
N.R. PARIKH
Partner
Membership No. F-07854
Place: Vadodara
Dated: 27-04-2010

CFO CERTIFICATION

I, Mr. Santosh Kahar, Director & CFO of the Company hereby certify that:

- a. I have reviewed the financial statements and Cash flow statement for the year ended 31st March, 2010 and to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financing reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies;
- d.
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in Accounting policies during the year; and
 - iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the management or an employee having a significant role in Companies internal control system over financial reporting shall be disclosed.

**For Atreya Petrochem Limited
(formerly known as Jal Hi Power Petrochem Limited)**

Sd/-
Director & CFO

Place: Vadodara.
Date: 25-08-2010.

Partners

NARENDRA R. PARIKH

B.Com., F.C.A.

(M) 9898572484 (R) 2354879

PARTHIV H. KORINGA

B.Com., A.C.A.

(M) 98588 02048

CA

N.R. PARIKH & Co

CHARTERED ACCOUNTANT

Office : 401, Paradise Complex, Behind Yashkamal Bldg., Sayajigunj, Vadodara-390 005.
PH. : (O) 2362660, 2225205, E-mail : nrparikh_26@yahoo.co.in

Ref. No. :

Date : 27 04 2010

AUDITOR'S REPORT

To,
**The Members of
Atreya Petrochem Ltd.**

1. We have audited the attached Balance Sheet of **Atreya Petrochem Ltd.** as at 31st March, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. 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 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 and the Companies (Auditor's Report) (Amendment) Order, 2004 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 matters specified in paragraphs 4 and 5 of the said Order.

Reference is invited: -

- a) That since the beginning the company has not complied with the provision of Section 383A of the Companies Act, 1956 relating to appointment of a whole time secretary. Therefore, we are unable to comment on the maintenance of various statutory registers, records, compliance of Stock Exchange listing agreement, SEBI Rules & Regulation and The Companies Act, 1956.
- b) For continuing contravention of Section 372A of the Companies Act, 1956 for aggregate inter-corporate Loan of Rs. 273.21 Lacs and investment of Rs. 98.85 Lacs in excess of the limit specified thereto. It is also doubtful for recovered.
- c) As explain to us by the board, no loans and advances have been made to directors, Firms and to the Companies in which Director/ relative are/were interested as director / partner / proprietor during the year. However, Rs. 30.03 Lacs in past year to directors, Firms and to the Companies in which

Director/ relative are/were interested as director / partner / proprietor which is continuing contravention of Section 295 of companies Act, 1956.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that -
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as on 31st March 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For
N. R. PARIKH & CO.
Chartered Accountants
FRN No. 107563W

N. R. Parikh
(Partner)
M. No. F-07854
Vadodara:



2/11/10

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March 2010 of Atreya Petrochem Ltd.

- (i) (a) Except information available in the books of accounts, The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) No Records available as to physical verification of assets carried out by the management at any time during the year. Therefore, we are unable to report whether any material discrepancies exist or not.
- (c) As per Books of Accounts, the Company has not disposed off any fixed assets during the year.

(ii) (a) As informed to us, The Inventory were physical verified by the management at reasonable intervals during the year.

(b) In our opinion and according to the information and explanations given to us, company has reasonable and adequate procedure for physical verification of inventories in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory, and no major discrepancy reported by the management.

(iii) The Company has granted unsecured loans to 3 companies, and 1 Interested Party listed in the register maintained under Section 301 of the Companies Act, 1956. The year balance of loans granted to these was Rs. 30.03 Lacs. We invite attention to note no. 4

In our opinion, Terms and condition of above loan granted are not prejudicial to the company except Interest free loan given to above parties. However as informed to us, the said loan is repayable on demand.

There is no recovery of Interest during the year in respect of loans granted. No Provision has been made for the interest payment / received of above loans.

The Company has taken unsecured loans from 5 companies, 2 Directors and 2 Interested Party listed in the register maintained under Section 301 of the Companies Act, 1956. The year balance of loans taken from these was Rs. 130.27 Lacs. We invite attention to note no. 4

In respect of above Loans taken, there are no covenants with regard to the Interest / Repayment or any other terms and conditions.

Register maintained, if any u/s. 301 of the Companies Act, 1956 is not available for our verification.

(iv) In our opinion and according to the information and explanations given to us, there are no adequate internal control procedures commensurate with the size of the Company and the nature of its business.

- (v) According to the information and explanations given to us, the company has not made any transaction in respect of any party that need to be entered into a register in pursuance of Section 301 of the Companies Act 1956 except Loan recovery of Rs. 11.66 Lacs, Loan Granted 71.22 Lacs and Loan repayment of Rs. 2.80 Lacs.
- (vi) The company has not accepted deposits from other corporate which attracting the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- (vii) The Company is a listed company and or having a paid up capital and reserved exceeding Rs.50 Lacs as at the commencement of the Financial Year and company does not have any Internal Audit System.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- (ix) In respect of statutory dues:
- (a) Account to the records of the Company examined by us, Company is not liable to Pay Provident Fund, Investor Education and Protection fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess no undisputed amounts payable in respect of such statutory dues which have remained outstanding as on 31st march 2010 for a period of more than Six Month from the day they become payable except the following -

Central Sales Tax	Rs.6,77,642
Motor Spirit Tax	Rs.2,26,238

- (b) According to the Information and explanation given to us there are no dues of Sales Tax, Custom Duty, Wealth Tax, Services Tax, Custom Duty, Excise Duty and Cess Which have not been deposited on account of any dispute except the Following -

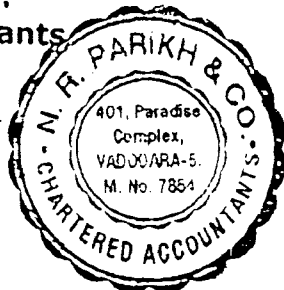
Name of Status	Rs.	Period	Pending at
Income Tax Act 1961	24,89,300	A.Y.1999-00	ITAT-Ahmedabad
Income Tax Act 1961	1,41,41,065	A.Y.2000-01	ITAT-Ahmedabad
Income Tax Act 1961	35,830	A.Y.2002-03	CIT(A)-Vadodara
Income Tax Act 1961	12,830	A.Y.2003-04	CIT(A)-Vadodara
Central Excise Act, 1944	8,87,65,288	A.Y.2000-01	Remanded by Authority.

- X) Accumulated losses at the end of financial year ended on 31st March,2010 is Rs. 2,15,61,663/- which does not exceed 50% of its net worth and it has not incurred cash losses in the financial year ended on the date and in the immediately preceding financial Year.
- (xi) According to the information and explanations given to us and records of the company examined by us, the Company has not obtained any loan from financial institutions or banks and has not issued any debentures. Therefore reporting on whether company has defaulted in repayment of dues is not applicable.

- (xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the Company is not a chit fund or a nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund are applicable, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) The company is not dealing in or trading in share, securities, Debenture or other investment and hence requirement of paragraph 4 (XIV) is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us and as per records made available for our verification, the Company has not taken any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment, this clause is not applicable.
- (xviii) As the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Act, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xix) As the Company has not issued any debentures, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during year.

For
N. R. PARIKH & CO.
Chartered Accountants
FRN No. 107563W

N. R. Parikh
(Partner)
M. No. F-07854
Vadodara:



M/S. ATREYA PETROCHEM LIMITED

Balance Sheet as at 31st March, 2010

SOURCES OF FUNDS	Sch	As at 31st March, 2010 Amount (Rs.)	As at 31st March, 2009 Amount (Rs.)
Shareholders' funds:			
Share Capital	"A"	64,500,000	64,500,000
Reserves and surplus			64,500,000
Loan funds:			
Secured loans	"B"	14,700,605	8,558,605
Unsecured loans			8,558,605
TOTAL		79,200,605	73,058,605
APPLICATION OF FUNDS			
Fixed Assets			
[a] Gross Block	"C"	30,294,110	30,426,935
[b] Less: Depreciation		15,289,192	14,088,048
[c] Net Block		15,004,918	16,338,887
[d] Capital work in progress		180,675	180,675
Investments	"D"	15,185,593	16,519,562
Current Assets, Loans and Advances			
Current Assets			
Stock In Trade	"E"	209,325	693,513
Sundry debtors	"F"	18,160,474	16,889,785
Cash and bank balances	"G"	158,278	404,114
Loans and advances		29,240,998	20,216,388
		47,769,075	38,203,801
Less: Current Liabilities and Provisions	"H"	15,048,452	14,334,467
Current Liabilities		151,676	161,176
Provision		15,200,128	14,495,643
Net Current Assets		32,568,947	23,708,158
Profit & Loss Accounts		21,561,663	29,830,885
TOTAL		79,200,605	73,058,605
Significant Accounting Policies & Notes on Accounts	"L"		

The Schedules referred to above form an integral part of the Balance Sheet

as per our Report of even date attached

for N. P. PARIKH & CO.
Chartered Accountants

R. PARIKH
PARTNER

DODARA



For and on behalf of the Board of Directors
for Atreya Petrochem Limited

G. S. M. 8552

K. K. Patel
Director

Directors

2/11/10

M/S. ATREYA PETROCHEM LIMITED

Profit and Loss Account for the year ended 31st March, 2010

	Sch	Year Ending 31-Mar-10 Amount (Rs.)	Year Ending 31-Mar-09 Amount (Rs.)
Income			
Sales		4,264,251.00	1,225,680
Profit on Sale of Investment		9,625,865.00	-
Misc. Income		184,694.00	100,000
Excess Provision Written Off		185,273.00	-
Increase/(Decrease) in Finish Good and Process Goods	"I"	209,325.00	-
Total		14,469,408.00	1,325,680
Expenditure			
Cost of Production	"J"	4,430,220	1,277,158
Administrative Expenses	"K"	312,803	179,584
Inventory Written Off		144,000.00	-
Total		4,887,023	1,456,742
Profit before depreciation		9,582,385	(131,062)
Depreciation		1,283,163	214,956
Profit After depreciation		8,299,222	(346,018)
Prior Period Expenses		-	15,000
Profit before taxation		8,299,222	(361,018)
Less: Provision for Tax		-	-
-- Current Tax		-	-
-- Deferred Tax		-	-
Profit after taxation		8,299,222	(361,018)
Less: Prior Period Expenses		30,000.00	-
Balance brought forward from previous year		(29,830,885)	(29,469,867)
Balance carried to Balance Sheet		(21,561,663)	(29,830,885)

The Schedules referred to above form an integral part of the Profit and Loss Account.

Significant Accounting Policies & Notes on Accounts

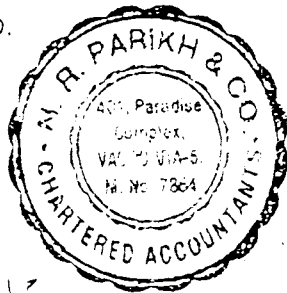
"L"

As per our Report of even date attached

For N. R. PARIKH & CO.
Chartered Accountants

N. R. PARIKH
PARTNER

VADODARA



For and on behalf of the Board of Directors

For Atreya Petrochem Limited

22/11/10

Director

Directors

M/S. ATREYA PETROCHEM LIMITED
Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at 31st March, 2010	As at 31st March, 2009
Schedule "A"		
SHARE CAPITAL		
Authorised:		
65,00,000 Equity shares of Rs. 10 each	<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid up:		
64,50,000 Equity shares of Rs. 10 each, fully paid up	64,500,000	64,500,000
Total	<u><u>64,500,000</u></u>	<u><u>64,500,000</u></u>
Schedule "B"		
UNSECURED LOANS		
A) Inter corporate loans	14,129,518	7,987,518
B) From others	571,087	571,087
Total	<u><u>14,700,605</u></u>	<u><u>8,558,605</u></u>

For Atreya Petrochem Limited

GMBM/V 8552

Lahey
Director

Schedule - "C"

M/S. ATREYA PETROCHEM LIMITED

Schedules forming part of the Balance sheet as at 31st March, 2010

Sl. No.	Particulars	Dep %	Gross Block		Depreciation			Net Block					
			As on 31.03.09	Additions during the year	Deletion during the year	As on 31.03.10	As on 01.04.09	during the year	On Deletion	As on 31.03.10	As on 31.3.10	As on 31.3.10	
1	Free Hold Land & Development		1,294,409										
2	Building Speed Factory	3.34%	6,508,797			2,481,057	217,377		2,698,434	1,294,409	1,294,409	1,294,409	1,294,409
3	Plant & Machinery	4.75%	20,318,922		112,825	10,158,875	958,840	82,019	11,035,696	1,809,863	1,809,863	4,077	4,077
4	Weight Bridge	4.75%	611,805			247,587	30,011		277,598	354,207	354,207	10,160	10,160
5	Laboratory Equipments	4.75%	386,216			196,158	18,345		214,503	171,711	171,711	190	190
6	Air Conditioner	4.75%	198,612			83,844	9,434		93,278	105,334	105,334	114	114
7	Furniture & Fixture	6.33%	309,982			220,539	19,622		240,161	69,821	69,821	89	89
8	Computer & Printer	40.00%	158,040			157,311	45		157,360	680	680		
9	Office Equipments - Factory	4.75%	620,752			542,677	29,486		572,163	48,589	48,589		
	Total		30,426,935		132,825	14,088,048	1,283,163	82,019	15,289,192	15,004,918	15,004,918	16,338.8	16,338.8
	Capital Work in Progress		180,675							180,675	180,675		
	Grand Total		30,607,610		132,825	14,088,048	1,283,163	82,019	15,289,192	15,185,593	15,185,593	16,519.50	16,519.50
	Previous Year		30,524,286		83,324	13,873,092	214,956		14,088,048	16,159,562	16,159,562	16,651.1	16,651.1

Note : Depreciation charged on WDV basis

For Atreya Petrochem Limited

G. Srinivasulu Reddy
Director

M/S. ATREYA PETROCHEM LIMITED
Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at 31st March, 2010	As at 31st March, 2009
Schedule "D"		
INVESTMENTS		
(Long Term, Quoted, Traded)		
Prabhav Industries Ltd. (Formerly Empire Unifor Software Solutions Ltd.) 5,000 Eq.Share (300,000) @ Rs. 10 fully paid at par	50,000	3,000,000
Prraneta Industries Ltd. 450,000 Eq. Share @ Rs. 21.85 at cost fully paid up	9,834,402	0
	9,884,402	3,000,000
Schedule "E"		
SUNDRY DEBTORS (considered as all Unsecured)		
Debts outstanding for a period exceeding six months	18,160,474	16,621,320
Other debts		268,465.00
Total	18,160,474	16,889,785
Schedule "F"		
CASH AND BANK BALANCES		
Cash on hand		
Balance with Scheduled banks		
Panjab National Bank	15,945	1,282
Bank of Baroda	31,656	31,656
Fixed Deposits with Scheduled banks	10,365	270,864
Panjab National Bank		
	100,312	100,312
Total	158,278	404,114
Schedule "G"		
LOANS AND ADVANCES		
Unsecured, considered good Unless Otherwise Stated		
Inter Corporate Advances		
Other Advances	27,321,300	17,977,300
Sales Tax	194,360	169,360
Advances to Suppliers	600,000	600,000
Excise Duty Balance in PLA	611,557	923,417
Excise Duty - MODVAT Receivable	6,771	6,771
Income Tax A.Y.1998-99	1,011	1,011
Deposits Civil Supply Dept.	-	32,530
National Saving Certificate	500,000	500,000
	6,000	6,000
Total	29,240,998	20,216,388
Schedule "H"		
CURRENT LIABILITIES & PROVISIONS		
Sundry creditors		
Tax Deducted At Source	13,694,266	12,797,382
Broccrage & Underwriting Commision	-	198,611
Advances From Customers	192,750	192,750
Other Liability - Profession Tax	226,939	226,939
CST - Old		1,520
CST	658,241	658,241
Motor Spirit Tax	23,040	19,400
VAT	226,838	226,838
	26,378	12,785
Total	15,048,452	14,334,467

For Atreya Petrochem Limited

GIRISH V 8882

[Signature]
Director

M/S. ATREYA PETROCHEM LIMITED
Schedules forming part of the Profit and Loss Account for the year ending 31st March, 2010

	<u>Year Ended</u> <u>31-Mar-10</u> <u>Amount (Rs)</u>	<u>Year Ended</u> <u>31-Mar-09</u> <u>Amount (Rs)</u>
<u>Schedule "I"</u>		
Opening Stock		
Semi Finished and Finished Goods	144,000	144,000
Less: Written Off During the Year	<u>144,000</u>	<u>0</u>
		144,000
Closing Stock		
Semi Finished and Finished Goods	209,325	144,000
	<u>209,325</u>	<u>144,000</u>
Increase in Stock	<u>209,325</u>	<u>-</u>
<u>Schedule "J"</u>		
Cost of Production		
Raw Materials Consumed		
Opening Stock	549,513	
Add: Purchase	3,407,950	1,760,571
Less: Closing Stock	<u>-</u>	<u>(549,513)</u>
	3,957,463	1,211,058
Carting Expenses	150	1,100
Excise Duty	348,092	-
Freight Inward Charges	115,136	57,200
Consumable Stores	9,379	-
Power & Fuel Expenses	<u>-</u>	<u>7,800</u>
Total	<u>4,430,220</u>	<u>1,277,158</u>
<u>Schedule "K"</u>		
ADMINISTRATIVE EXPENSES		
Electricity		
Salary Expenses	37,731	9,777
Legal and professional fees	-	-
Auditors Remuneration	29,180	1,500
Office Expenses	25,000	16,545
Brokerage	-	-
Factory Expenses	94,976	-
Security charges	41,478	109,194
Printing & Stationary Expenses	-	-
Registration, Application & Filling Fees	-	4,640
Bank Charges	1,750	5,200
Miscellaneous expenses	9,752	5,047
Service Tax	29,401	245
License Fees	11,160	-
	32,375	27,436
Total	<u>312,803</u>	<u>179,584</u>

For Atreya Petrochem Limited

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[Signature]
Director

ATREYA PETROCHEM LIMITED.

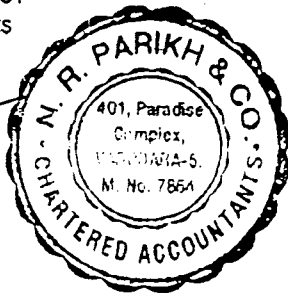
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2009

PARTICULARS	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before tax & extraordinary items	8,299,222	(361,018)
Adjustment for-		
Depreciation		
Prior Period Adjustment	1,283,163	214,956
Profit on Sale of Fixed Assets	(30,000)	-
Inventory Written off	(64,694)	-
Profit on Sale of Investment	144,000	-
	(9,625,865)	-
Operating Profit / (Loss) before Working Capital	5,826	(146,062)
Adjustment for-		
Current Liabilities & Provision		
Sundry Debtors	704,485	758,741
Inventory	(1,270,689)	(618,325)
	340,188	(549,513)
Cash Generated / (Used) from Operating activity	(220,190)	(555,160)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets		
Sale of Fixed Assets		(83,324)
Purchase of Investment	115,500	
Sale of Investment	(9,834,402)	
Net Cash Flow / (Used) in Investing activity	2,856,963	(83,324)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loans & Advances		
Unsecured Loan	(9,024,610)	(362,474)
Repayment of Long / Short Term Borrowing	6,142,000	1,266,500
Proceeds From Long / Short Term Borrowing		
Net Cash Flow / (Used) in Financing activity	(2,882,610)	904,026
Net Increase (+) / Decrease (-) in Cash & Cash Equivalents	(245,836)	265,542
Cash and Cash Equivalents (Opening Balance)	404,114	138,572
Cash and Cash Equivalents (Closing Balance)	158,278	404,114

For N. R. PARIKH & CO.
Chartered Accountants

N. R. PARIKH
PARTNER

VADODARA



For and on behalf of the Board of Directors
For Atreya Petrochem Limited

Directors

Director

Atreya Petrochem Ltd.
Year ended 31st March, 2010.

Notes to Accounts forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE - "L"

1) SIGNIFICANT ACCOUNTING POLICIES:

a) *Accounting Convention*

The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

b) *Fixed assets and depreciation*

Fixed assets are stated at cost of acquisition less accumulated depreciation.

Depreciation is provided on SLM basis at the rate and method prescribed under schedule XIV of Companies Act 1956 on plant & Machinery, Factory Building, Air Conditioner, Office Equipment - Factory, Laboratory Equipment, Furniture & Fixture - Factory.

Depreciation is provided on WDV basis at the rate and method prescribed under schedule XIV of Companies Act 1956 on Computer.

c) *Investments*

Investments classified as long-term investments are stated at cost. Diminution in the investment has not been worked out and provided.

d) *Inventory*

Inventory comprises of raw materials, Semi finished and Finished goods are valued at Cost or net realisable Value, whichever is lower.

Quantity remains unverified.

2) Provision for Current and Deferred Tax :

a) In view of unabsorbed losses and in absence of Taxable income under the provisions of the Income Tax Act, 1961 in the current year, the company believes that there will be no tax liability, no provision has been made for the same.

b) The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. In the absence of virtual certainty of sufficient future taxable income, deferred tax assets are not recognized in the account.

3) Claims, Demands and Contingencies :

Details of disputed and/ or contingent Liabilities are as follows:

	2009-10	2008-09
Bank Guarantee - Expired (Not Claimed by District Supply Office)	78,345	78,345
Motor Spirit Tax-Disputed (Remanded)	92,50,463	92,50,463
Income Tax Demanded-Disputed	1,66,66,195	1,66,66,195
Excise Duty - Disputed	8,87,65,288	8,87,65,288

For Atreya Petrochem Limited

0122118582

[Signature]
Director

4) Inter Corporate Loan / Advances

The Company has granted and taken Loans to/from various parties in past years, which required to be covered in the register u/s. 301 of the Act, are as under-

(a) Loans Granted

Name of the Party	Amount
Galav Finance & Investment Pvt. Ltd.	19,57,000
Empire Housing Finance Ltd.	36,674
Pacific Finstock Ltd.	8,64,602
Jayesh Thakkar	144360

In absences of any covenants as to recovery in respect of above Loans, we are unable to comment on overdue status and No steps taken for the recovery of the principal and interest.

(b) Loan Taken

Name of the Party	Amount
Prabhav Industries Ltd.	3009588
Natural Expo Agro Industries Ltd.	3664080
Pacific Securities Ltd.	3,40,000
Kavit Investment Pvt. Ltd.	5737000
Shreenathji Finstock Pvt. Ltd.	205000
Santosh Kahar - Director	15,000
Bharat L Patel - Director	19,000
Bachubhai Thakkar	18,000
Sombhai Thakkar	19,500

No Provision has been made for the interest of above loans.

In absences of any covenants as to repayment in respect of above Loans, we are unable to comment on overdue status and steps taken for the payment of the principal and interest.

- 5) Earning & Expenditure in Foreign Currency : Nil (P.Y. - Nil)
- 6) Non renewal of MST and other licenses manufacturing activity of the company remains suspended since February,2000.
- 7) Sundry Creditors, Unsecured loans, other liabilities, loans and advances, sundry debtors, and other current assets are subject to confirmation and no exercise carried out to determine bad amount. If any.
- 8) In respect of advances given in past years, there are no efforts made for the recovery. No provision has been made for Bad & Doubtful Advances and interest there on.
- 9) Accounts of Debtors are unconfirmed and no amount realize since F.Y.1999-2000. No provision has been made for Bad & Doubtful Debts.
- 10) Where no external evidence is available, the directors have approved all such transactions.
- 11) Directors Remuneration: Nil (P.Y. - Nil)
- 12) Auditors Remuneration : 25,000/- & Taxes (P.Y.15000)

For Atreya Petrochem Limited

6/23/01 128582


Director

13) In the opinion of the Director, Current Assets, Loans & Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

14) Quantitative information:

Items	Op Stock		Purchase		Consumed		Net Closing Stock	
	Units	Value (Rs.)	Units	Value (Rs.)	Units	Value (Rs.)	Units	Value (Rs.)
Ocs Parasol B-2	7000	147033	-	-	7000	147033	-	-
Sludge Oil	40000	402480	183000	2300480	223000	2702960	-	-
Gas Condensate	-	-	7000	1107470	7000	1107470	-	-
Other Stock	-	144000	-	-	-	144000*	-	-
Total		693513		3407950		4101463		

* Written off during the year

Finished Goods

Items	Op Stock		Manufacture		Sales		Net Closing Stock	
	Units	Value (Rs.)	Units	Value (Rs.)	Units	Value (Rs.)	Units	Value (Rs.)
AP-240	-	-	232048	4011676	218450	3302351	13595	209325

15) Related party disclosures

a) List of related parties with whom transaction have taken place

Sr. No.	Name of the Related Party	Relationship
1.	Pacific Securities Ltd.	Companies / Firms in which Directors / Relative of Director are interested
2.	Natural Expo Agro Ltd.	
3.	Prabhav Industries Ltd.	
4.	Galav Finance & Investment Pvt. Ltd.	
5.	Kavit Investment Pvt. Ltd.	
6.	Empire Housing Finance Ltd.	
7.	Pacific Finstock Ltd.	
8.	Santosh Kahar	Director of the Company
9.	Bachubhai Thakkar	
10.	Bharat L Patel	
11.	Sombhai Thakkar	

b) Significant transaction during the past year and current year with related parties

Particulars	(Rs. In Lacs)			
	Companies / Firms in which Directors / Relative of Director are interested		Director of the Company	
	During the Year	Past Years	During the Year	Past Years
Transactions				
Loan / Deposits given	-	40.14	-	-
Loan / Deposits taken / Recovery	71.22	63.89	-	0.72
Investment	(29.50)	0.50	-	-

16) Previous years figures have been regrouped, rearranged and reclassified wherever necessary.

For Atroya Petrochem Limited

07/01/2022

Kahar
Director

M/S. ATREYA PETROCHEM LIMITED

Grouping of Account for the year ending 31st March, 2010

INTER CORPORATE LOANS

Natural Expo Agro Inds Ltd	3,664,080
Pacific Securities Ltd	340,000
Spectrum Fin Ser Pvt. Ltd	26,000
Zillion Pharmachem Ltd	432,850
Kavit Investment	5,737,000
Prabhav Industries	3,009,588
Shreehathi Finstock Pvt. Ltd	205,000
Komal Roadways	715,000
	<u>14,129,518</u>

LOAN FROM OTHERS

Santosh Kahar	15,000
Bachubhai Thakkar	18,000
Bharat L Patel	19,000
Sombhai Thakkar	19,500
Adarsh Associates	499,587
	<u>571,087</u>

SUNDRY CREDITORS

Aavakar	
Akshay Shah & Co.	36,040
Aman Transport Services	60,860
Ambika Fabricators	129,240
Amit Enterprise	17,250
Anuj Bulk Carrier	8,637
Arvindkumar & Co.	1,207,033
Atlas Petrochemicals	95,135
Auro Trading Corp	37,240
Avishkar Transport(Mumbai)	22,757
Avishkar Transport - Rajput	235,751
Balaji Chemical Inds- Creditors	764,664
Bharat Bulk Carrier	868,301
BSM Petrochem Pvt. Ltd.	9,000
Commissioner of Customs	756,050
Computer Skill Ltd.	77,343
Decopy Agencies	3,200
Delta Engineers	231,549
D.Pathak & Associates	19,865
Ecolink	17,750
Gandhar Oil Refinery India Ltd	650
Gandhi Chemicals	162,000
Gurupal Industries	149,506
Hukumram Mistry	3,975
Indian Oil Corp- Hazira- NAP	173,730
IOCL- Baroda	578,125
Jain Granite & Marbles	4,837
Jay Laxmi Associates	17,136
J.R.Infotech	49,376
	1,750

For Atreya Petrochem Limited

GK/SM/SS/E

Kahar
Director

M/S. ATREYA PETROCHEM LIMITED

Grouping of Account for the year ending 31st March, 2010

SUNDRY DEBTORS

	LESS THAN 6 MONTH	MORE THAN 6 MONTH
Aadichem Pvt. Ltd	-	24,860
Are Petrochem	-	764,750
Ares Petrochem (New)	-	1,791,672
Arihant Chemical Corporation	-	113,850
Arihant Chemicals	-	3,194
Aristo Adhechem India P. Ltd	-	368,661
Aryamahai Oil Filtration	-	53,000
AVI Enterprise	-	841,725
Bharat Enterprise	-	47,291
D.A. Enterprise	-	4,000,849
Garg Distillers	-	50,000
Globe Pharma	-	1,175,040
Gujarat Chemicals	-	5,855
Gujart Enterprise	-	193,400
Galaxy Plasto Chem Industries	-	19,232
Ganesh Chem Tech Pvt. Ltd.	-	71,100
Gurudev Chemox Industries	-	608,863
Jay Chemicals	-	199,723
Kanhaiya Chemicals	-	111,480
Kasturi Chemicals	-	530,628
Kaygee Thin Chem	-	543,377
Laxmi Trading Co.	-	704,769
Madhu Chemicals	-	985,261
Manoj Industries	-	519,249
Manpasand Agro Food	-	22,848
Minal Shree Chem P. Ltd.	-	126,000
Motorol India Ltd.	-	124,734
Prashant Organics	-	261,600
Parshwa Industries	-	939,075
Prime Chemicals	-	152,200
Rama Petro	-	90,280
Royal Petrochem	-	124,200
Sarvanabava Chemicals	-	1,240,274
Sharp Petrochem	-	5,712
Shree Parth	-	30,384
Somabhai Thakkar - Other Deb	-	515,000
South Petrochemicals Corp.	-	608,026
Vardhman Enterprise	-	29,035
Vibrant Inks & Colours	-	20,268
Vijaya Industries	-	114,367
Vishal Motors	-	28,643
		18,160,474

For Atreya Petrochem Limited

G12011/8582

Rohay
Director

M/S. ATREYA PETROCHEM LIMITED

Grouping of Account for the year ending 31st March, 2010

Cont Sundry creditors	
Kanaram	
Krishna Surgical Company	65,548
Mahalaxmi Plywood	15,496
Manubhai Waghela	87,910
Max Chem- Creditors	5,000
Menta Chem	1,023,064
M.L. Construction(New)	209,942
Multi Tech Engineers	44,426
MVR Chemicals & Oils	125,712
Nandkishor Roadlines	231,955
National Security Force	14,021
New India Security Force	8,247
Nikhil Bulk Carrier Pvt. Ltd.	29,932
Nirmal Hardware	742,889
Nisuki Service Center	1,228
N.R.Parkh & Co.	19,652
Ojas Techno Chem Prod. Ltd	11,500
Perfect Refrigeration & Pipeline	193,375
Pooja Construction	18,857
Pooja Impex	413,168
Premier Capital Mkt & Invt	418,740
Radhakrushna Steel Traders	430,000
Raghuvir Bulk Carrie	63,900
Rajhans Plywood & Hardware	197,295
Roshan Chemicals- Creditors	4,154
Satadhar Trading Co.	716,114
Shivam Roadlines	6,193
Shree Bhagwati Saw Mills	19,615
Shree Hari Enterprise	6,908
Shreenath Petroleum	73,304
Shree Patel Trading Co.	693,600
Shree Vallabh Chemical Corp.	1,536
Shree Vallabh Pharmachem Pvt. L.	469,986
Shri Hardware Mart	166,291
Suchem Enterprise- Creditors	6,970
SUN SURYA	662,343
Taluka Vikas Adhikari- Savli	351,420
Thermoshell	31,931
Thinsol Chemicals- Creditors	261,580
Travel Pack	79,705
Tundav Gram Panchayat	10,162
Vadodara Municipality Corp.	2,000
V.D. Associates	2,204
Vivid System	11,030
	6,615
	<u><u>13,694,266</u></u>

ADVANCES FROM CUSTOMERS

Shri Sainath Petrochem Co. P. Ltd.

226,939
226,939

PROVISIONS

Provision for Telephone Bill
Provision for Other Expenses

70813
80863
151676

For Atreya Petrochem Limited

G125MI E 8852
Kahal
Director

M/S. ATREYA PETROCHEM LIMITED

Grouping of Account for the year ending 31st March, 2010
ADVANCES RECOVERABLE IN CASH OR
KIND OR FOR VALUE TO BE RECEIVED :

ADVANCES TO SUPPLIERS :

Gujarat State Petroleum Corp Ltd	18,040
Indian Oil Corp- Baroda- NAP	57,176
Indian Oil Corp Ltd - Kandla	2,639
Indian Oil Corp - Mumbai- NAP	281,614
Indrajit Shahani	15,000
Pruthvi Petrochem	89,000
Refoil Earth Pvt Ltd	575
Reliance Industries Ltd	90,513
Shri Parth Petrochem	57,000
	<u>611,557</u>

INTER CORPORATE ADVANCES :

Atlantic Credit Corp Ltd	9,446,814
Empire Housing Finance Ltd	36,674
Galav Finance & Invst Pvt Ltd	1,957,000
Gujarat Credit Corp. Ltd.	1,000,000
Indo American Credit Corp. Ltd.	2,355,431
Indo American Optics Ltd	1,160,779
Shri Ganesh Spinners Ltd.	10,500,000
Pacific Finstock Ltd	864,602
	<u>27,321,300</u>

FROM OTHERS

Jayesh Thakkar	144,360
Hardik P Jain	50,000
	<u>194,360</u>

For Atreya Petrochem Limited

G125M1V 8982


Director

ATREYA PETROCHEM LIMITED

Regd. Off.: Village: Tundav, Taluka: Savli, Vadodara- 391 775.

ATTENDANCE SLIP

Annual General Meeting

Day: Thursday, 30th September, 2010 at 11:00 A.M

Regd. Folio No. : _____ No. of Shares: _____

Client ID* : _____ DP ID No. : _____

Name of the member/Proxy: _____

I state that I am a member/proxy for the member of the Company. I hereby record my presence at the Annual General Meeting at Village: Tundao, Taluka: Savli, Vadodara- 391 775.

Signature of Attending Member/Proxy

*Applicable for investors holding shares in Electronic Form.

Note: Please complete and sign this Attendance Slip and hand it over at the entrance.

ATREYA PETROCHEM LIMITED

Regd. Off.: Village: Tundav, Taluka: Savli, Vadodara- 391 775.

PROXY FORM

Annual General Meeting

Day: Thursday, 30th September, 2010 at 11:00 A.M

Regd. Folio No. : _____ No. of Shares: _____

Client ID* : _____ DP ID No. : _____

I/We _____ of _____ being the member(s) of Atreya Petrochem Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Village: Tundao, Taluka: Savli, Vadodara- 391 775 on Thursday, 30th September, 2010 at 11:00 A.M. and at any adjournment thereof.

Signed this _____ day of 2010.

Signature of Proxy _____ Signature of Member _____

*Applicable for investors holding shares in electronic Form.

Note: The Proxy form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.