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COMPANY INFORMATION

Board of Directors

φ SANTOSH RANCHHODBHAI KAHAR	: CHAIRMAN
φ SOMBHAI SHANKARBHAI THAKKAR	: EXECUTIVE DIRECTOR
φ BACHUBHAI SHANKERLAL THAKKAR	: EXECUTIVE DIRECTOR
φ JAYESH RAICHANDBHAI THAKKAR	: ADDITIONAL EXECUTIVE DIRECTOR
φ JIGAR PREMCHAND MOTTA	: ADDITIONAL INDEPENDENT DIRECTOR
φ KIRAN JETHALAL SONI	: ADDITIONAL INDEPENDENT DIRECTOR
φ NIKHIL PRANAY PEDNEKAR	: ADDITIONAL INDEPENDENT DIRECTOR
φ AMIT TARACHAND SHAH	: ADDITIONAL INDEPENDENT DIRECTOR

Auditors

M/S N. R. PARIKH & CO

Chartered Accountants,
401, Paradise Complex
Behind Yashkamal Bldg,
Sayajigunj, Vadodara- 390 005

Registered Office Address

Tundav Anjesar Road,
Village Tundav, Savli,
Baroda- 391 775

Registrar & Share Transfer Agent

Link Intime India Private Ltd

B- 102 & 103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara- 390 020

Bankers

Bank of Baroda, Vadodara.
UCO Bank, Vadodara.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Annual General Meeting of the Members of **Atreya Petrochem Limited** will be held on Wednesday, 28th December, 2011, at 8.00 a.m at Tundav Anjesar Road, Village Tundav, Savli, Vadodara – 391775 to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 30th June, 2011 and Audited Profit and Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Mr. Bachhubhai Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Mr. Santosh Kahar who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint **M/s. N. R. Parikh & Co.**, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

Special Business:

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

“**RESOLVED THAT** Mr. Jayesh Thakkar, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 28th January, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.”

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

“RESOLVED THAT Mr. Jigar Motta, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14th May, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.”

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

“RESOLVED THAT Mr. Kiran Soni, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14th May, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.”

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

“RESOLVED THAT Mr. Nikhil Pednekar, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14th May, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.”

9. **To consider and, if thought fit, to pass, with or without modification, the following resolution as ordinary resolution:**

“RESOLVED THAT Mr. Amit Shah, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14th May, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.”

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to provisions of sections 198, 269, 309, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to appoint **Mr. Jayesh Thakkar** as the Managing Director of the Company for a period of three years with effect from 28th December, 2011 upon the terms and conditions including remuneration, as are set out in the draft Agreement (“the Agreement”) to be executed between the Company and Mr. Jayesh Thakkar, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors of the Company (“the Board”) to alter and vary the terms and conditions of the Agreement in such manner as may be agreed to between the Board and Mr. Jayesh Thakkar and in accordance with the applicable provisions of the Act and any amendment thereto or re-enactment thereof.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

FURTHER RESOLVED THAT where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Board of Directors be and is hereby authorized to pay to the Managing Director the above remuneration as the minimum remuneration by way of salary subject to the limits prescribed in schedule XIII of the Companies Act, 1956 and any other applicable laws.

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FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorized to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

NOTES:

- **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 in order to be effective.**
 - The Explanatory Statement as required under Section 173 of the Companies Act, 1956 for the Special businesses is annexed to the notice.
 - The Register of Members and the Share Transfer Books of the Company will remain closed from **21st Day of December, 2011 to 23rd Day of December, 2011** (both days inclusive) for the purpose of the Annual General Meeting.
 - Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, in respect of directors recommended for appointment/re-appointment at the Annual General Meeting are annexed hereto.
 - **The members are requested to:**
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- φ 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;
- φ Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
- φ 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, in order to enable the Company to process the application and make the necessary information available at the Meeting, to the best extent possible.
- φ 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.
- φ 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.
- φ 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 of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

EXPLANATORY STATEMENT IN ACCORDANCE WITH SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 5:

Mr. Jayesh Thakkar was appointed as an Additional Director by the Board of Directors w.e.f. 28th January, 2011.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

None of the Directors, except **Mr. Jayesh Thakkar** is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM No. 6:

Mr. Jigar Motta was appointed as an Additional Director by the Board of Directors w.e.f. 14th May, 2011.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

None of the Directors, except **Mr. Jigar Motta** is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM No. 7:

Mr. Kiran Soni was appointed as an Additional Director by the Board of Directors w.e.f.14th May, 2011.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

None of the Directors, except **Mr. Kiran Soni** is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM No. 8:

Mr. Nikhil Pednekar was appointed as an Additional Director by the Board of Director w.e.f. 14th May, 2011.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

None of the Directors, except **Mr. Nikhil Pednekar** is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM No. 9:

Mr. Amit Shah was appointed as an Additional Director by the Board of Director w.e.f. 14th May, 2011.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from

a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

None of the Directors, except **Mr. Amit Shah** is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM No. 10:

The Board of Directors of your Company strongly recommend the appointment of Mr. Jayesh Thakkar as the Managing Director of your Company w.e.f 28th December, 2011. The resolution supporting this intention was passed by the Board at their meeting held on 2nd December, 2011.

The draft Agreement between the Company and Mr. Jayesh Thakkar as Managing Director of the Company contains the following principal terms and conditions:

1. Period: For Three Years from 28th December, 2011.
 2. Remuneration: Salary is fixed by the Board is Rs 1,80,000/- per annum. The annual increment will be merit-based and take into account the Company's performance.
 3. The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may in its discretion, deem fit, within the maximum amounts payable to Managing Directors in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.
 4. If, at any time, the Managing Director ceases to be a Director of the Company for any case, his appointment as the Managing Director in terms of the said Agreement shall terminate forthwith.
 5. The Managing Director shall, subject to the supervision and control of the Board of Directors, be entrusted with such powers and perform such duties as may, from time to time, be delegated/entrusted to him.
 6. The appointment of Managing Director can be terminated either by the Company or by himself, by giving to the other, three month notice in writing.
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None of the Directors except Mr. Jayesh Thakkar, himself is interested and concerned in this resolution.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

IMPORTANT COMMUNICATION TO
MEMBERS

The Ministry of Corporate Affairs has taken a Green initiative in the Corporate Governance by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the depository through their concerned depository participants.

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the Annual Report and the Audited Accounts of your Company for the financial year ended June 30, 2011.

φ **Financial Results :**

The financial performance of the Company, for the year ended 30th June , 2011 is summarised below:

PARTICULARS	2010-2011	2009-2010
Profit Before Depreciation	8327274	9582385
Less: Depreciation	541792	1283163
Profit After Depreciation	7785482	8299222
Less: Prior Period Expenses	-	30000
Net Profit Before Taxation	7785482	8269222
Less: Provision for Taxation	250000	-
Net Profit After Taxation	7535482	8269222
Less: Loss brought forward from Previous Year	(21561663)	(29830885)
Balance Carried to Balance Sheet	(14026181)	(21561663)

φ **Operational Review :**

The Company had extended the financial year by three months. Hence the period under review is from 1st April, 2010 to 30th June, 2011. It is encouraging to state that the second half of the period under review was much better than the first half. It is pertinent to note that during these difficult times your company recorded operational revenue of Rs. 2,58,55,704/-. This is a whopping five hundred percent growth as compared to the previous year under review. However, there was a decline in the bottom line due to high operational cost. The Total Income of the Company increased from Rs. 42,64,251 to Rs. 2,58,55,704 during the current financial year, in conjunction with an increase in Expenditure from Rs. 48,87,023 to Rs. 2,69,19,047. There was considerable

pressure on the margins, as a result the Net Profit after tax for the current remained at the same level as that of the previous year i.e. at Rs. 75,35,482, the profit in 2009-2010 was Rs. 82,69,222. The cost of raw material has adversely affected the bottom line and your management is hopeful that the situation shall improve in future.

φ **Future Outlook**

Your Company has had its share of obstacles in its journey so far. Your Company is moving ahead on the growth path and the launch of “Ecol” has been a significant step in this direction. Your management is very positive on the future outlook of the Ecol products and the Company as a whole. We shall not leave any stone unturned to ensure us a higher market share in the time to come.

Your management has taken into account all the expected contingencies and challenges and have accordingly made a plan of action to tackle any such problems efficiently. However, there can be any unforeseen contingencies which may come up. Thus, taking into account all such circumstances, your management has drawn a roadmap for achieving our goal.

φ **Change in Financial Year:**

Pursuant to the Resolution passed by the Board of Directors at their meeting held on 31st March, 2011 the financial year of the Company has been changed from year ending 31st March, 2011 to 30th June, 2011 for the year under review. Consequent to this the Current financial year of the Company comprises of a period of fifteen months commencing from 1st April, 2010 to 30th June, 2011. Thus the financial statements presented in the lower section of this report has been prepared and audited for a period of 15 months.

φ **Dividend:**

In order to conserve the resources of the company and in order to plough back the profits yielded in the year under review towards future expansion of the Company, your directors are of the opinion that no dividend be recommended for year under review.

φ **Deposits:**

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

φ **Audit Committee:**

An Audit Committee with an optimum combination of Directors pursuant to the provisions of Section 292A of the Companies Act, 1956 & Clause 49 of the Listing Agreement have been formed in order to comply with the various requirements of the Company.

The Board of Directors have been reviewing the working of the committee from time to time to bring about greater effectiveness in its working structure.

Adequate disclosures in respect of the composition of the Audit Committee and the Chairmanship have been made in the Corporate Governance Report which forms an essential part of this report.

φ **Secretarial Audit Report:**

As a measure of Good Corporate Governance practice, the Board of Directors of the Company has obtained a Certificate from Practicing Company Secretary on the basis of Secretarial Audit of the Company. This is to certify that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

φ **Disclosure on Changes in the Board Composition :**

Atreya's Board comprises of 8 directors in the order of their appointment, namely Mr. Santosh Kahar, Mr. Sombhai Thakkar, Mr. Bachubhai Thakkar, Mr. Jayesh Thakkar, Mr. Jigar Motta, Mr. Amit Shah, Mr. Nikhil Pednekar and Mr. Kiran Soni. Following are the disclosures furnished for the directors retiring by Rotation and the Re- appointment of Additional Directors

➔ **Directors Retiring by Rotation**

In accordance with the provisions of section 257 the Companies Act, 1956 and the Articles of Association of the Company, Mr. Bachubhai Thakkar and Mr. Santosh Kahar, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment.

The Board wishes to place on record their appreciation for the services rendered by them as the Directors of the Company.

The Proposals regarding the re- appointment of the aforesaid Directors are placed for your approval.

Your Directors commends their appointment for their approval.

None of the Directors, except Mr. Bachubhai Thakkar and Mr. Santosh Kahar are interested or concerned in the resolution.

➡ *Re- appointment of Additional Directors*

As per the provisions of Section 260 of the Companies Act, 1956, Mr. Jayesh Thakkar, who was appointed on 28th January, 2011 and Mr. Jigar Motta, Mr. Kiran Soni, Mr. Nikhil Pednekar and Mr. Amit Shah who were appointed on 14th May, 2011 as Additional Directors of the Company hold office up to the date of this ensuing Annual General Meeting.

The Board wishes to place on record their appreciation for the services rendered by them as the Directors of the Company and commends their appointment for your approval.

The notice proposing their candidature as the directors of the Company has been already received by the Company.

None of the Directors, except Jayesh Thakkar, Mr. Jigar Motta, Mr. Kiran Soni, Mr. Nikhil Pednekar and Mr. Amit Shah are interested or concerned in the aforesaid resolution.

Furthermore, no director has resigned or is suspended from the Board since last year.

A brief profile of all the directors of the Company is annexed in the below portions of the Report and marked as “Annexure A”

φ **Disclosure of Changes in the Capital Structure of the Company**

During the year under the review, the Company has not issued any Equity Shares and thus there has not been any change in the issued capital of the Company which as on 30th June, 2011 stands at Rs. 6,45,00,000 consisting of 64,50,000 Equity Shares of Rs. 10/- each.

φ **Corporate Governance and Management Discussion and Analysis Report:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis Report and Corporate Governance Report together with the certificate from a Practicing Company Secretary confirming compliance of the conditions of Corporate Governance forms part of this report .

φ **Code of Conduct :**

The declaration by the Chairman pursuant to Clause 49(1) (ii) of the Listing Agreement stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the Company’s Code of Conduct for the year ended 30th June, 2011 is also attached to this Report.

φ **Particulars of Employees:**

The relations of the Employees have continued to be harmonious during the year.

The Company’s performance management system is bench-marked with prevailing best practices. It seeks to continuously enhance competitiveness and skills of its employees.

The Board wishes to place on record its appreciation for the efforts of all its employees during the financial year.

Furthermore, no employees of the Company fall into the ambit of drawing remuneration of Rs 24,00,000 per annum or Rs.2,00,000 per month for any part of the year or more, hence no

particulars have been furnished as required under section 217 (2A) of the companies Act ,1956 read with the Companies (Particular of Employees Rules) 1975.

φ **Corporate Social Responsibility:**

Atreya Petrochem Limited is committed towards maintaining the interest of not only the Shareholders but also the society and community at large. Management and the employees are aware of the impact of the operations and actions of the Company they all work for, ensuring a positive impact and their commitment towards Corporate Social Responsibility.

φ **Disclosure on Appointment of Auditors in the Company:**

The Company's Auditors, **M/s. N.R. Parikh & Co.** Chartered Accountant, retire at the ensuing annual general meeting and have expressed their willingness to be re-appointed .

Your Company has obtained a letter from the auditor to the effect that the re-appointment, if made, will be in conformity with the limits specified in section 224 (1B) of the Companies Act, 1956 .

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

φ **Directors responsibility statement:**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors responsibility Statement, it is hereby confirmed that:

➤ In the preparation of the accounts for the Financial Year ended 30th June, 2011; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.

➤ The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;

➤ The Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

➤ The Directors have prepared the Accounts for the Financial Year ended 30th June, 2011 on a going concern basis.

φ **Conservation of energy:**

In accordance with the requirements of the section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the particulars with respect to conservation of energy ,technology absorption and Research and Development are annexed to and from part of this report. (Annexure “B” and “C”).

φ **Appreciation:**

Your Directors are gratified and are obliged by the continuous faith and support it has received over such long period of time from various authorities including Banks and Government authorities and also from Shareholders including all categories of persons associated with the company.

Your Directors are delighted to express their gratitude towards the long lasting support the employees have given and are extremely thankful for the same.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

ANNEXURE TO THE DIRECTORS REPORT

“Annexure A”

Details of the Directors of the Company pursuant to clause 49 of the Listing Agreement.

A brief profile of all the Directors constituting the present Board of your Company together with their relation inter- se in given hereunder:

Name of the Director	Santosh Kahar	Bachhubhai Thakkar
Date of Birth	21/08/1971	01/06/1968
Date of Appointment on the Board	10/07/2000	15/03/2008
Shareholding of Executive Directors	95,500	Nil
Relationship between directors inter-se	Promoter and Promoter Group	Promoter and Promoter Group

Name of the Director	Sombhai Thakkar	Jayesh Thakkar
Date of Birth	01/06/1960	01/06/1964
Date of Appointment on the Board	05/02/2008	28/01/2011
Shareholding of Executive Directors	1,00,000	379000
Relationship between directors inter-se	Promoter and Promoter Group	Promoter and Promoter Group

Name of the Director	Amit Shah	Nikhil Pednekar
Date of Birth	26/01/1977	19/08/1983
Date of Appointment on the Board	14/05/2011	14/05/2011
Shareholding of Non- Executive Directors	Nil	Nil
Relationship between directors inter-se	None	None

ATREYA PETROCHEM LIMITED

Name of the Director	Jigar Motta	Kiran Soni
Date of Birth	05/01/1973	21/02/1967
Date of Appointment on the Board	14/05/2011	14/05/2011
Shareholding of Non- Executive Directors	Nil	Nil
Relationship between directors inter-se	None	None

“Annexure B” - Conservation of Energy

“Information as per section 217(1)(e) read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Director’s Report for the year ended 30th June, 2011.

Sr. No	Particulars	Current year	Previous year
	<u>Power & Fuel Consumption</u>		
1.	Electricity (purchased) units	21864	4674
	Total Amount	156768	33000
	Rate per unit	7.17	7.06
2.	Electricity (Generated) units	-	-
	Diesel consumed in liters	-	-
	Total Amount	-	-
	Rate per Units	-	-
3.	Total units consumed	21864	4674
	Units consumed in per lac production	-	-

“Annexure C” - Research and development

Particulars	Value
Capital Expenditure	-
Revenue/ Recurring Expenditure	15500
Total	-
Total R&D Expenditure as a % of total turnover	15500

ATREYA PETROCHEM LIMITED

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Good Governance practices stem from the culture and mindset of the Organization. These are the organizations that succeed consistently in the market place, gain a greater share of market opportunities and sustainably drive their top and bottom lines. At **Atreya Petrochem Limited**, it is our belief that as we move closer towards our aspirations, our corporate governance standards must be equally benchmarked. That gives us the confidence of having put in the right pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

BOARD OF DIRECTORS:

The Board represents and is accountable to the Shareholders of the Company. The Board's responsibilities are active, not passive, and include the responsibility to regularly evaluate the strategic direction of the Company, management policies and the effectiveness with which management implements them. The Board's responsibilities also include overseeing the structure and composition of the Company's top management and monitoring legal compliances and the management of risks related to the Company's operations.

φ **Selection of the Directors:**

The Board is responsible for selecting members to fill the Board vacancies and nominating candidates for election by the Shareholders at the Annual General Meeting

φ **Number of Board Meetings held during the year:**

12 Board meeting were held during the Financial Year ended 30th June, 2011. viz., on, 30th April, 2010, 31st July, 2010, 7th September, 2010, 31st October, 2010, 29th November, 2010, 28th January, 2011, 15th February, 2011, 31st March, 2011, 14th May, 2011, 14th June, 2011, 15th June, 2011 and 22nd June, 2011

Further the maximum gap between any two board meetings was less than four months.

φ Composition of the Board at ATREYA

Atreya's Board consists of an optimum combination of executive and non- executive directors which helps your company to strike a proper balance in its operations. The Executive Directors ensure that the operations of the Company are conducted in an efficient manner whereas the non-executive directors exercise their independent judgement and extend their professional expertise which enable the Company to judge the issues with an altogether fresh perspective.

Presently the Board of your Company comprises of 8 Directors, 4 of whom are Executive and the other 4 are Non- Executive Independent directors. The Chairperson of the Board is an Executive director.

The Composition to the Board and other relevant detail to the Directors are depicted below:

Name of the Director	Category	No. of Directorship	No. of Board Meetings Attended	Attendance at the last AGM
Sombhai Thakkar	Executive Director	0	12	Yes
Santosh Kahar	Chairman and Executive Director	1	12	Yes
Bachubhai Thakkar	Executive Director	0	12	Yes
Jayesh Thakkar	Additional Executive Director	3	6	N. A
Jigar Motta	Additional Independent Director	1	3	N. A
Amit Shah	Additional Independent Director	1	3	N. A
Nikhil Pednekar	Additional Independent Director	1	3	N. A
Kiran Soni	Additional Independent Director	1	3	N. A

Please Note:

1. As mandated by Clause 49 of the Listing Agreement, none of the Directors on Board is a member of more than Ten Board-level Committees and Chairman of more than five such committees, across all such Companies in which he is a Director. The necessary disclosures in respect of the committee positions and other directorship held by all the Directors have been provided under "**Annexure D**" and "**Annexure E**" of this report.
2. During the year all the meetings were chaired by Mr. Santosh Kahar, Executive Director and Chairman of the Company.
3. None of the Non- Executive Director of Atreya has any pecuniary relationship/ transaction with the Company during the year under.
4. None of the Directors are related to any other director on the Board in terms of the definition of "**Relative**" given under the Companies Act, 1956.

φ **Training of the Board Members:**

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the global business environment, as well as all the business areas of the Company including business strategy, risks and opportunities.

COMMITTEES OF THE BOARD

In order to ensure that the functions of the Board are discharged effectively and information disclosed in the financial statements are in compliance with the letter and spirit of law, the Board of your Company has formed several Committees.

The Committees appointed by the Board focus on specific areas and make informed decisions within the limits of the authority delegated. All the decisions and recommendations of the Committees are placed before the Board for information and are generally accepted by them.

Mainly the Board of your company comprises of 3 Committees namely:

- φ Audit Committee;
- φ Shareholders' Grievance Committee
- φ Remuneration Committee

A brief description of the scope of work of each of the Committees is enumerated as under:

1. AUDIT COMMITTEE:

The Audit Committee of the Company is duly constituted in line with the provisions of Clause 49 of the Listing Agreement and in accordance with Section 292A of the Companies Act, 1956 .

The broad terms of reference of the Audit Committee are as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. 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.
- c. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - φ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - φ Changes, if any, in accounting policies and practices and reasons for the same
 - φ Major accounting entries involving estimates based on the exercise of judgment by management.
 - φ Significant adjustments made in the financial statements arising out of audit findings.
 - φ Compliance with listing and other legal requirements relating to financial statements.
 - φ Disclosure of any related party transactions.
 - φ Qualifications in the draft Audit report.
 - φ 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.

ATREYA PETROCHEM LIMITED

The Audit Committee also undertakes review of such other matters as may be delegated by the Board from time to time.

Besides having access to all the required information from within the Company, the Committee can obtain external legal or professional advice, wherever required. The Committee can investigate any activity within its reference terms, seek information from any employee and also seek attendance of outsiders with relevant experience, if it so considers necessary.

Composition of the Audit Committee

Member	Designation	Category of Director
Bachhubhai Thakkar	Member	Executive Director
Sombhai Thakkar*	Member	Executive Director
Santosh Kahar*	Member	Executive Director
Jigar Motta *	Chairman	Independent Director**
Kiran Soni*	Member	Independent Director**
Nikhil Pednekar	Member	Independent Director**

Notes:

* The Board of Directors reconstituted the Audit Committee on 14th May, 2011 wherein they appointed Mr. Jigar Motta and Mr. Kiran Soni and Mr. Nikhil Pednekar as Members of the Audit Committee and Mr Santosh Kahar and Mr. Sombhai Thakkar resigned from the Committee. Mr. Jigar Motta was elected as a Chairman of the Committee in the subsequent Audit Committee Meeting.

** Mr. Jigar Motta, Mr. Nikhil Pednekar and Mr. Kiran Soni are appointed as Additional Directors on the Board of the Company and are proposed to be re-appointed at the ensuing Annual General Meeting of the Company

Meetings Held:

6 Audit Committee Meetings were held during the year. i.e. on, 20th April ,2010, 20th July,2010, 16th August, 2010, 20th October, 2010 , 4th February ,2011 and 4th May, 2011.

The necessary quorum was present for all the meeting.

2. **REMUNERATION COMMITTEE:**

Remuneration Committee at ATREYA is constituted to determine the remuneration packages of Executive Directors, Managing Directors, Directors, Senior Officials and other staff members.

The brief terms of Reference of the Committee is enumerated as under:

- φ To approve the annual remuneration plan of the Company;
- φ To approve the remuneration and commission/incentive remuneration payable to the Managing Director for the financial year;
- φ Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
- φ Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

While deciding on the remuneration of the key management personnel and Directors, the Committee takes into account the general market trend pertaining to the industry viz., the rules of the Company, the years of experience and contribution made by the respective directors.

One meeting of the Committee was held during the financial year under review.

The Composition of the Remuneration Committee together with the designation of the directors forming part of the Committee is given below:

Member	Designation	Category of Director
Bachhubhai Thakkar	Member	Executive Director
Sombhai Thakkar*	Member	Executive Director
Santosh Kahar*	Member	Executive Director
Jigar Motta *	Chairman	Independent Director**
Kiran Soni*	Member	Independent Director**
Nikhil Pednekar	Member	Independent Director**

Notes:

* *The Board of Directors reconstituted the Audit Committee on 14th May, 2011 wherein they appointed Mr. Jigar Motta and Mr. Kiran Soni and Mr. Nikhil Pednekar as Members of the Audit Committee and Mr Santosh Kahar and Mr. Sombhai Thakkar resigned from the Committee. Mr. Jigar Motta was elected as a Chairman of the Committee in the subsequent Audit Committee Meeting.*

** *Mr. Jigar Motta, Mr. Nikhil Pednekar and Mr. Kiran Soni are appointed as Additional Directors on the Board of the Company and are proposed to be re-appointed at the ensuing Annual General Meeting of the Company.*

Remuneration Policy:

Remuneration Committee generally decides and makes recommendation to the Board of Directors about the remuneration to be paid to the Directors and other key managerial personnel of the Company.

The Remuneration policy is designed keeping in mind the statutory requirements as prescribed in Companies Act, 1956 and the Committee is responsible to ensure that the remuneration paid is within the prescribed limits. Further, the remuneration paid is aligned to the performance of the Company and reviewed from time to time.

3. SHAREHOLDER'S GRIEVANCE COMMITTEE:

Your Company has constituted a Shareholders Grievance Committee in line with the requirement of Clause 49 of the Listing Agreement and the main areas of the activities entrusted to the Committee are as follows:

- φ Formulation of procedures in line with the statutory guidelines requests to ensure speedy disposal of various received from shareholders from time to time.
 - φ Redressal of shareholders and investor complaints/ grievances e.g. transfers of shares, non receipt of balance Sheet, non receipt of declared dividend etc.
 - φ To approve, register, refuse to register transfer/ transmission of shares and other securities.
 - φ To sub-divide, consolidate and/ or replace any share or others securities certificate(s) of the Company.
-

ATREYA PETROCHEM LIMITED

- φ To issue duplicate share certificate(s) in lieu of the original share/ security(ies) certificate(s) of the Company;
- φ To approve the transmission of shares or other securities arising as a result of death of the sole shareholder.
- φ To dematerialize or rematerialize the issued shares.

The Composition of the Committee together with the designation of the directors forming part of the Committee is given below:

Member	Designation	Category of Director
Bachhubhai Thakkar	Member	Executive Director
Sombhai Thakkar*	Member	Executive Director
Santosh Kahar*	Member	Executive Director
Jigar Motta *	Chairman	Independent Director**
Kiran Soni*	Member	Independent Director**
Nikhil Pednekar	Member	Independent Director**

Notes:

* The Board of Directors reconstituted the Audit Committee on 14th May, 2011 wherein they appointed Mr. Jigar Motta and Mr. Kiran Soni and Mr. Nikhil Pednekar as Members of the Audit Committee and Mr Santosh Kahar and Mr. Sombhai Thakkar resigned from the Committee. Mr. Jigar Motta was elected as a Chairman of the Committee in the subsequent Audit Committee Meeting.

** Mr. Jigar Motta, Mr. Nikhil Pednekar and Mr. Kiran Soni are appointed as Additional Directors on the Board of the Company and are proposed to be re-appointed at the ensuing Annual General Meeting of the Company.

Meetings Held:

5 Audit Committee Meetings were held during the year. i.e. on, 20th April ,2010, 20th July,2010, , 20th October, 2010 , 4th February ,2011 and 4th May, 2011.

The necessary quorum was present for all the meeting.

Investor Grievance Committee is formed to specifically look into the redressal of shareholders and investors complaints. All applications for transfer/transmission are initially verified and passed by **Link Intime India Pvt Ltd.** who is the Registrar and Share Transfer (R&T) Agents of the Company and thereafter the statement of such transfers etc. is duly considered and approved by the Committee.

Further, **Mr. SANTOSH KAHAR**, Chairman of the Board is the Compliance Officer for complying with the requirements of SEBI Regulations, and the Listing Agreement with the Stock Exchanges in India.

DISCLOSURES:

φ **Disclosure on materially significant related party transactions:**

During the year, there were no transactions of material nature of the Company with the Promoters, Directors, Management, their relatives, or subsidiaries of the Company etc. that had potential conflict with the interest of the Company at large.

φ **Code of Conduct:**

The Company has a Code of Conduct for all its Board Members and Senior Management personnel for avoidance of conflicts of interest. It has received necessary declarations affirming compliance with it from all of them during the period from 1.04.2010 to 30.06.2011. There were no material personal interests adverse to the interest of the Company and improper personal benefits received, as a result of his/her position by the Board Members/Senior Management personnel, which could lead to potential conflict of interest with the Company.

φ **Revocation of Suspension of the Listing Status of the Company:**

The Trading in the scrips of your Company was suspended with effect from 7th January, 2002 on the Bombay Stock Exchange on account of non-compliance of the mandatory clauses of the Listing agreement entered into by the Company with the Bombay Stock Exchange. Since then the management of your Company had been undertaking various initiatives to revive the listing status for the shares of the Company.

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However, now we are pleased to inform you that your Company has succeeded about 90% in the task of the revival of the listing status as it has already obtained the in- principle approval for revocation of suspension in trading of the equity shares on 3rd October, 2011 from the Exchange. Only the final trading permission for the scrips of the Company is awaited.

Your Management is confident that the final Trading Approval for the revocation would be received very soon by the Company as all the necessary procedural formalities for obtaining the same has also been fulfilled by the Company.

GENERAL BODY MEETINGS:

φ **Details of the Annual General Body Meetings:**

The Details of the date and the venue of the Annual General Meetings (AGMs) of the Company held during the preceding three and the special resolutions passed there at are mentioned hereunder:

Year	Location	Date	Time
2008	Tundav Anjesar Road, Village Tundav, Savli, Vadodara - 391775	30/09/2008	11.00 a.m.
2009	Tundav Anjesar Road, Village Tundav, Savli, Vadodara - 391775	30/09/2009	11.00 a.m.
2010	Tundav Anjesar Road, Village Tundav, Savli, Vadodara - 391775	30/09/2010	11.00 a.m.

Note: No Special Resolution was passed during the previous three AGM's.

φ **Details of the Extra- Ordinary General Body Meetings:**

The Details of the date and the venue of the Extra- Ordinary General Meetings (EGMs) of the Company held during the preceding three and the special resolutions passed there at are mentioned hereunder:

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Year	Location	Date	Time
2009	Tundav Anjesar Road, Village Tundav, Savli, Vadodara - 391775	27/12/2010	9.30 a.m.

Note: No Extra- Ordinary General Meetings (EGMs) were held in the year 2008 and 2010.

Following are the special resolutions that were approved by the Members at the meeting:

1. Change of the name of the Company from 'Atreya Petrochem Ltd' to 'Kavit Industries Ltd '.
2. Increase in the limits of Inter-Corporate Loans, Investments and Guarantees u/s 372A of the Companies Act, 1956, to an amount not exceeding Rs. 25,00,00,000 (Rupees Twenty Five Crores only).
3. Increase in the limits of Borrowings u/s 293(1) (d) of the Companies Act, 1956, for an amount not exceeding Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).
4. Alter the Articles of Association of the Company, u/s 31 of the Companies Act, 1956, by replacing the existing articles 200 & 201 in respect of capitalization of reserves, giving authority to the Bard to capitalize the reserves from time to time in one or more tranches.
5. Alter the object clause of the memorandum of Association, u/s 17 of the Companies Act, 1956, by inserting new object.

φ **Details of the Postal Ballot:**

No Resolution was passed by way of Postal Ballot during the year commencing from 1st April, 2010 to 30th June, 2011.

MEANS OF COMMUNICATION:

φ **Annual Report**

Annual Report containing inter- alia, Audited Accounts, Consolidated Financial statements, Directors Report, Auditors Report and other important information is circulated to the members and others entitled thereto.

φ **Quarterly Results**

The Company publishes its quarterly, half yearly financial results in 'Business Standard' and 'Loksatta'. Official news releases are sent to the Stock Exchange. Designated exclusive e-mail id for receiving Shareholders Grievances is www.atreyapetrochem.com.

CERTIFICATE ON CORPORATE GOVERNANCE:

The certificate from a Practicing Company Secretary certifying the compliance of Clause 49 of the Listing Agreement relating to Corporate Governance has been attached in the Annual Report.

CEO/CFO CERTIFICATION:

A Certificate from the Chairman in respect of the Financial Statements forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis is given separately and forms part of this Annual Report.

SHAREHOLDERS' INFORMATION:

φ **Annual General Meeting scheduled to be held:**

DATE : 28th December, 2011

DAY : Wednesday

TIME : 11 .00 AM

VENUE: Tundav Anjesar Road, Village Tundav, Savli, Vadodara- 391775.

φ **Financial Year:** 1st April, 2010 to 30th June, 2011 (15 Months)

A Resolution to this effect was passed by the Board of Directors in their meeting held on 31st March, 2011

φ **Book Closure:**

ATREYA PETROCHEM LIMITED

Register of Member & Share Transfer Books of the Company will remain closed from **21st Day of December, 2011** to **23rd Day of December, 2011** (both days inclusive).

φ **Financial Calendar:**

Financial Reporting for the year 2011-2012	Month of reporting
Unaudited Financial Result for the Quarter ending 30 th June, 2011	First fortnight of Aug, 2011
Unaudited Financial Result for the Quarter ending 30 th September, 2011	First fortnight of Nov, 2011
Unaudited Financial Result for the Quarter ending 31 st December, 2011	First fortnight of Feb, 2012
Unaudited Financial Result for the Quarter ending 31 st March, 2012	Second fortnight of May, 2012

φ **Listing on Stock Exchanges:**

The Bombay Stock Exchange Limited
The Vadodara Stock Exchange Limited
The Ahmedabad Stock Exchange Limited

φ **Stock Code, ISIN Number and Corporate Identity Number:**

Bombay Stock Exchange Limited: 524444
ISIN Number: INE313M01014
CIN: L23100GJ1990PLC014692

φ **Registrar and Share Transfer Agent:**

Link Intime India Private Limited
B- 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara – 390020.

φ **Compliance Officer:**

Mr. Santosh Kahar
Chairman and Executive Director.

φ **Addressing of Investor Grievances:**

ATREYA PETROCHEM LIMITED

The Complaints can be addressed by the investors at the registered office address of the Company or may be directly forwarded to the Registrar and share transfer agents viz, **Link Intime India Private Limited** at the afore- mentioned address.

φ **Market Price Data for the period commencing from 1st April, 2010 to 30th June, 2011:**

The Trading in the scrips of your Company was suspended with effect from 7th January, 2002 on the Bombay Stock Exchange on account of non- compliance of the mandatory clauses of the Listing agreement entered into by the Company with the Bombay Stock Exchange.

Thus no details in respect for the market price have been furnished.

However, now we are pleased to inform you that your Company has succeeded about 90% in the task of the revival of the listing status as it has already obtained the in- principle approval for revocation of suspension in trading of the equity shares on 3rd October, 2011 from the Exchange. Only the final trading permission for the scrips of the Company is awaited.

Your Management is confident that the final Trading Approval for the revocation would be received very soon by the Company as all the necessary procedural formalities for obtaining the same has also been fulfilled by the Company.

φ **Distribution Of Shareholding as on 30th June, 2011:**

Shareholding of Nominal Value of Rupees.	No. of Shares	% of Total
Up to 500	1092380	16.94
500 - 1000	702520	10.89
1001 - 2000	426100	6.61
2001 - 3000	183300	2.84
3001 - 4000	103500	1.60
4001 - 5000	83000	1.29
5001 - 10000	259400	4.02
10001 and above	3599800	55.81
TOTAL	6450000	100.00

ATREYA PETROCHEM LIMITED

φ **Shareholding Pattern as on 30th June, 2011:**

Introductory sub-table (I)(a)			
Name of the Company:	ATREYA PETROCHEM LIMITED		
Scrip Code, Class of Security:	524444, Equity Shares		
Quarter ended:	30 th June, 2011		
Partly paid-up shares	No. of partly paid-up shares	As a % of total number of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
Total - D	NIL	NIL	NIL
Outstanding convertible securities			
No. of outstanding securities	As a % of total number of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities	
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
Total - E	NIL	NIL	NIL
Warrants			
No. of warrants	As a % of total number of warrants	As a % of total no. of shares of the company, assuming full	

ATREYA PETROCHEM LIMITED

			conversion of warrants
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
Total - F	NIL	NIL	NIL
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities (Grand Total (A+B+C)+ D+E+F)			
	64,50,000	100%	100%

Sr. No	Category of Shareholder	Total No. of Shares	Total Shareholding as a % of total No. of Shares
(A)	<u>Shareholding of Promoter and Promoter Group</u>		
(1)	Indian		
	Individual / Hindu undivided family	2365600	36.68
	Bodies corporate	100000	1.55
	Sub Total	2465600	38.23
(2)	Foreign		
	Total shareholding of promoter and Promoter group (A)	2465600	38.23
(B)	<u>Public shareholding</u>		
(1)	Institution		
	Mutual funds / UTI	140000	2.17
	Sub total	140000	2.17
(2)	Non-institutions		
	Bodies corporate	40400	0.63

ATREYA PETROCHEM LIMITED

	Individuals		
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	2772600	42.99
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1023700	15.87
	Any Others (Specify)	7,700	0.12
	Non Resident Indians	7700	0.12
	Sub Total	3844400	59.60
	Total Public shareholding (B)	3984400	61.77
	Total (A)+(B)	6450000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
(1)	Promoter and Promoter Group	-	-
(2)	Public	-	-
	Sub Total	-	-
	Total (A)+(B)+(C)	6450000	100

φ **Dematerialization of Share Capital:**

Sr. No.	Particulars	Number of Shares	% of Total Issued Capital
1.	Held in Dematerialized form in CDSL	Nil	Nil
2.	Held in Dematerialized form in NSDL	Nil	Nil
3.	Physical	64,50,000	64,50,000
	Total number of Shares	64,50,000	64,50,000

φ **Subsidiary Company**

Your Company does not have any subsidiary.

φ **Code of Conduct**

The Board of Directors of your Company has adopted a code of conduct for its members and the senior management. The code is applicable to all the directors and specified Senior Management Executives. The Code impresses upon the Directors and Senior Management Executives to uphold the interests of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them.

Further, the Company has received confirmation from the Directors as well as the Senior Management Executives regarding the Compliance of the Code of conduct during the year under review

φ **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 21 days. Any queries in respect of share transfer and transmission are dealt with by the Shareholder's Grievances Committee.

φ **Address For Correspondence:**

ATREYA PETROCHEM LIMITED

Tundav Anjesar Road,
Village Tundav, Savli,
Baroda 391775.

ADOPTION OF THE NON- MANDATORY REQUIREMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

φ **Remuneration Committee:**

The Board has constituted a Remuneration Committee, which specifically looks into the quantum of remuneration paid to the Board and Key Managerial Personnel. The Committee also discharges the duties and responsibilities as described under non-mandatory requirements of Clause 49.

φ **Shareholders Rights:**

We submit our quarterly, half yearly and yearly results to the Bombay Stock Exchange and also publish our results in widely circulated newspapers.

φ **Whistle Blower Policy:**

The Company has formulated a comprehensive whistle blower policy through which any employee can report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

φ **Training to Board Members and Key Managerial Personnel:**

ATREYA is completely dedicated in the overall development of all its employees and especially personnel who are at key positions. Thus, there have been various cost effective methods through which the Board Members and Key Managerial Personnel are trained periodically. This is being done by internal training and discussions on various matters affecting the functioning of the Company.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

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 30th June, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited (BSE). We have obtained all the information and explanations, which to the best of our knowledge and believe were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has generally complied with the mandatory conditions of the said Clause 49 of the Listing Agreement.

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

For S.M.Jain and Associates.

Practising Company Secretaries

Sd/-

Sanket Jain

Proprietor

M. Ship Number: 9991

Place: Mumbai

Dated: 25th November, 2011

CERTIFICATION ON FINANCIAL STATEMENTS

I, Santosh Kahar, Chairman of the Board of the Company hereby certify that:

- a. I have reviewed the financial statements and Cash flow statement for the year ended 30th June, 2011 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 30th June, 2011 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.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

DECLARATION OF CODE OF CONDUCT

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 30th June, 2011.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

This analysis report is Management's perspective of economy, market and Company's performance. The analysis statements can be termed as company's perspective of the situation and can also be explained with the words like planning, estimation, expectation, anticipation, etc. The Company is not in a position to guarantee to make changes or modifications in the analysis report based on future changes of situation and announce it publically.

(A) THE ECONOMY:

The financial year 2010-11 was a challenging period for both businesses and policy makers. At the global level, the debt crisis in European countries like Greece, Ireland and Portugal remained a cause for concern. There were also uncertainties about the pace of economic recovery in the western world and the likely spike in commodity prices. The international markets continue to remain volatile. The rising prices and the gradual withdrawal of the fiscal stimulus in many countries are likely to taper the pace of growth. The major earthquake and the resultant tsunami in Japan added to the woes of the markets. The political crisis in several countries in the Middle East and North Africa has also impacted the global economy. On the domestic front, the key issue remains the inflationary pressures being faced by the economy despite several measures taken by the Government and the Reserve Bank of India. At the same time, policy makers have been alive to the need to nurture economic recovery in the face of global uncertainty. Interest rates have been on the uptrend and this will have an impact on the profitability of businesses. Despite the challenges encountered, India's Gross Domestic Product (GDP) is estimated to have grown by 8.5% in 2010-11. The good monsoon across the country has contributed towards healthy growth of the agriculture sector. However, the manufacturing sector grew at a slower pace as compared to the previous year. With key commodity prices expected to remain at elevated levels in 2011-12, there could be an impact on the pace of economic growth.

(B) THE INDUSTRY:

Petrochemical industry plays a vital role in economic growth and development of manufacturing sector. The value addition in the petrochemicals industry is higher than most of the other industry sectors.

The Petrochemical industry, which entered in the Indian industrial scene in 1970s, registered a rapid growth in the 1980s and 1990s. Today, petrochemical products permeate the entire spectrum of daily use items and cover almost every sphere of life like clothing, housing, construction, furniture, automobiles, household items, agriculture, horticulture, irrigation, packaging, medical appliances, electronics and electrical etc.

In India, demand for the petroleum products has increased by 2.6% in 2010-11 compared with 3.4% in 2009-10. About 142 million tons of petroleum products were consumed during the year. The growth in demand was confined mainly to transport and residential fuels. Petrol and diesel recorded a growth rate of about 11% and 7% respectively. Aviation fuel demand increased by about 10% reflecting turnaround in the sector. LPG demand also increased by a healthy 10% indicating rising penetration. Demand for industrial fuels such as FO/LSHS, however, declined due to availability of cheaper alternatives such as natural gas. For the first time in last five years, bitumen consumption fell by about 7%.

(C) INDUSTRY STRUCTURE AND DEVELOPMENTS:

The chemical and petrochemical sector in India presently constitutes 14% of the domestic industrial activity. It should be noted that investments in this sector are highly capital intensive with long gestation periods. The growth of petrochemicals is projected at 12.6% in the 11th Five Year Plan.

The automotive industry saw very good growth in 2010. The growth was across categories, with the passenger vehicles segment growing by over 29% and the commercial vehicles segment growing by 28%. It is believed this upward trend will be sustained in the foreseeable future strong domestic market.

(D) ABOUT ATREYA:

ATREYA was established to manufacture various petrochemical downstream products such as speciality oils, petroleum sulphonates, solvents, etc. for industrial applications such as rubber, leather, ink and paint industries.

We market and sell our products under the Brand “**Ecrol Lubricants**”. We have an up to date processing plant situated at Tundav Vilage in Gujarat on an eight acre plot. Our plant is

classified as Mini-Refinery to process crude oil and hydrocarbons to various end products. Ecol is a well-entrenched brand in industrial oils. Ecol products are manufactured to meet the norms laid down by BIS, API and JASO.

High Quality Standards have been a critical element in the marketing strategy of Ecol to capture a sizeable share in the domestic market in a short span of time. We are focused of delivering the best quality at an affordable price and continuous up-gradation to the State of the Art Technology.

Our Product Line:

Your Company produces many products like ERL 15W40 (API-CF4), APL 20W40 (API-CF), ECY 4T – OIL (API-SL), ECY 2T (API-TC), ERL GEAR EP90 (GL-4), ERL GEAR EP140 (GL-4), and many others which can be used for equipments like Auto, Car LMV, Trucks, Buses, Excavators, Tippers & Dozers Fitted with Tata, Ashok layland, Iveco, Hino engines as well as two wheeler, three wheeler, LMV, Commercial vehicles, Tractors, MUV such as Safari, Scorpio, Sumo etc. & heavy-duty commercial vehicles. A brochure of our products is available on our website, www.atreyapetrochem.com.

Our Strategy:

The lubricant industry in India is broadly divided into three major market sectors:

- φ Automotive,
- φ Industrial and
- φ Marine & Energy Applications.

The Industry is led by four major players (Castrol India Limited, Bharat Petroleum Corporation Limited, Indian Oil Corporation Limited and Hindustan Petroleum Limited) who contribute to approximately 70% of the market.

These corporations earn a huge share of their revenues from the metros and Tier I Cities. The consumers in these locations are not very price sensitive and hence would prefer a big brand over an upcoming brand even at a very high premium. Hence this makes it very difficult for us to compete these huge corporations in their home ground.

Thus, in order grab a pie in the market share, we are targeting the Tier II & Tier III cities

where the consumers are more price-sensitive and are not very brand conscious. This shall enable us to sell our low cost products and build customer loyalty.

We shall focus on innovative and cost-effective methods of marketing our products which shall help us maintain higher margins.

(E) OPPORTUNITIES AND THREATS.

(I) Opportunities

a. Overall economic activity:

With an expected GDP growth of around 8% in 2011 and growth in the industry and infrastructure services sector, the basic consumption drivers for lubricants remain intact and are all set to make the industry grow. We expect growth in the economy to impact directly the movement of goods and hence increase consumption of commercial vehicle engine oils.

b. Growth in personal mobility:

Growing personal disposable incomes, double income households and aggressive marketing by automobile manufacturers continue to drive demand for passenger cars and two wheelers. This growth in the personal mobility segment would have a positive impact on your Company's performance.

c. Original Equipment Manufacturers:

India is home to a vibrant automobile market. It has been one of the few markets worldwide which saw growth in passenger car sales even during the global downturn. In fact, 2010 has recorded the highest volumes ever in terms of vehicle production. While the Indian automobile industry seeks to double total sales on the back of steady growth over the next decade, the relatively under-tapped demand segments like rural markets, youth, women, luxury cars and infrastructure growth, are expected to play a significant role. Your Company is strongly poised to leverage this emerging boom in India's auto industry.

d. Infrastructure growth:

In the 2010 Finance Bill, the government announced that it would significantly increase spending on various infrastructure projects. This move will stimulate demand growth in the building and construction sector and thereby have a positive impact on lubricant demand.

(II) **Threats**

φ **Automotive sector**

a. Input costs:

With crude oil prices pushing up cost of base oils, additives and packaging material, margins are expected to be under pressure during the year and potentially impact demand as the lubricant industry passes a portion of the increased costs to customers.

b. Competitive activity:

The Indian lubricant market is highly competitive. Given the fact that most international players have identified India as a focus market, this is likely to intensify.

c. Longer oil drain intervals:

This can significantly impact volume growth in the market, especially in the commercial vehicle segment.

φ **Non-Automotive sector**

a. Input costs:

Manufacturing companies will continue to feel the heat of rise in raw material prices and if not mitigated, this might impact the growth momentum. Crude oil prices have been going up persistently. Higher base oil prices, coupled with increase in other raw material costs, are likely to impact input costs adversely.

b. Industrial growth:

Whilst the manufacturing sector has recovered and is in the growth phase, the global situation may still impact its trajectory. Further, in spite of robust growth in the industrial environment, the focus on operational efficiency could dampen the growth rate for lubricants.

(F) RISKS, CONCERNS AND OUTLOOK

The overall business environment remains extremely challenging. Atreya is therefore, likely to encounter several risks in the course of its operations. The possible upward movement in international oil prices remains a major area of concern, given the level of dependency on imports for meeting the crude oil requirements of the refineries. While there is optimism on the sustained growth of the Indian economy, developments around the globe could lead to a slowing down in the pace of growth. This in turn, may cause a fall in demand for energy, thereby affecting the growth of the petroleum sector. If the current high interest rate scenario were to persist for a considerable period of time, the cost of borrowings could increase substantially and thereby, erode the company's profitability and affect its ability to raise resources needed to fund its capital expenditure plans.

Thus to summarize, the key business risks for the company can be around the following areas:

- φ Continued increase in drain intervals in the commercial vehicle segment.
- φ High levels of employee attrition.
- φ Reviving economy leading to inflationary pressure resulting in a sharp increase of input costs.
- φ Price under-cutting by low-cost as well as international competitors in an attempt to gain volume share.
- φ Hardening interest rates leading to slowdown in sale of commercial and personal mobility vehicles.

While the risks and concerns appear to be quite significant, Atreya remains confident of being able to mitigate the same and effectively deal with the challenges. Further your Company has put together a plan to address the impact of the identified risks and has put in place the necessary mitigating actions

Thus Atreya continues to concentrate on achieving greater operational efficiencies and enhancing the focus on execution and is geared up to continue delivering excellence in all areas of operations in the days to come.

(G) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains an adequate and effective Internal Control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safe-guarded against significant misuse or loss. An independent Internal Audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit program and periodic review by management and audit committee.

(H) HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Health, Safety, Security and Environment (HSSE) is a core value of your Company. Simply stated, our goals are: no accidents, no harm to people and no damage to environment. The health, safety and security of everyone who works for your Company is critical to the success of the business.

Your Company has always striven to be responsible and sensitive to ecological and environmental matters. This is ensured by protecting, conserving and restoring all natural resources, often far beyond what is mandated by government and other institutional policies.

Your Company is committed to complying in full measure with all regulations relating to the preservation of the environment around its operations. By constantly upgrading technologies and by applying the best of sustainable processes and practices, the Company endeavors to provide environmental issues the priority they deserve.

Further your Company is also dedicated to constantly improving its performance on prevention of pollution, proper use of natural resources and minimization of any hazardous impact stemming from production, development, use and disposal of any of its products and services.

(I) HUMAN RESOURCES

Your Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development.

The structured recruitment process, which the Company employs, focuses on recruiting people who have the right mindset for working at Atreya, supported by structured training programmes and internal growth opportunities.

The basic objective has been to unlock the people potential and further developing their functional operational and behavioral competencies so as to build a team of dedicated employees who work with passion, zeal and a sense of belongingness and play a defining role in significantly accelerating the growth and transformation of the Company, thereby, consolidating its position in the market as one of the top petrochemical industries in the country.

By Order of the Board of Directors

Sd/-

(Santosh Kahar)

Chairman and Director

Place: Vadodara

Date: 2nd December, 2011.

AUDITORS REPORT

To,

The Members of

Atreya Petrochem Ltd.

1. We have audited the attached Balance Sheet of **Atreya Petrochem Ltd.** as at 30th June, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date (i.e. 01.04.2010 to 30.06.2011) 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, subject to notes on accounts.
 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;
-

ATREYA PETROCHEM LIMITED

- (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Profit and Loss and Cash Flow Statement 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, subject to notes on accounts.
- (e) On the basis of written representations received from the directors as on June 30, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2011 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 30th June, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date (i.e. 01.04.2010 to 30.06.2011); and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flow of the company for the year ended on that date (i.e. 01.04.2010 to 30.06.2011).

For N. R. PARIKH & CO.
Chartered Accountants
FRN No. 107563W
sd/-
C. A. N. R. Parikh
(Partner)

M.ship No. - 007854

Date: 15.11.2011

Place: Vadodara:

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 30th June 2011 of Atreya Petrochem Ltd.

- (i) (a) As informed to us, The Company is in the process of compiling records to showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. As informed to us, no material discrepancies have been noticed on verification;
- (c) No disposal of a substantial part of fixed assets of the company has taken place 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 4 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. 172.63 Lacs.

In our opinion and according to the information and explanations given to us, the terms and condition of interest free loan given to the parties covered under in the register maintained

under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.

According to the information and explanations given to us, no repayment schedule has been specified and accordingly the question of regularity in payment of principal amount and interest wherever applicable does not arise.

The Company has taken unsecured loans from 5 companies and 1 Directors listed in the register maintained under Section 301 of the Companies Act, 1956. The year balance of loans taken from these was Rs. 148.15 Lacs.

In respect of above Loans taken, no repayment schedule has been specified with regard to the Interest / Repayment or any other terms and conditions.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
- (v) According to the information and explanations given to us, the details of transaction that needed to be entered in the register in pursuance of section 301 of the Company Act, 1956, have been so entered.

According to information and explanations given to us, the transactions of purchase and sale of goods/services made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (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 system of internal audit of the company needs to be strengthened and commensurate with the size and nature of its business.
 - (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.
-

ATREYA PETROCHEM LIMITED

(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 30th June 2011 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 30th June ,2011 is Rs. 1,40,26,181/- 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.

ATREYA PETROCHEM LIMITED

- (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 dealing in or trading in share, securities, Debenture or other investment. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. Further such securities have been held by the company in its own name or are in the process of transfer in its on company name.
 - (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.
-

ATREYA PETROCHEM LIMITED

For N. R. PARIKH & CO.

Chartered Accountants

FRN No. 107563W

sd/-

C. A. N. R. Parikh

(Partner)

M.ship No. - 007854

Date: 15.11.2011

Place: Vadodara:

Balance Sheet as at 30th June, 2011

Particulars	Sch	As at 30th June, 2011 Amount (Rs.)		As at 31st March, 2010 Amount (Rs.)	
SOURCES OF FUNDS					
Shareholders' funds:					
Share Capital	"A"	64,500,000		64,500,000	
Reserves and surplus		-	64,500,000	-	64,500,000
Loan funds:					
Secured loans	"B"			-	
Unsecured loans		17,773,116	17,773,116	14,700,605	14,700,605
TOTAL			82,273,116		79,200,605
APPLICATION OF FUNDS					
Fixed Assets	"C"				
[a] Gross Block		31,825,371		30,294,110	
[b] Less: Depreciation		15,830,984		15,289,192	
[c] Net Block		15,994,387		15,004,918	
[d] Capital work in progress		542,628	16,537,015	180,675	15,185,593
Investments	"D"		4,062,730		9,884,402
Current Assets, Loans and Advances					
Current Assets					
Stock In Trade	"E"	2,975,287		209,325	
Sundry debtors	"F"	46,445,960		18,160,474	
Cash and bank balances	"G"	456,401		158,278	
Loans and advances		45,094,850		29,240,998	
		94,972,498		47,769,075	
Less: Current Liabilities and Provisions	"H"				
Current Liabilities		46,853,632		15,048,452	
Provision		471,676		151,676	
		47,325,308		15,200,128	
Net Current Assets			47,647,190		32,568,947
Profit & Loss Accounts			14,026,181		21,561,663
TOTAL			82,273,116		79,200,605
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. R. Parikh & Co.
Chartered Accountants

For and on behalf of the Board of Directors

sd/-
N.R Parikh
Partner

sd/-
Jayesh Thakkar

sd/-
Santosh Kahar

Vadodara

Profit and Loss Accounts for the Period 1st April, 2010 to 30th June, 2011

Particulars	Sch	Period Ending 01.04.2010 to 30.06.2011 Amount (Rs.)	Period Ending 01.04.2009 to 31.03.2010 Amount (Rs.)
Income			
Sales		25,855,704	4,264,251
Profit on Sale of Investment		6,833,574	9,625,865
Misc. income		1,115,668	184,694
Excess Provision Written Off		-	185,273
Increase/(Decrease) in Finish Good and Process Goods	"I"	1,441,375	209,325
Total		35,246,321	14,469,408
Expenditure			
Cost of Production	"J"	24,841,437	4,430,220
Administrative Expenses	"K"	2,056,952	312,803
Interest and Financial Charges		20,658	-
Inventory Written Off		-	144,000
Total		26,919,047	4,887,023
Profit before depreciation		8,327,274	9,582,385
Depreciation		541,792	1,283,163
Profit Before Tax		7,785,482	8,299,222
Less: Provision for Tax			
-- Current Tax		250,000	-
-- Deferred Tax		-	-
Profit after taxation		7,535,482	8,299,222
Less: Prior Period Expenses		-	30,000
Balance brought forward from previous year		(21,561,663)	(29,830,885)
Balance carried to Balance Sheet		(14,026,181)	(21,561,663)

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**

For and on behalf of the Board of Directors

sd/-
N.R Parikh
Partner

sd/-
Jayesh Thakkar

sd/-
Santosh Kahar

Vadodara

Cash Flow Statement as on 30th June, 2011

PARTICULARS	01.04.2010 to 30.06.2011	01.04.2009 to 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before tax & extraordinary items	7,785,482	8,299,222
Adjustment for-		
Depreciation	541,792	1,283,163
Prior Period Adjustment	-	(30,000)
Profit on Sale of Fixed Assets	-	(64,694)
Inventory W Off	-	144,000
Profit on Sale of Investment	(6,833,574)	(9,625,865)
Operating Profit / (Loss) before Working Capital	1,493,700	5,826
Adjustment for-		
Current Liabilities & Provision	31,875,181	704,485
Sundry Debtors	(28,285,486)	(1,270,689)
Inventory	(2,765,962)	340,188
Cash Generated / (Used) from Operating activity	2,317,433	(220,190)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,893,215)	-
Sale of Fixed Assets		115,500
Purchase of Investment		(9,834,402)
Sale of Investment	12,655,246	12,575,865
Net Cash Flow / (Used) in Investing activity	10,762,031	2,856,963
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loans & Advances	(15,853,852)	(9,024,610)
Unsecured Loan	3,072,511	6,142,000
Secured Loan	-	-
Repayment of Long / Short Term Borrowing	-	-
Proceeds From Long / Short Term Borrowing	-	-
Net Cash Flow / (Used) in Financing activity	(12,781,341)	(2,882,610)
Net Increase (+) / Decrease (-) in Cash & Cash Equivalents	298,123	(245,836)
Cash and Cash Equivalents (Opening Balance)	158,278	404,114
Cash and Cash Equivalents (Closing Balance)	456,401	158,278

For N. R. Parikh & Co.
Chartered Accountants

sd/-
N.R Parikh
Partner

Vadodara

For and on behalf of the Board of Directors

sd/- sd/-
Jayesh Thakkar Santosh Kahar

Schedules forming part of the Balance Sheet as on 30th June, 2011

Particulars	As at 30th June, 2011	As at 31st March, 2010
Schedule "A"		
SHARE CAPITAL		
Authorised: 65,00,000 Equity shares of Rs. 10 each	65,000,000	65,000,000
Issued, subscribed and paid up: 64,50,000 Equity shares of Rs. 10 each, fully paid up	64,500,000	64,500,000
Total	64,500,000	64,500,000
Schedule "B"		
UNSECURED LOANS		
A) Inter corporate loans	14,738,476	14,129,518
B) From others	3,034,640	571,087
Total	17,773,116	14,700,605
Schedule "D"		
INVESTMENTS		
(Long Term, Quoted, Traded) Prabhav Industries Ltd. (P.Y. 5,000 @ Rs. 10 fully paid at par)	-	50,000
Prraneta Industries Ltd. 51599 Eq. Share at cost fully paid up (P.Y. 450000)	4,062,730	9,834,402
Total	4,062,730	9,884,402
Schedule "E"		
SUNDRY DEBTORS (considered as all Unsecured)		
Debts outstanding for a period exceeding six months	24,186,047	18,160,474
Other debts	3,212,613	-
Debtor of Sale of Investment	19,047,300	-
Total	46,445,960	18,160,474
Schedule "F"		
CASH AND BANK BALANCES		
Cash on hand	92,206	15,945
Balance with Scheduled banks		
Punjab National Bank	10,322	31,656
Bank of Baroda	147,095	10,365
UCO Bank	206,778	0
Fixed Deposits with Scheduled banks		
Punjab National Bank	-	100,312
Total	456,401	158,278
Schedule "G"		
LOANS AND ADVANCES		
Unsecured, considered good Unless Otherwise Stated		
Inter Corporate Loans and Advances	38,033,698	27,321,300
Other Advances	5,088,108	194,360
Sales Tax	600,000	600,000
Advances to Suppliers	644,262	611,557
Excise Duty Balance in PLA	6,771	6,771
Excise Duty - MODVAT Receivable	118,511	1,011
TDS Receivable	97,500	-
Deposits Civil Supply Dept.	500,000	500,000
National Saving Certificate	6,000	6,000
Total	45,094,850	29,240,998
Schedule "H"		
CURRENT LIABILITIES		
Sundry creditors	14,267,909	13,694,266
Sundry creditors for shares	28,458,380	-
Tax Deducted At Source	8,180	-
Brokerage & Underwriting Commission	192,750	192,750
Advances From Customers	2,873,070	226,939
CST - Old	658,241	658,241
CST	91,788	23,040
Excise Duty	70,885	-
Motor Spirit Tax	226,838	226,838
VAT	5,591	26,378
Total	46,853,632	15,048,452
PROVISIONS		
Provision for Telephone Bill	70,813	70,813
Provision for Other Expenses	150,863	80,863
Provision for Income Tax	250,000	-
Total	471,676	151,676

Schedules forming part of the Balance Sheet as on 30th June, 2011

Schedule - "C"

Sr. No.	Particulars	Dep %	Gross Block				Depreciation				Net Block	
			As on 01.04.10	Additions during the year	Deletion during the year	As on 30.06.2011	As on 01.04.10	during the year	On Deletion	As on 30.06.11	As on 30.06.11	As on 31.3.10
1	Free Hold Land & Development		1,294,309	-	-	1,294,309	-	-	-	-	1,294,309	1,294,309
2	Building Shed Factory	3.34%	6,508,297	-	-	6,508,297	2,698,434	90,574		2,789,007	3,719,290	3,809,863
3	Plant & Machinery	4.75%	20,186,097	1,515,161	-	21,701,258	11,035,696	406,250		11,441,946	10,259,312	9,150,401
4	Weigh Bridge	4.75%	631,805	16,100	-	647,905	277,598	12,823		290,421	357,484	354,207
5	Laboratory Equipments	4.75%	386,216	-	-	386,216	214,503	7,644		222,147	164,069	171,713
6	Air Conditioner	4.75%	198,612	-	-	198,612	93,278	3,931		97,209	101,403	105,334
7	Furniture & Fixture	6.33%	309,982	-	-	309,982	240,161	8,176		248,337	61,645	69,821
8	Computer & Printer	40.00%	158,040	-	-	158,040	157,360	109		157,469	571	680
9	Office Equipments - Factory	4.75%	620,752	-	-	620,752	572,163	12,286		584,449	36,303	48,589
	Total		30,294,110	1,531,261	-	31,825,371	15,289,192	541,792	-	15,830,984	15,994,387	15,004,918
	Capital Work in Progress		180,675	361,953	-	542,628	-	-	-	-	542,628	180,675
	Grand Total		30,474,785	1,893,214	-	32,367,999	15,289,192	541,792	-	15,830,984	16,537,015	15,185,593
	Previous year		30,607,610	-	132,825	30,474,785	14,088,048	1,283,163	82,019	15,289,192	15,185,593	16,651,194

Schedules forming part of the Profit and Loss Account for the Period 01.04.2010 to 30.06.2011

Particulars	Period Ending 01.04.2010 to 30.06.2011		Period Ending 01.04.2009 to 31.03.2010
	Amount (Rs.)		Amount (Rs.)
Schedule "I"			
Opening Stock			
Semi Finished and Finished Goods	209,325		144,000
Less: Written Off During the Year	-		144,000
	209,325		-
Closing Stock			
Semi Finished and Finished Goods	1,650,700		209,325
	1,650,700		209,325
Increase in Stock	1,441,375		209,325
Schedule "J"			
Cost of Production			
<u>Raw Materials Consumed</u>			
Opening Stock	-	549,513	
Add: Purchase	25,749,054	3,407,950	
Less: Closing Stock	1,324,587	-	3,957,463
	24,424,467		
Carting Expenses	21,750		150
Excise Duty			348,092
Freight Inward Charges	166,612		115,136
Consumable Stores	43,340		9,379
Labour Charges	28,500		-
Power & Fuel Expenses	156,768		-
Total	24,841,437		4,430,220
Schedule "K"			
ADMINISTRATIVE EXPENSES			
Advertisement Expenses	14,400		-
Auditors Remuneration	44,120		25,000
Bank Charges	32,531		9,752
Brokerage	113,927		94,976
Donation	50,000		-
Electricity	44,680		37,731
Factory Expenses	28,954		41,478
Legal and professional fees	119,120		29,180
License Fees	22,500		32,375
Listing Fees	309,029		-
Miscellaneous expenses	128,903		29,401
Printing & Stationary Expenses	78,560		-
Registration, Application & Filling Fees	46,029		1,750
Salary & Wages Expenses	788,190		-
Sales Promotion Exp	30,848		-
Security Expenses	51,199		-
Service Tax	4,298		11,160
Telephone Expenses	4,055		-
Travelling Exp	145,609		-
Total	2,056,952		312,803

NOTES TO ACCOUNTS

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 except 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 realizable Value, whichever is lower.

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:

Particulars	As on 30.06.2011	2009-10
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

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.	1957000
Empire Housing Finance Ltd.	36674
Kavit Investment Pvt. Ltd.	63000
Shreenathji Finstock Pvt. Ltd.	11514000
Mahendra B Varia	3693108

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

ATREYA PETROCHEM LIMITED

Name of the Party	Amount
Prabhav Industries Ltd.	3844972
Natural Expo Agro Industries Ltd.	2134080
Pacific Securities Ltd.	340000
Pacific Finstock Ltd.	1721399
Jayesh Thakkar – Director	3034640
Pavitra Corporation Prop. Jayesh Thakkar	240000

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) 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, except Rs. 172.63 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.
 - 6) For Section 372A of the Companies Act, 1956 for aggregate inter-corporate Loan of Rs. 380.34 Lacs and investment of Rs. 40.63 Lacs in excess of the limit specified thereto.
 - 7) Earning & Expenditure in Foreign Currency : Nil (P.Y. – Nil).
 - 8) 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. Accounts of Debtors are unconfirmed and no amount realize since F.Y.1999-2000. No provision has been made for Bad & Doubtful Debts.
 - 9) 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.
 - 10) Where no external evidence is available, the directors have approved all such transactions.
 - 11) Directors Remuneration: Nil (P.Y. – Nil)
-

ATREYA PETROCHEM LIMITED

12) Auditors Remuneration : 40000/- & Taxes (P.Y.25000)

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.)	Unit	Value (Rs.)
Divyol - 160	-	-	16093	999540	16093	999540	-	-
Divyol - 480	-	-	90510	5482191	90510	5482191	-	-
Packing Material	-	-	-	2679649		1923732	-	755917
Other Stock	-	-	-	171174	-	171174	-	-
Total	-	-	106603	9332554	106603	8576637	-	755917

* 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.)
Semi Finished Goods	-	-	16507	1650700	-	-	16507	1650700
AP-240	13595	209325	-	-	13595	209325	-	-
Finished Goods			111491	11235572	116907	11804242	5416	568670

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	Directors of the Company
9.	Bachubhai Thakkar	
10.	Jayesh Thakkar	
11.	Sombhai Thakkar	

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

(Rs. In Lacs)

Particulars	Companies / Firms in which Directors / Relative of Director are interested		Director of the Company	
	During the Current Period	Past Years	During the Current Period	Past Years
<u>Transactions</u>				
Loan / Deposits given	212.26	-	-	-
Loan Repaid	15.30	-	0.15	-
Loan / Deposits taken / Recovery	57.50	71.22	0.40	0.72
Rent Income	7.50	-	-	-
Investments	-	(29.50)	-	-

ATREYA PETROCHEM LIMITED

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

**For N. R. Parikh & Co.
Chartered Accountants**

For and on behalf of the Board of Directors

sd/-

sd/-

sd/-

N.R Parikh

Partner

Jayesh Thakkar

Santosh Kahar

Place: Vadodara

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company situated at Tundav Anjesar Road, Village Tundav, Savli, Baroda 391775 ,at **11 .00 AM on 28th December,2011 .**

NAME(S) OF THE SHAREHOLDER(S) (in block capital):_____

NAME OF THE PROXY (in block capitals): _____

FOLIO NO. / CLIENT ID NO. : _____

DP. ID NO.:_____

SIGNATURE(s) IF SHAREHOLDER: _____

IF PROXY: _____

NOTE: No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Notice of AGM to the Meeting. Photo copies of the Attendance slips will not be accepted.

PROXY FORM

I/We _____ of (Place) _____

Being a member/ members of ATREYA PETROCHEM LIMITED under Folio No. /Client ID No. _____ hereby appoint Mr./Ms. _____ of (Place) _____ failing him/her Mr./Ms. _____ of (Place) _____ as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 28th December, 2011. or at any adjournment(s) thereof.

Signed this _____ day of _____, 2011.

Affix Revenue Stamp and sign across

Note: The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
