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## **ATREYA PETROCHEM LIMITED**

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**--:: CORPORATE INFORMATION ::--**

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### **BOARD OF DIRECTORS**

Jayesh Raichandbhai Thakkar	:	Managing Director
Santosh Ranchhodbhai Kahar	:	Director
Sombhai Shankarbhai Thakkar	:	Director
Bachubhai Shankerlal Thakkar	:	Director
Jigar Premchand Motta	:	Director
Kiran Jethalal Soni	:	Director
Nikhil Pranay Pednekar	:	Director
Amit Tarachand Shah	:	Director
Mihir Navinchandra Jani	:	Director

### **BANKERS**

Bank of Baroda, Vadodara  
UCO Bank , Vadodara

### **STATUTORY AUDITORS**

**M/s. N. R. Parikh & Co.**  
Chartered Accountants  
401, Paradise Complex,  
Behind Yashkamal Bldg,  
Sayajigunj, Vadodara-390005.

### **REGISTERED OFFICE AND WORKS**

Vill: Tundao, Tal: Savli  
Vadodara- 391775  
Gujarat, India

### **STOCK EXCHANGE(S)**

Bombay Stock Exchange Ltd.  
Vadodara Stock Exchange Ltd.  
Ahmedabad Stock Exchange Ltd.

### **REGISTRAR & TRANSFER AGENT**

**M/s. Link Intime India P. Ltd**

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (W), Mumbai - 400078 | Tel. (22) 25963838 Fax (22) 25946969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**ATREYA PETROCHEM LIMITED**

Vill: Tundao, Tal: Savli, Dist. Vadodara- 391775

Gujarat, India

**NOTICE**

NOTICE is hereby given that the Annual General Meeting of ATREYA PETROCHEM LIMITED will be held on Monday, the 30<sup>th</sup> September, 2013 at 11.00 a.m. at Village Tundao Taluka Savli Vadodara 391775 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended even date alongwith the Report of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Jigar Premchand Motta, who retires by rotation and being eligible offers himself for appointment.
3. To appoint a Director in place of Mr. Kiran Jethalal Soni who retires by rotation and being eligible offers himself for appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass, with or without modification(s) following resolution, as a SPECIAL RESOLUTION.

“RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions if any, of the Companies Act, 1956 and subject to the approval of Central Government and other authority (ies), if any, approval, be and is, hereby accorded to the change of name of the Company from ATREYA PETROCHEM LIMITED to “KAVIT INDUSTRIES LIMITED” or any other name made available by Registrar of Companies, Gujarat for the purpose and that on obtaining approval from the Central Government and other requisite authority (ies), the Memorandum of Association and Articles of Association of the Company shall stand amended accordingly.”

“FURTHER RESOLVED THAT Mr. Sombhai Thakkar, Director of the Company, be and is hereby authorized to do all the acts and deeds necessary and

expedient for the purpose including filing application for change of name of the Company.”

**Place** : Vadodara

For and on behalf of The Board

**Date** : 30<sup>th</sup> May, 2013

**Jayesh Raichandbhai Thakkar**  
Chairman

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register Of Members And Share Transfer Books of the Company will remain closed from **26-09-2013** to **28-09-2013** ( both days inclusive)
4. A relative explanatory statement as required under Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
5. In line with “GREEN INITIATIVE” of the Ministry of Corporate Affairs vide their circular dtd 06/06/2011, members are requested to send their consent to receive communication electronically at the e-mail address in the format appearing in last page of this report.

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

**Item no. 5**

The Company has been engaged in the business of Petrochemicals including industrial and automobile oils and transformer oils since around 18 years.

Of late, the Company has commenced another division viz. Kavit Intermediate mainly engaged in the business of inorganic chemicals like sodium bisulphate solution 28-32% sodium sulfite and sodium metabisulfite. The division has commenced its commercial production since April, 2013. Its impact will be reflected in the financial year 2013-14.

In this backdrop, we would like to give word to word justification for the proposed change of name from 'Atreya Petrochem Limited' to 'KAVIT INDUSTRIES LIMITED'.

1. KAVIT :

- i. Name of one of the divisions of the Company is 'KAVIT INTERMEDIATE' as aforesaid
- ii. KAVIT is a name of the son of Mr. Jayesh Thakkar, Managing Director of the Company.
- iii. No Trademark is registered/pending registration in the same class.

2. INDUSTRIES :

- i. The word ' Petrochem' in the existing name of the Company reflects restricted activities of the Company.
- ii. Authorized and paid up capital of the Company is more than Rs. 1 crore.

Your Directors seek your approval to the resolution as appearing in item no. 4 of the accompanying notice by way of Special Resolution.

No Director shall be deemed to be interested or concerned in the resolution.

--:: **DIRECTORS' REPORT** ::--

Dear Members,

Your Directors have pleasure in presenting their Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2013.

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

<b>PARTICULARS</b>	<b>2012-2013 (Rs.)</b>	<b>2011-2012 (Rs.) (9Months)</b>
<b>PROFIT BEFORE DEPRECIATION AND TAX :</b>	<b>1258560</b>	<b>83,763</b>
(LESS) : Depreciation	(1021086)	(NIL)
<b>PROFIT BEFORE TAXATION :</b>	<b>237474</b>	<b>83763</b>
(LESS): Current Tax	(182047)	(15,850)
<b>PROFIT FOR THE YEAR</b>	<b>55427</b>	<b>67,913</b>

**(2) DEPOSITS:**

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

**(3) DIVIDENDS:**

In view of long term interests of the Company, your Directors do not recommend any dividend.

**(4) PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration of Rs.60,00,000 p.a. or Rs.5,00,000 p.m. for part of the year or more and hence no particulars have been furnished as required under Section 217(2A) of the Companies Act, 1956.

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

**A. CONSERVATION OF ENERGY:**

The Company does not have material information required under Section 217 (l) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Board of Directors)

Rules, 1988 to offer and hence no particulars have been furnished.

**B. FOREIGN EXCHANGE EARNING & OUTGO:**

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

**(6) DIRECTORATE:**

Mr. Jigar Premchand Motta and Mr. Kiran Jethalal Soni retire at this Annual General Meeting and being eligible, offer themselves for reappointment as Director liable to retire by rotation. Mr. Mihir Jani was appointed as a retiring director at the last annual general meeting held on 29-9-2012

**(7) DIRECTORS' RESPONSIBILITY STATEMENT:**

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

**(8) AUDITORS:**

M/s. N.R. Parikh & Co., Chartered Accountants, Vadodara, Auditors of the Company retire at the conclusion of this Annual General Meeting. They have confirmed that their reappointment, if made, would be

within the limit under section 224(1B) of the Companies Act, 1956.  
You are requested to appoint Auditor and fix their remuneration.

**(9) ACKNOWLEDGMENTS:**

Your Directors wish to thank the Government Authorities, Banks, Customers, Suppliers and Shareholders for their continued support. Your Directors also take this opportunity to record their appreciation for the contributions made by all the employees to the operations of the Company during the year.

For and on behalf of the board

Sd/-

**(Jayeshbhai R Thakkar)**

Chairman

**Place : Vadodara**

**Date : 30.05.2013**



## REPORT ON CORPORATE GOVERNANCE

### 1. 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.

### 2. BOARD OF DIRECTORS

Composition and category of Directors

The Board of Directors consists of Eight Directors

Name of Directors	Category
Shri Jayesh Raichandbhai Thakkar	Managing director
Shri Santosh Ranchhodbhai Kahar	Director
Shri Sombhai Shankarbhai Thakkar	Director
Shri Bachubhai Shankerlal Thakkar	Director
Shri Jigar Premchand Motta	Director
Shri Kiran Jethalal Soni	Director
Shri Nikhil Pranay Pednekar	Director
Shri Amit Tarachand Shah	Director
Shri Mihir Navinchandra Jani	Director

#### Meetings and Attendance

The Board of Directors meets at least once in every quarter to approve the financial results in compliance with Listing Agreement and more often, if considered necessary, to transact any other business.

No Director is a member of more than ten committees or Chairman of more than five committees in other Companies in which they are Directors.

During the year under review, Six Board meetings were held on **15th May, 2012; 11th August, 2012; 1st September, 2012; 8th October 2012; 12th November, 2012 and 11th February, 2013.**

Attendance of directors at the meetings of the Board of Directors held during the year and Annual General Meeting held on 30.09.2013 was as follows:

Name of Director	No. of Board Meetings attended during 2011-12.	Whether present at the last AGM
Shri Jayesh Raichandbhai Thakkar	6	Yes
Shri Santosh Ranchhodbhai Kahar	6	Yes
Shri Sombhai Shankarbhai Thakkar	6	Yes
Shri Bachubhai Shankerlal Thakkar	5	Yes
Shri Jigar Premchand Motta	5	Yes
Shri Kiran Jethalal Soni	5	Yes
Shri Nikhil Pranay Pednekar	5	Yes
Shri Amit Tarachand Shah	5	Yes
Shri Mihir Navinchandra Jani	5	Yes

#### **AUDIT COMMITTEE**

The terms of reference and powers of the Audit Committee are as mentioned in Clause 49 II (D) of the Listing Agreement entered into with stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee comprises of Mr. Jigar Motta, Chairman, Mr. Kiran Soni, Mr. Nikhil Pednekar and Mr. Bachubhai Thakkar.

During the year under review, Audit committee meetings were held **Five** times on **15th May, 2012; 11th August, 2012; 1st September, 2012; 12th November, 2012 and 11th February, 2013** under the Chairmanship of Shri Jigar Motta, which were attended by all the Members of the Audit committee.

#### **REMUNERATION COMMITTEE**

Composition of the Audit Committee

Member	Designation	Category of Director
Mr. Jigar Motta	Chairman	Independent Director
Mr. Kiran Soni	Member	Independent Director
Mr. Nikhil Pednekar	Member	Independent Director
Mr. Bachubhai Thakkar	Member	Executive Director

## SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Your Company has constituted a Shareholders Grievance Committee in line with the requirement of Clause 49 of the Listing Agreement.

Member	Designation	Category of Director
Mr. Jigar Motta	Chairman	Independent Director
Mr. Kiran Soni	Member	Independent Director
Mr. Nikhil Pednekar	Member	Independent Director
Mr. Bachubhai Thakkar	Member	Executive Director

## GENERAL BODY MEETINGS

Locations and time of last three Annual General Meetings held.

Year	Location	Date & Time
2010	Tundav Anjesar Road, Village Tundav, Savli, Vadodara - 391775	30/09/2010 at 11:00 a.m
2011	-do-	28/12/2011 at 8:00 a.m.
2012	-do-	29/09/2012 at 11:00 a.m.

\* No special resolutions were passed in any of the aforesaid meetings.

(i) Alteration to memorandum of association by insertion of new object to other objects as well as (ii) commencement of new business was approved by special resolution through postal ballot on 5th Oct. 2012 without dissent. The process was conducted by CS Devesh A. Pathak of M/s. Devesth Vimal & Co.

## DISCLOSURES

None of the transactions with any of the related parties were in conflict with the interest of the Company.

There has been no non-compliance by the Company, no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.

## GENERAL SHAREHOLDERS INFORMATIONS

Annual General Meeting: **Date** : 30th September, 2013

**Time** : 11:00 a.m.

**Venue** : *Registered office of the Company at*  
Village Tundao, Savli,  
Vadodara - 391 775

## Financial calendar

Unaudited results for the quarter ending on 30th June, 2012	Mid August, 2013 11-08-2012
Unaudited results for the quarter ending on 30th September, 2012	Mid November, 2013 12-11-2012
Unaudited results for the quarter ending on 31st December, 2012	Mid February, 2014 11-02-2013
Audited results for the quarter ending on 31st March, 2013	End of May, 2014 30-05-2013

Dates of book closure : 26/09/2013 to 28/09/2013  
(both days inclusive)

Listing on the Stock Exchanges : Bombay Stock Exchange Ltd.  
Vadodara Stock Exchange Ltd.  
Ahmedabad Stock Exchange Ltd.

Stock code : 524444 (BSE)

ISIN of the Company's Equity Shares in demat form : INE313M01014

Depository Connectivity : CDSL

Registrar and share transfer Agent : LINK INTIME INDIA PRIVATE LTD.  
B- 102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Nr. Radhakrishna Char Rasta,  
Akota,  
Vadodara 390020 (Gujarat) India

Share transfer, transmission and dematerialization of shares are registered and returned well within the stipulated period.

## Stock Market Data

Since no trading of shares has taken place at any of the stock exchanges where shares of the Company are listed, stock market data have not been furnished.

**Distribution of Shareholding: (as on 31st March, 2013)**

Range of Holding	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1-500	3763	75.3203	10,44,729	16.1973
501 - 1000	750	15.0120	6,66,420	10.3321
1001 - 2000	268	5.3643	4,10,046	6.3573
2001 - 3000	77	1.5412	1,97,100	3.0558
3001 - 4000	31	0.6205	1,14,600	1.7767
4001 - 5000	21	0.4203	1,01,700	1.5767
5001 - 10000	36	0.7206	2,70,038	4.1866
10001 & above	50	1.0008	36,45,367	56.5173
<b>TOTAL</b>	<b>4996</b>	<b>100.0000</b>	<b>64,50,000</b>	<b>100.0000</b>

**Shareholding pattern (as on 31st March, 2013)**

Category	No. of Shares held	% of total shares
Promoters	24,65,600	38.2264
<b>Institutional Investors</b>		
a. Mutual funds	1,40,000	2.1705
b. Banks, FIs, Insurance Companies	1,48,828	2.3074
Other Bodies Corporate	45334	0.7029
NRI/OCBs (other than Promoters)	7700	0.1194
Indian Public	36,42,538	56.4735
<b>Total</b>	<b>64,50,000</b>	<b>100.00</b>

**Break up of shares in physical and Demat Segment (As on 31st March, 2013)**

Segment	No. of Shares held	% to total Shares
Physical	26,60,900	41.25 %
Demat	37,89,100	58.75 %
<b>Total</b>	<b>64,50,000</b>	<b>100.00 %</b>

Address for communication:

**LINK INTIME INDIA PRIVATE LTD.**

B- 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota, Vadodara 390020 (Gujarat) India  
E-mail: Vadodara@intimespectrum.com

**Outstanding GDR / ADRs / Warrants or any Convertible Instruments,  
conversion date and likely impact on equity**

Not Applicable as the Company has not issued such instruments.

**Project location**

Tundao Anjesar Road, Village Tundao,  
Savli, Vadodara - 391775

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
Atreya Petrochem Limited  
Vadodara

We have examined all relevant records of Atreya Petrochem Limited as made available to us for the purpose of certifying compliance under clause 49 of Listing Agreements of the said Company with Stock Exchanges in India for the financial year 2012-13.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof. This certificate 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.

On the basis of our examination of the records produced and explanations furnished to us, the Company has materially complied with all the mandatory conditions of the Clause - 49 of Listing Agreement.

**Date** : 30th May, 2013  
**Place** : Vadodara

**For N. R. Parikh & Co.**  
FRN No. 107563  
Chartered Accountants

Sd/-  
**N. R. Parikh**  
Partner  
Membership No.007854

## **CEO/CFO Certification**

The Chairman and CFO have issued requisite certificates to the Board Pursuant to clause 49 of the Listing Agreement.

**Date** : 30th May, 2013  
**Place** : Vadodara

**Jayeshbhai R. Thakkar**

Sd/-  
Chairman



## **Code of Conduct Compliance**

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Members and the senior personnel have confirmed compliance with the code of conduct for the year ended on 31st March, 2013.

**Date :** 30th May, 2013  
**Place :** Vadodara

**Jayeshbhai R. Thakkar**

Sd/-  
Chairman

## **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 2012-13 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 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. Persistent devaluation of rupee is also a cause of concern. 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. 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 2013-14, 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 2011-12 compared to 2010-11. 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 automotive industry saw very good growth in 2011-2012. 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 specialty 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 “Ecol Lubricants”. We have an up to date processing plant situated at Tundav Village 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](http://www.atreyapetrochem.com).

The company has also commenced commercial production since April 2013 in the same line of business of inorganic chemicals like Sodium Bi-Sulphate, solution 28.32%, sodium sulphate and sodium meta by sulphate.

❖ **Our Strategy:**

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

- ⇒ Automotive,
- ⇒ Industrial and
- ⇒ 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 it is very difficult for us to compete these huge corporations in their home ground.

Thus, in order to 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 5% in 2012 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. Your Company is strongly poised to leverage this emerging boom in India's auto industry.

**d. Infrastructure growth:**

The Finance Bill of 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**

❖ **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.

❖ **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. Persistent devaluation of rupees may aggravate this problem. 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 broadly around the following:**

**Areas:**

- ❖ Continued increase in drain intervals in the commercial vehicle segment.
- ❖ High levels of employee attrition.
- ❖ Reviving economy leading to inflationary pressure resulting in a sharp increase of input costs.
- ❖ Price under-cutting by low-cost as well as international competitors in an attempt to gain volume share.
- ❖ 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.

**Place :** Vadodara  
**Date :** 30.05.2013

For and on behalf of the Board  
Sd/-  
**(Jayeshbhai R Thakkar)**  
Chairman and Director



## **AUDITOR'S REPORT**

To,  
**The Members of  
Atreya Petrochem Ltd.  
(Formerly known as Jal Hi Power Petrochem Limited)**

### **Report on the Financial Statement:**

We have audited the accompanying financial Statement of **Atreya Petrochem Ltd.** (the Company) which comprises the Balance Sheet as at 31st March 2013, and the statement of Profit & Loss A/c and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements:**

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, and financial performance and cash flow of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date : and
- c) in the case of the Cash Flow Statement, the cash flows for the year ended on that date

**Report on other legal and Regulatory Requirement:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books
  - c) the Balance Sheet, and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

- d) in our opinion, the Balance Sheet, and Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-

**CA N. R. Parikh  
(Partner)**

**Membership No. - 007854  
Vadodara**

Date: 30th May 2013

## **ANNEXURE TO AUDITOR'S REPORT**

**Referred to in paragraph 3 of our report of even date on the Accounts for the year ended 31st March, 2013 of Atreya Petrochem Ltd. (Formerly known as Jal Hi Power Petrochem Limited)**

- (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 2 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. 127.44 Lacs.

In our opinion and according to the information and explanations given to us, the terms and condition of 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. However the said loan is repayable on demand.

The Company has taken unsecured loans from 3 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. 164.39 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.

(ix) In respect of statutory dues:

(a) Account to the records of the Company examined by us, Company is not liable to Pay Provident Fund, Investor Education and Protection fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess no undisputed amounts payable in respect of such statutory dues which have remained outstanding as on 31st March, 2013 for a period of more than Six Month from the day they become payable except Motor Spirit Tax of Rs. 226238/-

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

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

(X) Accumulated losses at the end of financial year ended on 31st March, 2013 is Rs. 1,39,02,841/- which does not exceed 50% of its net worth and it has not incurred cash losses in the financial year ended on the date and in the immediately preceding financial Year.

(xi) According to the information and explanations given to us and records of the Company examined by us, the Company has not obtained any loan from financial institutions or banks and has not issued any debentures. Therefore reporting on whether Company has defaulted in repayment of dues is not applicable.

- (xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the Company is not a chit fund or a nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund are applicable, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) The Company is 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.

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

Sd/-

**N. R. Parikh  
(Partner)**

**Membership No. - 007854  
Vadodara**

Date: 30th May 2013



**BALANCE SHEET AS AT MARCH 31, 2013**

Particulars	Note No.	As at 3/31/2013	As at 3/31/2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share capital	2	64,500,000	64,500,000
(b) Reserves and surplus	3	(13,902,841)	(13,958,268)
		<b>50,597,159</b>	<b>50,541,732</b>
(2) Share application money pending allotment		—	—
(3) Non-current liabilities			
(a) Long-term borrowings	4	21,211,102	15,016,351
(b) Deferred tax liabilities (Net)		—	—
(c) Other long term liabilities	5	42,671,505	41,908,120
		<b>63,882,607</b>	<b>56,924,471</b>
(4) Current liabilities			
(a) Trade payables	6	3,260,910	794,523
(b) Other current liabilities	7	1,961,403	1,209,321
(c) Short-term provisions	8	284,491	494,355
		<b>5,506,804</b>	<b>2,498,199</b>
<b>TOTAL</b>		<b>119,986,570</b>	<b>109,964,402</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	9	15,083,547	16,104,633
(ii) Intangible assets		—	—
(iii) Capital work-in-progress		13,190,712	542,628
		<b>28,274,259</b>	<b>16,647,261</b>
(b) Non-current investments	10	4,062,730	4,062,730
(c) Long-term loans and advances	11	36,883,302	40,692,932
(d) Other non-current assets	12	45,570,466	38,202,422
		<b>86,516,498</b>	<b>82,958,084</b>
(2) Current Assets			
(a) Inventories	13	1,030,000	5,083,000
(b) Trade receivables	14	1,768,503	3,957,070
(c) Cash and cash equivalents	15	368,572	284,492
(d) Short-term loans and advances		—	—
(e) Other Current Assets	16	2,028,738	1,034,495
		<b>5,195,813</b>	<b>10,359,057</b>
<b>TOTAL</b>		<b>119,986,570</b>	<b>109,964,402</b>
Significant Accounting Policies & Notes to the Balance Sheet	1		

In terms of our report of even date  
For **N. R. Parikh & Co.**  
Chartered Accountants  
Sd/-

**C.A. N.R. Parikh (Partner)**  
Membership No. 007854

**Place : Vadodara**  
**Date : 30th May 2013**

For and on behalf of the Board of Directors of  
**ATREYA PETROCHEM LIMITED**

Sd/-  
Chairman & MD

Sd/-  
Director

**Place : Vadodara**  
**Date : 30th May 2013**

**PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Note No.	Year ended 3/31/2013 12 Months	Year ended 3/31/2012 9 Months
I. Revenue from operations	17	17,455,928	272,876
II. Other income	18	1,135,076	972,233
<b>III. Total Revenue (I + II)</b>		<b>18,591,004</b>	<b>1,245,109</b>
IV. Expenses:			
Cost of materials consumed	19	6,367,870	1,284,718
Purchases of stock-in-trade	20	7,831,390	—
Changes in inventories of finished goods, WIP	21	1,874,500	(1,349,913)
Employee benefits expense	22	392,651	558,449
Finance costs	23	11,918	52,200
Depreciation and amortization expense	9	1,021,086	—
Other expenses	24	854,115	615,893
<b>Total Expenses</b>		<b>18,353,530</b>	<b>1,161,346</b>
V. Profit before tax (III - IV)		<b>237,474</b>	<b>83,763</b>
VI. Tax Expenses:			
(1) Current Tax		182,047	15,850
(2) Deferred Tax		—	—
VII. Profit/(Loss) for the year (V-VI)		<b>55,427</b>	<b>67,913</b>
VIII. Earnings per equity share:	25		
(1) Basic		0.01	0.01
(2) Diluted		0.01	0.01
Significant Accounting Policies & Notes to the Balance Sheet	1		

In terms of our report of even date  
For **N. R. Parikh & Co.**  
Chartered Accountants  
Sd/-

**C.A. N.R. Parikh (Partner)**  
Membership No. 007854

**Place :** Vadodara  
**Date :** 30th May 2013

For and on behalf of the Board of Directors of  
**ATREYA PETROCHEM LIMITED**

Sd/-  
Chairman & MD

Sd/-  
Director

**Place :** Vadodara  
**Date :** 30th May 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended 3/31/2013 12 Months	Year ended 3/31/2012 9 Months
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	237,474	83,763
<u>Adjustments for:</u>		
Depreciation on fixed assets	1,021,086	—
Other non-operating income (Incl Written - off)	111,306	296,687
Interest expense	4,915	35,789
Preliminary Expenses W off	124,087	—
Income Tax Provision	182,047	15,850
Dividend Income	118,750	546
<b>Operating Profit before Working Capital changes</b>	<b>1,198,071</b>	<b>399,843</b>
<u>Adjustments for :</u>		
Inventories	4,053,000	(2,107,713)
Trade receivables and Other Receivable	(6,697,807)	5,056,428
Trade payable and Other Payables	3,870,548	(3,238,356)
Increase/(Decrease) in provisions	(209,864)	22,679
<b>Cash Generated From Operations</b>	<b>2,213,948</b>	<b>132,881</b>
Income tax Paid ( Net of Refund)	400,000	168,589
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>2,613,948</b>	<b>301,470</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(12,648,084)	(110,247)
Sale Proceeds from investments	—	—
Interest received		
Dividend received	118,750	546
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(12,529,334)</b>	<b>(109,701)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / Repayment from Long Term Borrowing(Net)	6,194,751	(2,756,763)
Proceeds/ Repayment from Loans and Advances (Net)	3,809,630	2,428,874
Interest paid (35,789)	(4,915)	(35,789)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>9,999,466</b>	<b>(363,678)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>84,080</b>	<b>(171,909)</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	9,521	92,206
Bank balances	274,971	364,195
	<b>284,492</b>	<b>456,401</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	184,682	9,521
Bank balances	183,890	274,971
	<b>368,572</b>	<b>284,492</b>

In terms of our report of even date  
For **N. R. Parikh & Co.**  
Chartered Accountants  
Sd/-

**C.A. N.R. Parikh (Partner)**  
Membership No. 007854

**Place :** Vadodara  
**Date :** 30th May 2013

For and on behalf of the Board of Directors of  
**ATREYA PETROCHEM LIMITED**

Sd/-  
Chairman & MD

Sd/-  
Director

**Place :** Vadodara  
**Date :** 30th May 2013

**NOTES FORMING PART ON FINANCIAL STATEMENTS**

**2 SHARE CAPITAL**

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised Capital</b>		
6500000 Equity Shares of Rs 10/- each	650,000,000	65,000,000
<b>Issued Capital</b>		
64,50,000 Equity Shares of Rs10 /- each	64,500,000	64,500,000
<b>Subscribed and Paid up</b>		
64,50,000 Equity Shares of Rs10 /- each	64,500,000	64,500,000
	<b>64,500,000</b>	<b>64,500,000</b>

**b. Information on shareholders**

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Jayeshbhai Raichand Thakkar			1,302,600	20.20%
Jayeshbhai Raichand Thakkar			3,39,600	5.26%

**c. Reconciliation of number of shares**

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	6,450,000	64,500,000	—	—
Shares outstanding at the end of the year	6,450,000	64,500,000	—	—

Company has only one class of shares referred to above as Equity Shares having par value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share

**3 RESERVES AND SURPLUS**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>a. Surplus</b>		
Opening balance	(13,958,268)	(14,026,181)
(+) Net Profit/(Net Loss) For the current year	55,427	67,913
Closing Balance	(13,902,841)	(13,958,268)
<b>GRAND TOTAL</b>	<b>(13,902,841)</b>	<b>(13,958,268)</b>

**4 LONG-TERM BORROWINGS**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>SECURED</b>		
From Bank	—	—
	—	—
Particulars	As at March 31, 2013	As at March 31, 2012
<b>UN-SECURED</b>		
(a) Loans and advances from related parties		

**NOTES FORMING PART ON FINANCIAL STATEMENTS**

From Director	341,640	2,684,640
From Intercompany Loan	16,097,025	8,559,274
<b>(b) Other loans and advances</b>		
From Intercompany Loan	2,772,850	2,772,850
Other Loans and Advances	1,999,587	999,587
<b>TOTAL</b>	<b>21,211,102</b>	<b>15,016,351</b>
<b>TOTAL OF SECURED AND UN-SECURED</b>	<b>21,211,102</b>	<b>15,016,351</b>

In respect of Unsecured Loan, No repayment schedule has been specified with regard to the Interest / Repayment or any other terms and conditions

**5 - OTHER LONG-TERM LIABILITIES**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Trade Payables</b>		
Due to Micro and Small Enterprises Other than Micro and Small Enterprises ( Refer Note. 1-k)	—	—
<b>Total</b>	<b>42,671,505</b>	<b>41,908,120</b>

**6 TRADE PAYABLES**

Particulars	As at March 31, 2012	As at March 31, 2012
<b>Trade Payables</b>		
Due to Micro and Small Enterprises Other than Micro and Small Enterprises ( Refer Note. 1-k)	3,260,910	794,523
	3,260,910	794,523

**7 OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2013	As at March 31, 2012
Tax Deducted At Source	21,952	17,860
Advances From Customers	1,559,302	315,068
CST	153,311	649,555
Excise Duty	—	—
Motor Spirit Tax	226,838	226,838
<b>Total</b>	<b>1,961,403</b>	<b>1,209,321</b>

**8 SHORT-TERM PROVISIONS**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Provision for employee benefits:</b>		
Salary and Reimbursement	20,000	50,000
<b>Others:</b>		
Provision for I Tax	264,491	265,850
Provision for Expenses	—	178,505
<b>Total</b>	<b>284,491</b>	<b>494,355</b>

**ATREYA PETROCHEM LIMITED**  
**NOTES FORMING PART ON FINANCIAL STATEMENTS**  
**9 - FIXED ASSETS (Refer Note : 1-D)**

PARTICULARS	Gross Block				Accumulated Depreciation				Net Block		
	As at April 1, 2012	Additions (Deletions) during the Year	Acquired through business combinations	Revaluations/(Impairments)	As at March 31, 2013	As at April 1, 2012	Depreciation charge for the year	Adjustment due to revaluations	Adjustments on disposals	As at March 31, 2013	As at June 30, 2012
<b>Tangible Assets</b>											
Land - Owned	1,294,309	-	-	-	1,294,309	-	-	-	-	-	1,294,309
Building - (Factory)	6,508,297	-	-	-	6,508,297	2,789,007	163,032	-	-	2,952,039	3,556,258
Plant & Machinery	21,701,258	-	-	-	21,701,258	11,441,946	773,106	-	-	12,215,052	10,259,312
Furniture & Fixtures	318,492	-	-	-	318,492	248,337	15,120	-	-	263,457	70,155
Office Equipment	687,434	-	-	-	687,434	584,449	24,489	-	-	608,938	102,985
Computers	158,040	-	-	-	158,040	157,469	171	-	-	157,640	571
Weigh Bridge	647,905	-	-	-	647,905	290,421	23,082	-	-	313,503	357,484
Labouratory Equipment	421,271	-	-	-	421,271	222,147	15,009	-	-	237,156	199,124
Air Conditioner	198,612	-	-	-	198,612	97,209	7,077	-	-	104,286	101,403
<b>Total</b>	<b>31,935,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,935,618</b>	<b>15,830,985</b>	<b>1,021,086</b>	<b>-</b>	<b>-</b>	<b>16,852,071</b>	<b>15,083,547</b>
<b>Previous Year</b>	<b>31,825,371</b>	<b>110,247</b>	<b>-</b>	<b>-</b>	<b>31,935,618</b>	<b>15,830,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,830,985</b>	<b>15,994,387</b>
<b>Intangible Assets</b>											
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>31,935,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,935,618</b>	<b>15,830,985</b>	<b>1,021,086</b>	<b>-</b>	<b>-</b>	<b>16,852,071</b>	<b>15,083,547</b>

**NOTES FORMING PART ON FINANCIAL STATEMENTS**

**10 NON-CURRENT INVESTMENTS**

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Amt Rs.	No. of Shares	Amt Rs.
<b>Trade Investments</b>				
Long Term, Unquoted, Fully Paid up Equity Shares				
Praneta Industries Ltd.			4,062,730	4,062,730
51599 Eq. Share at cost fully paid up (P.Y. 51599)			4,062,730	4,062,730

Note: Above Investment held for the long term period, Hence deminution in value of shares has not work out and the provision for the same has not provided.

**11 LONG-TERM LOANS AND ADVANCES**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>a. Loans and advances to related parties</b>		
<b>Unsecured, considered good</b> (Company in which director is member or substantial interest in company)		
Intercompany Loan	11,534,000	11,534,000
Loan to Others	1,166,908	2,429,908
	<b>12,700,908</b>	<b>13,963,908</b>
<b>b. Other loans and advances</b>		
<b>Unsecured, considered good</b>		
Intercompany Loan	22,831,394	23,378,024
Loan to Others	1,351,000	3,351,000
	<b>24,182,394</b>	<b>26,729,024</b>
<b>TOTAL</b>	<b>36,883,302</b>	<b>40,692,932</b>

Note: Payment schedule has been specified hence we are unable to justified regarding regularity in payment of principal amount and interest wherever applicable.

**12 OTHER NON-CURRENT ASSETS**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b> outstanding for a period exceeding six months	42,172,444	36,971,140
	<b>42,172,444</b>	<b>36,971,140</b>
<b>Other Non-Current Assets</b>		
Sales Tax	—	600,000
Excise Duty Balance in PLA	6,771	6,771
Excise Duty - MODVAT Receivable	1,127,850	118,511
Deposits Civil Supply Dept.	500,000	500,000
National Saving Certificate	6,000	6,000
MGVCL Deposits	231,207	—
Income Tax A.Y. 98-99	400,000	—
Misc Expenditure	1,116,788	—
Pre-operative Expenditure	9,406	—
	<b>3,398,022</b>	<b>1,231,282</b>
<b>TOTAL</b>	<b>45,570,466</b>	<b>38,202,422</b>

**NOTES FORMING PART ON FINANCIAL STATEMENTS****13 INVENTORIES**

Particulars	As at March 31, 2013	As at March 31, 2012
(As taken valued and certified by the Managing Director)		
a. Raw Materials and components (Valued at Cost)	230,000	2,408,500
b. Finished goods (Valued at Cost)	800,000	2,674,500
<b>TOTAL</b>	<b>1,030,000</b>	<b>5,083,000</b>

**14 TRADE RECEIVABLES**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>		
Trade receivables outstanding for a period exceeding six months	1,768,503	3,957,070
Trade receivables outstanding for a period less than six months	—	—
	<b>1,768,503</b>	<b>3,957,070</b>

**15 CASH AND CASH EQUIVALENT**

Particulars	As at March 31, 2013	As at March 31, 2012
Balances with banks	183,890	274,971
Cash on hand	184,682	9,521
	<b>368,572</b>	<b>284,492</b>

**16 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2013	As at March 31, 2012
Excise Duty	721	52,236
VAT	420,652	40,183
Advance Tax	—	168,589
TDS Receivable	90,000	165,000
Advances to Suppliers	1,517,365	608,487
	<b>2,028,738</b>	<b>1,034,495</b>

**17 REVENUE FROM OPERATIONS**

Particulars	As at March 31, 2013	As at March 31, 2012
Sale of Products (Net)	8,364,252	272,876
Trading - Others	9,091,676	—
	<b>17,455,928</b>	<b>272,876</b>

**18 OTHER INCOME**

Particulars	As at March 31, 2013	As at March 31, 2012
Rent Income	900,000	675,000
Dividend Income	118,750	546



**NOTES FORMING PART ON FINANCIAL STATEMENTS**

Net gain/loss on sale of investments	–	–
Misc. Income	5,020	–
Other non-operating income (net of expenses directly attributable to such income incl Written off)	111,306	296,687
	<b>1,135,076</b>	<b>972,233</b>

**19 COST OF MATERIAL CONSUMED**

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Stock of Raw Materials	2,408,500	1,650,700
Add: Purchases of Raw Materials	4,189,370	2,042,518
Less: Closing Stock of Raw Materials	230,000	2,408,500
	<b>6,367,870</b>	<b>1,284,718</b>

**20 PURCHASE OF STOCK-IN-TRADE**

Particulars	As at March 31, 2013	As at March 31, 2012
Trading - Others	7,831,390	–
	<b>7,831,390</b>	<b>–</b>

**21 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS**

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Inventory		
Finished Goods	2,674,500	1,324,587
Work-In-Progress	–	–
	2,674,500	1,324,587
Closing Inventory		
Finished Goods	800,000	2,674,500
Work-In-Progress	–	–
	800,000	2,674,500
<b>Net</b>	<b>1,874,500</b>	<b>(1,349,913)</b>

**22 EMPLOYEE BENEFIT EXPENSES**

Particulars	As at March 31, 2013	As at March 31, 2012
Salaries and incentives	320,000	455,960
Security Expense	72,651	102,489
	<b>392,651</b>	<b>558,449</b>

**23 FINANCE COST**

Particulars	As at March 31, 2013	As at March 31, 2012
Interest expense	4,915	35,789
Bank charges	7,003	16,411
	<b>11,918</b>	<b>52,200</b>

**NOTES FORMING PART ON FINANCIAL STATEMENTS**

**24 OTHER EXPENSES**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>MANUFACTURING EXPENSES</b>		
Consumption of stores and spare parts	—	500
Power and Fuel	55,620	125,702
Factory Expense	21,504	2,095
Carting Expenses	30,496	15,990
Labour charges	—	3,970
Freight Inward Charges	33,430	51,701
Calibration Charges	—	16,089
	<b>141,050</b>	<b>216,047</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement Expenses	17,467	36,810
Auditors Remuneration	67,416	67,004
Brokerage	41,316	—
Electricity	109,626	30,005
Legal and professional fees	115,994	113,300
License Fees	—	5,515
Listing Fees	33,084	30,000
Miscellaneous expenses	56,211	8,936
Printing & Stationary Expenses	14,629	8,560
Registration, Application & Filing Fees	117,370	47,805
Postage & courier Exp	300	2,800
Service Tax	—	90
Telephone Expenses	3,329	1,975
Travelling Exp	1,000	20,922
	<b>577,742</b>	<b>373,722</b>
<b>OTHER EXPENSES</b>		
Sales and Promotion Expenses	11,236	26,124
Preliminary Expenses W-off	124,087	—
	<b>135,323</b>	<b>26,124</b>
<b>TOTAL</b>	<b>854,115</b>	<b>615,893</b>

**25 EARNINGS PER EQUITY SHARES**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	55,427	67,913
Weighted average number of equity shares	6,450,000	6,450,000
<b>Basic Earnings Per Share</b>	0.01	0.01
<b>Face value per Share</b>	10	10
<b>Dilutive Earnings per Share</b>		
Profit after adjusting interest on potential equity shares	55,427	67,913
Weighted average number of equity share after considering potential equity shares	6,450,000	6,450,000
<b>Dilutive Earnings per Share</b>	0.01	0.01

**NOTES TO ACCOUNTS FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2013**

**Notes - “1”**

**A. COPROPRATE INFORMATION**

Atreya Petrochem Limited (Formerly known as Jal Hi Power Petrochem Limited) is Public Limited- Listed Company incorporated in India under the provisions of the Companies Act, 1956. The Company's strength lies in the business process of manufacturing of various Petrochemical Downstream Products such as Specialty Oils, Petroleum Sulphonates, Solvents, etc. for Industrial Applications such as Rubber, Leather, Ink and Paint Industries. It is well recognized as a 'Partner of Choice' by leading Companies across the country.

**B. Basis of preparation and presentation of financial statements**

The Accounts of the Company are prepared under the Historical Cost Convention on the Accrual Basis of Accounting in accordance with the Generally Accepted Accounting Principles in India (“GAAP”) and in compliance with the mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian Rupees rounded off to the nearest rupees.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of fixed assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized in the period in which such results are known/ materialized. Effect of material changes is disclosed in the notes to

the financial statements.

The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

**C. SIGNIFICANT ACCOUNTING POLICIES:**

a) Fixed Assets & Depreciation.

- (i) Fixed assets are stated at Cost less Accumulated Depreciation/ Amortization. Cost comprises the Purchase Price and any such costs attributable for the purpose of bringing the asset to its working condition for its intended use.
- (ii) Fixed Assets under construction, Advances paid towards acquisition of Fixed Assets and Cost of Assets not ready for use as at the year end, are disclosed as Capital Work-In Progress.
- iii) Depreciation is provided on SLM basis at the rate and method prescribed under schedule XIV of Companies Act 1956 except Computer.

b) Investments

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

c) Inventory

Inventory comprises of raw materials, Semi finished and finished goods and are valued at Cost or net realizable Value, whichever is lower. Packing Material is considered as finished goods.

Consumable stores are written off in the year of Purchase.

d) Employee Benefits

Provision for Gratuity has not been made as none of the employee have completed the minimum qualified period of services.

e) Claims, Demands and Contingencies

Disputed and or contingent liabilities are nil.

f) Provision for Current and Deferred Tax:

i) Tax liability of the Company is estimated considering the provision of Income Tax Act, 1961.

ii) Deferred tax is recognized subject to consideration of prudence, on timing difference being the difference between taxable incomes and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year. In the absence of virtual certainty of sufficient future taxable income, deferred tax assets are not recognized in the account.

g) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economics benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods:**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are reported net of Sales Return, Sales Tax and Excise Duty.

**Interest:**

Revenue is recognized on a time proportion basis taking into accounts the amount outstanding and the rate applicable.

**i) Foreign currency transactions**

Transactions in Foreign Currency and Non-Monetary Assets are accounted for at the Exchange Rate prevailing on the date of the transaction. All monetary items denominated in Foreign Currency are converted at the Year-End Exchange Rate. The Exchange Differences arising on such conversion and on settlement of the transactions are recognized as income or as expenses in the year in which they arise.

**D. Depreciation:**

Company has been provided depreciation only for the 9 month period as production plant has been under maintenance and modification.

**E. Trade Receivables:**

In respect of Receivable for Sundry Debtors (Incl. Receivable on Sale of Investments) of Rs. 421.72 Lacs and Other Trade receivable, the amount of Bad & Doubtful Debts are is not ascertainable on account of non- receipt of confirmation from the party.

**F. In terms of the reporting requirements of section 372A of the Companies Act, 1956, we state that the Company has made aggregate Inter-Corporate Loan of Rs. 343.65 Lacs and investment of Rs. 40.62 Lacs.**

**G. The Company has given loan of Rs. 127.01 Lacs to directors, Firms and to the Companies in which Director/ relative are/were interested as director / partner / proprietor and the same is not**

prejudicial to the Company.

- H. In respect of loan and advances, the amount of bad and doubtful debts is not ascertainable on account of non- receipt of confirmation from the party.
- I. In the opinion of the Directors, Current Assets, Loans & Advances have values at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and all known liabilities is adequate.
- J. Sundry Creditors, Unsecured loans, other liabilities, loans and advances, sundry debtors, and other current assets are subject to confirmation.
- K. Micro Small & Medium Enterprise: The Company is in the process of compiling the relevant information. Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by us.

**L. Claims, Demands and Contingencies :**

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

	As on 31.03.2013	As on 30.06.2012
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

- M. In the opinion of the Management, the Provident Fund and ESI act are not applicable, hence no provision have been made for the same.
- N. Earning & Expenditure in Foreign Currency : Nil (P.Y. - Nil)
- O. Directors Remuneration: Nil (P.Y. - Nil)
- P. Auditors Remuneration : 60000/- & Taxes (P.Y.60000)

**Q. Related party disclosures**

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

Sr. No.	Name of the Related Party	Relationship
1. 2. 3. 4. 5. 6. 7.	Pacific Securities Ltd. Natural Expo Agro Ltd. Prabhav Industries Ltd. Galav Finance & Investment Pvt. Ltd. Kavit Investment Pvt. Ltd. Empire Housing Finance Ltd. Pacific Finstock Ltd.	Companies / Firms in which Directors / Relative of Director are interested
8.	Jayesh Thakkar (Incl Prop. Pavitra Corporation)	Director of the Company

(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	
	Current Year	Last Year	Current Year	Last Year
<b>Transactions</b>				
Loan Taken	75.37	—	—	—
Loan Liability Repaid	—	26.40	23.43	5.90
Loan & Advances Recovery	—	20.36	—	12.63
Rent Income	9.00	6.75	—	—



**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 Village Tundao, Savli, Baroda 391775, at 11.00 a.m. on 30th September, 2013

**NAME(S) OF THE SHAREHOLDERS(S) (IN BLOCK CAPITAL) :** .....

**NAME OF THE PROXY (IN BLOCK CAPITAL) :** .....

**FOLIO NO./CLEINT 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) ..... 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 Saturday, 29<sup>th</sup> September, 2012 or at any adjournment(s) thereof.

Signed this ..... day of ....., 2013

**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.










### FORM A

Format of covering letter of the annual audit report to be filed with the stock exchange

	NAME OF COMPANY	<b>ATREYA PETROCHEM LIMITED</b>
1	Annual financial statement for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul>	Mr. Jayesh R. Thakkar  Mr. Jayesh R. Thakkar  M/S. N.R. Parikh & Co.  <b>N.R. PARIKH &amp; Co.</b> <b>CHARTERED ACCOUNTANTS</b> J. P. Motta