

22nd
ANNUAL REPORT
2011 - 2012



ATHARV ENTERPRISES LIMITED

22nd Annual Report 2011-12

BOARD OF DIRECTORS

Jagdish C. Gadiya (Managing Director)
Niteen Jaju (Executive Director)
Kaushal Ameta (Independent Capacity)
Arjun Mundra (Independent Capacity)
Ravikant Gupta (Independent Capacity)

BANKERS

HDFC Bank Ltd.
The Veershaiv Co-op. Bank Ltd.
Bank of India
AXIS Bank Ltd.

STATUTORY AUDITORS

M/s. Sanjay Vhanbatte & Co.
Chartered Accountants,
Shahupuri, Kolhapur - 416 001

REGISTERED OFFICE

1039-E, Rajaram Road,
Kolhapur - 416 008 (M.S.)
Ph. : 0231-3254148
Fax : 0231-2654148
E-mail : kpr_nrjaju@bsnl.in
info@atharventerprises.com
atharventerprisesltd@gmail.com
URL : www.atharventerprises.com

REGISTRAR & TRANSFER AGENTS

M/s Adroit Corporate Services Private Limited
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (East), MUMBAI
Ph.: 022-28590942, 28503748
Fax : 022-26924438
E-mail : info@adroitcorporate.com

NOTICE IS HEREBY given that the TWENTY SECOND Annual General Meeting of the members of ATHARV ENTERPRISES LTD will be held on Friday, the 21st day of September, 2012 at 11.00 a.m. at 1039 E Rajaram Road, Kolhapur - 416008 to transact the following business :

ORDINARY BUSINESS :

- 1] To receive, consider and adopt Profit & Loss Account for the year ended 31st March, 2012 and Balance Sheet as on that date together with its Schedules and Notes annexed thereto and Directors Report and Auditor's Report thereon.
- 2] To appoint M/s Sanjay Vhanbatte & Co, Chartered Accountants, as the auditors of the Company for the financial year 2012-13, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration and on such terms and conditions as may be decided between the said auditors and the Company.

SPECIAL BUSINESS :

- 3] To consider and, if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT subject to the provisions of section 198,269,314 and schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded for the appointment of Mr. Deepak Mandowara as Executive Director for a period for three years i.e. 21.09.2012 to 20.09.2015 at payment of salary @ Rs.15000/- p.m., with standard facilities until decided otherwise."

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The instrument appointing the proxy should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.

2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Share Transfer Books and the Register of Members of the Company shall remain closed from 19-09-2012 to 21-09-2012.

**For & on behalf of the Board
For ATHARV ENTERPRISES LTD**

Date : 10.08.2012

Place : Kolhapur

**Jagdishchandra Gadiya
Chairman and Managing Director**

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956 forming part of and attached to the Notice dated 10th August, 2012 for the Annual General Meeting Setting out all material facts relating to the Special Business mentioned in the said Notice.

Item No. 3

Mr. Deepak Mandowara is an MBA with business in Finance He is well aware of the company's business. His appointment as Executive Director of the company shall be of great advantage. As such, the board recommends that he be appointed as the Executive Director of the company at a remuneration of Rs.15000/- p.m. with standard facilities.

Save and except Mr. Deepak Mandowara, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

**For & on behalf of the Board
For ATHARV ENTERPRISES LTD**

Place - Kolhapur

Date - 10.08.2012

**Jagdishchandra Gadiya
Chairman and Managing Director**

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DIRECTOR'S REPORT

TO,
The Members,
ATHARV ENTERPRISES LTD

Your Directors have pleasure in presenting the 22nd Annual Report with the Audited Statement of Accounts of your Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

	2011-2012	(Rs.in.lacs) 2010-2011
Gross Receipts	174.30	469.76
Profit/Loss before Depreciation	24.26	16.18
Depreciation	2.08	1.98
Net Profit / (Loss) for year	19.66	14.20

DIVIDEND

The Board does not recommend any dividend for the year under review.

OPERATING RESULTS

The balance sheet of our company show a net profit of Rs. 19.66 lakhs for this financial year and a operating profit (EBITDA) of Rs. 24.26 Lakhs.

FUTURE PROJECTS & REVIEW

1. M/s. Green Fuel Tech where company owns 25% stake is into manufacture of Biomass Briquettes and the said firm has shown profits in the third year of operations as well.
2. The company is a co-promoter in 'M/s. Sunchemie Industries Pvt Ltd, Sri Lanka'. The Sri Lankan company has got all relevant clearances to put up a waste and used oils re-refining plant. However, the term loan has not been financed as yet which is a cause of concern. The Sri Lankan company may sell its licenses and return the monies invested by the company.
3. The company has started business of trading in fabric.

DIRECTORS

The company has appointed Mr. Ravikant Gupta as Non-Executive Independent Director w.e.f 07/11/2011.

The company has appointed full time company Secretary Mr. Rohan Sharma w.e.f. 07/02/2012.

During the year, Mrs. Ritu Jaju and Mr. Bhushan Gandhi resigned as Directors at the time of last AGM.

The company has appointed Mr. Kaushal Ameta and Mr. Arjun Mundra as Non-Executive Independent Director in additional capacity w.e.f. last AGM.

Mr. Nitten Jaju has written to the company to relieve him of the executive responsibilities of the company w.e.f. this AGM and that he shall continue only as Non-Executive Director of the company due to other business pre-occupation. The Board has accepted the same.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217 (2AA) read with Section 292A of the Companies Act, 1956, we, the Directors of Atharv Enterprises Limited, state in respect of Financial year 2011-12 that :

- a) In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The 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;
- d) The Directors have prepared the annual accounts on a going concern basis;

STATUTORY DISCLOSURES

- A) Particulars of the employees as required under section 217 (2A) of the companies Act, 1956, read

with companies (particulars of Employees) Rules 1975, are as below :

The company has not paid any remuneration attracting the amended provisions of Companies (particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 during the year under report.

- B) Particulars required to be furnished by the companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.
- Part A and B relating to conservation of Energy and Technology Absorption are not applicable to the company as the company is not a manufacturing company.
 - Foreign Exchange Earning and outgo : There is no foreign exchange outgo in this Financial Year.

COMMENTS IN AUDITORS REPORT

- The company is a co-promoter in 'M/s. Sunchemie Industries Pvt Ltd, Sri Lanka'. The Sri Lankan company has got all relevant clearances to put up a waste and used oils re-refining plant. However, the term loan has not been financed as yet which is a cause of concern. The Sri Lankan company may sell its licenses and return the monies invested by the company.
- There is no unpaid liability with respect to employee benefit.

AUDITORS

M/s. Sanjay Vhanbatte & Company, Chartered Accountants, retire in this general meeting. Being eligible, he has offered himself for appointment. It is decided to appoint M/s. Sanjay Vhanbatte & Company, Chartered Accountants, with approval of members in forthcoming Annual General Meeting of the Company.

OTHER DISCLOSURES

During the year 2011-12, the Company has allotted 24,63,500 Equity Shares of Rs. 10/- each at a Premium of Rs. 7.80/- per share on 20th October, 2011 on Preferential Allotment basis to Other than Promoters approved by Members of the Company on 22nd September, 2011 through Postal Ballot conducted pursuant to Section 192A of the

Companies Act, 1956 and as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for raising funds for the expansion of business and general corporate purpose of the Company. The said Equity Shares are listed on Bombay Stock Exchange Limited (BSE).

It is proposed to increase the share capital of the company by issue of Preferential Shares towards raising of additional capital by the Company pursuant to Section 81(1A) of the Companies Act, 1956 and as per the SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 subject to approval by the shareholders of the company by way of Postal Ballot.

The company has proposed to change the registered office of the company within the municipal limits of Kolhapur. The Board shall decide the new office premises and the same is proposed to be shifted in October, 2012.

COMPANY SECRETARY

The company has appointed Mr. Rohan Sharma as full time Company Secretary of the Company w.e.f. 07 February, 2012. He has also replaced Mr. Nitten Jaju as Compliance Officer of the company w.e.f. 05 May, 2012.

INTERNAL AUDITORS

M/s. Anil Naik, Chartered Accountants, have been appointed as Internal Auditors of the company.

ACKNOWLEDGEMENT AND APPRECIATION

The Directors place on record their grateful appreciation for the assistance and co-operation received from various Government Departments, Banks, Clients, Employees and above all, you the Shareholders.

For & on behalf of the Board
For ATHARV ENTERPRISES LTD

Nitten Jaju
Director

Jagdish chandra Gadiya
Chairman & Managing Director

Place :- Kolhapur
Date :- 10.08.2012

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REPORT ON CORPORATE GOVERNANCE FINANCIAL YEAR 2011-12

The Securities and Exchange Control board of India (SEBI) has stipulated Corporate Governance Standards for listed companies vide Clause 49 of the Listing Agreement with Stock Exchanges.

Corporate Governance is a corporate discipline extended to transparency, integrity and accountability towards all stakeholders. Corporate governance helps to achieve excellence to enhance stakeholders' value by focusing on long term value creation without compromising on integrity, social obligations and regulatory compliances.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The objective of the company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

The company has been practicing good corporate governance, by constituting Board and Audit Committees disclosing periodically adequate and true information to Board/Committees, discussing company's affairs in open impartial and transparent manner and ensuring decision making, keeping in

mind the interests of stake holder's and other business associates. At Atharv Enterprises Ltd, we believe and constantly strive to improve upon these practices and bring in more accountability with a view to achieve sustained growth in business and value to investors. The Board ensured that the company's management and employees work with highest degree of ethical standards.

2. BOARD OF DIRECTORS

a) Composition of the Board :

The Board consists of 5 Directors as on date. 3 are Non-Executive & Independent Directors.

The Managing Director is incharge of all the operations of the company in general. The Board of Directors review Company's performance and approve, review policies / strategies and evaluate the management performance. The Board ensure legal and ethical conduct of business and accurate financial reporting.

The Board of Directors meet at least once a quarter to review the Company's performance and financial results and more often, if considered necessary to transact other important business.

The Company presently as on date have Five Directors, the details of which are as follows:

Name of Director	Category	Remuneration Drawn	Perquisites, if any
Mr. Nitten Jaju	Director	Rs.15000/- p.m	Shall become Non-Executive Director w.e.f. ensuing AGM and will not draw any remuneration.
Mr. Jagdishchandra Gadiya	Chairman and Managing Director	Rs. 15000/- p.m.	Appointed w.e.f. 30/09/2011
Mr. Arjun Mundra	Non Executive Independent Director	No remuneration drawn	Appointed w.e.f. 30/09/2011
Mr. Kaushal Ameta	Non-Executive Independent Director	No remuneration drawn	Appointed w.e.f. 30/09/2011
Mr. Ravikant Gupta	Non-Executive Independent Director	No remuneration drawn	Appointed w.e.f. 07/11/2011

b) Number of Board meetings :

The company held 7 meetings of its Board of Directors during the financial year on the following dates :

06 May 2011, 20 July 2011, 12 August, 2011, 20 Oct 2011
07 November 2011, 07 February, 2012 and 05 March, 2012.

The maximum interval between two Board meetings was less than 4 months and procedure as stipulated in clause 49 of the Listing Agreement was followed.

The 22nd Annual General Meeting was held on 21st September, 2012.

The Attendance of each Director in these meetings is as under :

c) Director's attendance record and directorships held :

Director Name	Category	Board meetings Held in 11-12	Board meetings attended in 11-12	Attendance at Last AGM	Directorship in other Public Ltd Company incorporated in India	Board committees of which Director is member
Jagdishchandra Gadiya	Managin Director	5	5	Yes	No	1
Kaushal Ameta	Director	6	6	Yes	No	2
Arjun Mundra	Director	5	5	Yes	No	2
Nitten Jaju	Director	7	7	Yes	No	1
Ravikant Gupta	Director	3	3	No	No	

d) Information supplied to the Board :

A detailed Agenda is sent to each Director in advance of Board and Committee meetings. The Chairman briefs the Board at every meeting on overall performance of the Company.

Apart from the matters statutorily requiring the Board approval, all major decisions related to investments, capital expenditure, planning thereof are considered by Board.

As per SEBI's code for corporate Governance, the following information is regularly placed before the Board. :-

- Operating plans and budgets and revisions, if any, along with comparison of actual with budget
- Capital budget and revision, if any
- Cash Flow statements
- Quarterly results segment wise
- Minutes of meetings of Audit Committee and other committees of the Board
- Material show cause / demand / prosecution / penalty notices received
- Other issues, including orders / judgements which involves claim of substantial nature and have negative implications on the company.
- Non compliance of regulations / listing requirements and shareholders service.

e) Information in case of re-appointment of Directors as required under Listing Agreement is given as under :-

None of the Directors retired by rotation were re-appointed.

f) Audit Committee :

The Broad terms of reference of the Audit Committee are :-

- a) Supervise the Company's the overall financial reporting process and disclosure of financial information
- b) To review the annual accounting /financial statements, policies and practice.
- c) To appraise the adequacy of proper internal control and internal audit systems
- d) To review the company's financials and risk management policies
- e) To recommend the appointment and removal of external auditors
- f) To discuss with internal auditors any significant findings for follow-up thereon and to review the quarterly, half-yearly and annual financial statements before they are submitted to the Board of Directors

The Minutes of the Audit Committee meetings are circulated to the Members of the Board, discussed in the Board meetings and taken note thereof.

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The Company has complied with the requirements of Clause 49(II)(a) of the Listing Agreement as regards the composition of the Audit Committee.

The Audit Committee of the Board of Directors of the Company comprised of the following members as on 31st March, 2012 :

Mr. Jagdishchandra Gadiya, Member
Mr. Arjun Mundra, Chairman
Mr. Kaushal Ameta, Member

Chairman & Managing Director
Independent, Non-Executive Director
Independent, Non-Executive Director

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information as mentioned in Clause 49 (II)(E) of the Listing Agreement.

The Audit Committee meetings are also attended by senior finance & accounts executives and Internal Auditors as required. The Statutory Auditors are invited in the audit

committee meeting as and when required by the Committee.

The Audit Committee met on the followings dates during the last financial year :

06 May 2011, 12 August 2011,
07 November 2011 and 07 February, 2011

The attendance of each member is as under :

Name of the Director	No of Meetings held	No. of Meetings attended
Jagdishchandra Gadiya	1	1
Arjun Mundra	3	3
Kaushal Ameta	3	3
Nitten Jaju	4	4

g) The size of company operations do not merit a separate remuneration committee.

h) Investors Grievance & Share Transfers Committee :

The Board has constituted the Investor Grievances & Share transfer Committee in accordance with the requirement of the clause 49 of the listing agreement.

The objective of the Committee is to attend to investors Complaints pertaining to transfer /transmission of shares, non receipt of dividend warrants/share certificate and share transfer, confirming share transfers & other matter related thereto.

The members of the committee as on 31 March 2012 are :

Kaushal Ameta Member
Ravikant Gupta Member
J C Gadiya Chairman of the Committee

Kaushal Ameta is the Secretary of the Committee. The Committee meets not less than twice in a year.

The Shareholders Grievance and Share Transfer Committee met on the followings dates during the last financial year :

06 May, 2011, 07 November, 2011 and
07 February, 2012

The attendance of each member is as under:

Name of the Director	No of Meetings held	No. of Meetings attended
Kaushal Ameta	2	2
Arjun Mundra	2	2
J C Gadiya	2	2
Nitten Jaju	1	1

During the year, no complaints were received from the investors. There are no pending share transfers as on 31 March, 2012.

i) **Compliance Officer :**

Mr. Rohan Sharma has been designated as the Compliance officer w.e.f 05 May, 2012.

During the year, the company has not received any complaint for non receipt of annual report. There were no unresolved complaints as on 31 March, 2012.

3. MANAGEMENT

j) **Management Discussion and Analysis :**

The activities of the company are limited and the size and the turnover is small. As such, the management discussions are an ongoing process and doesn't merit special mention. However, a gist of discussions and analysis is presented :

Industry Structure and development –

The business is largely by way investment.

The company has ventured as a partner having 25% share in Biomass Briquetting plant in the name of 'Green Fuel Tech' having its plant at Chiplun, dist. Ratnagiri. The investment in this company has yielded very good share of profits for the company.

The company is also a co-promoter of 'Sunchemie Industries Pvt Ltd' Sri Lanka which is a registered company with ROC, Sri Lanka and has signed an agreement with the Board of Investment of Sri Lanka to put up a plant to manufacture Base Lube Oils by re-refining of Used and Waste Oils. The proposed project has got delayed due to delay in term loan arrangement. The company is not hopeful of this project now since the delay has been substantial. A final call on the project is expected by September, 2012.

Opportunities and threats –

Investment in shares has its pitfalls in terms of market conditions. Amounts which have been lent to parties on call basis have threat of going bad. The amounts invested / proposed to be invested in Sri Lanka project M/s. Sunchemie Industries Pvt Ltd have a risk in terms of the project not taking off at all.

In terms of opportunities, investment in shares can give reasonable returns if invested pragmatically.

Segment wise performance – The company has booked reasonable income by way of interest income. This year has been very good for its investment in Green Fuel Tech as Partner.

Risks & Concerns - The primary concern is security of advances given. Hence, all new advances are given on the basis of personal standing of the party in the market and any one of the Director personally knowing the concerned party. There is concern in receivables in yarn business and reasonable care is taken.

Internal control systems & its adequacy – The audit committee meets once around every 4 months. As the size of business is small, more meetings have not been necessary. Further, due to appointment of a full time Chief Financial Officer, internal controls are observed.

Financial performance wrt operational performance – The company has had a good profit this year. The operational profit is Rs. 22.71 lakhs.

Development in HRD – Since the manpower required is not more than 10, no HRD department is made.

k) **Disclosure by Management to the Board :**

All details relating to financial and commercial transactions where Directors may have potential interest are disclosed to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

l) **Shares held by Non-Executive Directors :**

The Non-Executive Directors does not hold any Equity Shares of the Company.

4. SHAREHOLDERS

m) **Annual General meetings :**

Details of General Meetings of the Shareholders are under.

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YEAR	AGM	LOCATION	DATE	TIME
2008-2009	AGM	1039, E Rajaram Road, Kolhapur-416008	19.08.2009	11.00 A.M.
2009-2010	AGM	1039, E Rajaram Road, Kolhapur-416008	23.09.2010	11.00 A.M.
2010-2011	AGM	1039, E Rajaram Road, Kolhapur-416008	30.09.2011	11.00A.M.
2011-2012	AGM	1039, E Rajaram Road, Kolhapur-416008	21.09.2012	11.00 A.M.

There were no special resolutions passed by the Company through postal ballot at any of the above meetings.

n) Extra Ordinary General meetings :

Details of Extra Ordinary General Meetings of the Shareholders are under :-

YEAR	EGM	LOCATION	DATE	TIME
2011-2012	EGM	1039, E Rajaram Road, Kolhapur-416008	29.03.2012	2.00PM

o) Disclosure :

- i) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large :

There is no material transaction with any related party which may have potential contact with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per the Accountings Standard 18 and the transactions entered into with them.

- ii) Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related of capital markets during the last three years :

No Non-compliance reported to the Company by Stock Exchange.

p) Means of Communication :

The Annual Report is posted to every shareholder of the Company.

The Company has not made any presentation to the institutions, investors/analysts.

q) Book Closure Dates :

19.09.2012 to 21.09.2012
(both days inclusive)

r) General Shareholders information :

1. Annual General Meeting :

Day, Date , time and Venue
Friday, 21 September, 2012 at 11.00 a.m.
1039, 'E' Rajaram Road, Kolhapur

2. Financial Calendar for 2011-2012(tentative) :

Financial reporting for September, 2012
quarter results - 31 October, 2012
Financial reporting for December, 2012
quarter results - 31 January, 2013