

ADI RASAYAN LIMITED

**21ST ANNUAL REPORT
2012-13**

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Directors	Sanjiv Joshi	- Executive Director
	Ashish S Pandare	- Independent Director
	Lalji Ramraj Yadav	- Independent Director
	Mandar Subhash Palav	- Independent Director

Auditors	Gupta Saharia & Co Chartered Accountants
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Bankers	Allahabad Bank Borivali (West), Branch
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Registered Office	23, Sarvopari Mall, Opp. Utsav Party Plot, Sola Road, Ahmedabad 380 063.
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Registrar and Share Transfer Agent	System Support Services 209, Shivai Ind Estate, 89, Andheri Kurla Road, Saki Naka, Andheri E, Mumbai – 400 072.
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NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of Adi Rasayan Limited will be held on Friday, 20th September, 2013, at 03.30 P.M. at Cultural Centre Hall, BCA Charitable Trust, Nr. Chandra Nagar Bus Stand, Narayan Nagar Road, Paldi, Ahmedabad- 380007 to transact the following business.

ORDINARY BUSINESS:

- 1.) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2013 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2013 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Lalji Yadav- Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.

For and on behalf of Board of Directors

Place : Ahmedabad
Date : 5th August 2013

Sd/-
(Ashish Pandare)
Director

Sd/-
(Lalji Yadav)
Director

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. The instrument appointing proxy should however, be deposited at the Registered office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 13th September, 2013 to Friday 20th September, 2013 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office 23, Sarvopari Mall, Opp. Utsav Party Plot, Sola Road, Ahmedabad 380 063.
4. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
5. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to closure of the Register of Members as stated above.

For and on behalf of Board of Directors

Place: Ahmedabad
Date: 5th August 2013

Sd/-
(Ashish Pandare)
Director

Sd/-
(Lalji Yadav)
Director

DIRECTORS' REPORT

Dear Members,

Yours Directors have pleasure in presenting their 21st Annual Report on the business and operations of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS & OPERATIONS:

Accounting year 2012-2013 is the 21st year of operation of the Company. During the year under review, Company continued to do the business only in single segment i.e. trading activities. Despite this, the company still incurs the losses. The management is putting every effort to come out of the red.

2. DIVIDEND:

During the year under review, owing to the accumulated losses, the Directors do not recommend any dividend.

3. FIXED DEPOSITS:

During the year under review, the Company has not invited or accepted any Fixed Deposits from the public.

4. DIRECTORS :

Mr. Lalji Yadav, Director of the Company who retires by rotation as per the Articles of Association of the Company and being eligible offers themselves for re-appointment as directors of the Company.

5. AUDITORS:

M/s. Gupta Saharia & Co., Chartered Accountants holds office upto the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits u/s 224 (1) (B) of the Companies Act, 1956.

6. AUDITOR'S REPORT:

There are no adverse observations made by the Auditors in their Report.

7. AUDIT COMMITTEE:

Audit Committee is consisting of Mr. Ashish S. Pandare - Chairman, Mr. Lalji Ramraj Yadav and Mr. Mandar Palav as Members of the Audit Committee.

8. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:

Shareholders and Investor Grievance Committee is consisting of Mr. Lalji Yadav – Chairman, Mr. Mandar Palav and Mr. Ashish Pandare as Members of the Shareholders and Investors Grievance Committee.

9. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) In the presentation of the Annual Accounts, the applicable Accounting Standards except revised AS 15 applicable for Accounting Treatment for Gratuity, Leave Encashment and other Retirement Benefits have been followed and that no material departures except to the extent disclosed have been made from the same;
- b) The Directors had selected such Accounting policies and applied them consistently and 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 or loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) The Directors had prepared the Annual Accounts on a going concern basis.

10. STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable in case of your Company.

11. DELISTING OF SHARES FROM AHMEDABAD STOCK EXCHANGE (ASE):

With a view to reduce administrative work and overheads, it was thought prudent to remain listed only with one Stock Exchange having nationwide terminals. Accordingly, after taking Board approval, the Company had made an application for delisting of its shares on Ahmedabad Stock Exchange (ASE) under Regulation 6 & 7 of SEBI (Delisting of equity shares) Regulations, 2009. The same has been approved by ASE and the equity shares have been delisted from the ASE vide circular no. ASEL/2013-14/26 dated 15th April, 2013. The Company's shares will remain listed on BSE Limited.

12. STOCK EXCHANGES:

The Company's shares are traded on the BSE Limited.

13. PARTICULARS OF EMPLOYEES:

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

14. FOREIGN EXCHANGE:

During the year under review, there were no foreign exchange earnings or outgo.

15. CORPORATE GOVERNANCE:

The Corporate Governance Report forms an integral part of this Report and is set out as separately in this Report. The Certificate of the Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed with the Report on Corporate Governance.

16. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is forming part of this Annual Report.

17. HUMAN RESOURCES:

Progressive policies to encourage excellence both in individual and team spirit are in place.

18. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Company's Bankers, Government Agencies, Financial Institutions, Customers, Investors and Business constituents and look forward to maintain the same in future.

For and on behalf of Board of Directors

Place : Ahmedabad
Date : 5th August 2013

Sd/-
(Ashish Pandare)
Director

Sd/-
(Lalji Yadav)
Director

ANNEXURE 'A' TO DIRECTORS' REPORT

RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

A. Research & Development

1. Future plan of action

The Company is taking necessary steps for the revival of operations.

B. Technology absorption:

1. Efforts in brief made towards technology absorption, adoption and innovation.

No new technology was introduced during the Year ended 2012 -13.

2. Benefits derived as a result of the above efforts.

None

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year): Nil

C. Foreign Exchange Earnings and Outgo

Nil

1. Earning- FOB value of Exports

Nil

2. Outgo- CIF Value of Imports

Nil

For and on behalf of Board of Directors

**Place : Ahmedabad
Date : 5th August 2013**

**Sd/-
(Ashish Pandare)
Director**

**Sd/-
(Lalji Yadav)
Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2013.

INDUSTRY STRUCTURE, DEVELOPMENT:

The Company was operating in the chemical industries. Now mainly engaged in trading of various goods and merchandise.

PERFORMANCE & SEGMENT-WISE PERFORMANCE:

The Company is doing trading business in various goods and merchandise. Company is looking for trying to explore the overseas market for its business and searching out healthy corporate houses for the merger of the Company.

Since the company is only into single segment of trading, segment wise performance is not reported.

OPPORTUNITIES AND THREATS:

The Company was primarily in the business of manufacturing and sales of chemicals, which had earlier taken potential for expansion and development. However with the passage of time due to global competition, narrow margin of profits and strict quality controls, the sales and profitability of the Company were adversely affected. Further, the Indian economy is now integrated with the world economy to a very large extent and therefore vulnerable to the direct impact of global slowdown; such an impact could adversely affect the Company's performance. Therefore, the Company has decided to close down the manufacturing activity long back & concentrated on the trading activities.

STRENGTH:

The existing management has a strong technical, finance and administrative expertise in various industries and corporate sectors including the business of the Company.

RISKS AND CONCERNS:

Your company is working essentially in global market place. The chemical Industries is undergoing a vast technological up gradation resulting in newer manufacturing techniques at lower cost of production and improved technical qualities. However since the company is into trading activity It is attributed to all the risk and concerns attached with the trading industries as a whole.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliances of guide lines and policies adhere to the management

instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management. The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. Efforts for continued improvement of internal control system are being consistently made in this regard.

HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The relations with workers and staff are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

For and on behalf of Board of Directors

Place : Ahmedabad
Date : 5th August 2013

Sd/-
(Ashish Pandare)
Director

Sd/-
(Lalji Yadav)
Director

DECLARATION UNDER CODE OF CONDUCT

As the Executive Director of **Adi Rasayan Limited** and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I, Sanjiv Joshi, Executive Director, hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2012-13.

For and on behalf of Board of Directors

Place : Ahmedabad
Date : 5th August 2013

Sd/-
Sanjiv Joshi
Chairman

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

1. Company's Philosophy on Code of Governance:

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2012-13 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2013.

2. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2013 have been made by the Directors.

During the financial year ended 31st March, 2013, 7 Meetings of the Board of Directors were held as on 16/04/2012, 30/07/2012, 10/08/2012, 30/10/2012, 14/02/2013, 11/03/2013 and 25/03/2013

Sr. No.	Name of Directors	Category of Directors	No. of Board Meeting attended during the year	Whether attended last AGM	Number of other Directorship	No of membership of Committees in other Public Ltd Companies
1	Mr. Sanjiv Joshi*	Executive Director	5	Yes	Nil	Nil
2	Mr. Ashish S. Pandare	Independent Director	7	Yes	1	2
3	Mr. Lalji R. Yadav	Independent Director	7	Yes	2	2
4	Mr. Mandar S. Palav	Independent Director	7	Yes	2	2

*Appointed w.e.f 10/08/2012