

AADI INDUSTRIES LTD.



2007-2008

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14TH ANNUAL REPORT

BOARD OF DIRECTORS :

Mr. Rushabh Shah – Chairman & Managing Director
Mrs. Manasi Shah
Mr. Pravin Doshi
Mr. T. S. Ramcharan
Mr. Shardul Shah
Mr. Deepak Bhagat

AUDITORS:

M/s Sunderji Gosar & Co.,
Chartered Accountants,
Mumbai - 400 014.

BANKERS:

Dena Bank
IDBI Bank

REGISTRARS AND SHARE TRANSFER AGENTS:

Sharex Dynamics (India) Pvt. Limited.,
Luthra Industrial Estate
Andheri Kulra road
Andheri (East)
Mumbai 400 072.
Tel. No.: 022- 28515606
Fax No.: 022- 22641349
Email: sharexindia@vsnl.com

REGISTERED OFFICE:

1273, Kanji Diwan's Khancho
Raja Mehta's Pole
Tankshal Road, Kalupur
Ahmedabad - 380001
Gujarat

CORPORATE OFFICE:

320, Siddhivinayak Co. Op. Hsg Soc. Ltd,
Hingwala Lane, Ghatkopar (East)
Mumbai -400 075

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of **AADI INDUSTRIES LIMITED** (Formerly known as **JRC INDUSTRIES LIMITED**) will be held at Hotel Platinum, Near Gujarat Gram Haat, Anjali Cross Road, Vasana, Ahmedabad 380 007 on Saturday, 27th September, 2008 at 11:00 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2008 and Balance Sheet as on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pravin Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. T. S. Ramcharan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint **M/s SUNDERJI GOSAR & CO.**, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To appoint a director in place of Mr. Rushabh Shah who was appointed as an Additional Director with effect from 7th November 2007 to hold office upto the date of ensuing Annual General Meeting and being eligible offer himself for appointment:

“RESOLVED THAT Mr. Rushabh Shah be and is hereby appointed as Director of the Company.”

6. To appoint a director in place of Mrs. Mansi Shah who was appointed as an Additional Director with effect from 7th November 2007 to hold office upto the date of ensuing Annual General Meeting and being eligible offer himself for appointment:

“RESOLVED THAT Mrs. Mansi Shah be and is hereby appointed as Director of the Company.”

7. To appoint a director in place of Mr. Shardul Shah who was appointed as an Additional Director with effect from 5th March, 2008 to hold office upto the date of ensuing Annual General Meeting and being eligible offer himself for appointment:

“RESOLVED THAT Mr. Shardul Shah be and is hereby appointed as Director of the Company.”

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

“RESOLVED THAT as per the recommendation of Remuneration Committee, the Board of Directors and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to the approval including approval of Central Government as may be necessary, the consent of the members be and is hereby accorded to appointment of Mr. Rushabh Shah, Chairman and Managing Director as set out hereunder and that the Board of Directors of the Company be authorized to alter and vary the said terms and conditions, without further reference to the shareholders of the Company, in such manner as may be agreed to between the Board of Directors for the time being, and Mr. Rushabh Shah Chairman and Managing Director but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time.

A) **Salary** Nil

B) **Date of Appointment:** 1st February, 2008 to 31st January, 2011

B) **Other entitlements which shall not be considered as perquisites:**

- a) **Annual Leave:** 30 days annual leave with pay for every completed service of eleven months.
- b) **Car with driver:** The Chairman and Managing Director shall be provided with a car and driver for use on Company's business.
- c) The Company shall reimburse actual entertainment and traveling expense incurred by you in connection with the Company's business.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, Mr. Rushabh Shah Chairman and Managing Director shall be paid remuneration including perquisites at the same substantive levels as specified above and the same shall be treated as the Minimum Remuneration payable to the said Chairman & Managing Director.

RESOLVED FURTHER THAT during such time as Mr. Rushabh Shah holds and continues to hold office of the Chairman and Managing Director, he shall not be liable to retirement by rotation as a Director

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and do all such things, acts, deeds as may be necessary or desirable to give effect to this resolution.”

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

"RESOLVED THAT, pursuant to Section 146(2) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the sanction of any authorities as may be required, if any, the Registered Office of the Company be shifted from Ahmedabad to Silvassa within the jurisdiction of the Registrar of Companies, Gujarat at Ahmedabad.

RESOLVED FURTHER THAT the consent of the members be and is hereby granted to necessary changes as may be required to be made in the Domicile Clause of the Memorandum of Association, if any.

RESOLVED FURTHER THAT on the aforesaid resolution becoming effective, the Registered Office of the Company be shifted from Ahmedabad to Silvassa.

RESOLVED FURTHER THAT the Board of Directors be authorized to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolution."

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

"RESOLVED THAT pursuant to Sections 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and SEBI (Disclosure and Investor Protection) Guidelines, 2000 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to the permission(s), sanction(s) and approvals of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Bombay Stock Exchange Limited (BSE) and such other authorities as may be required from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot 49,93,400 (Forty Nine Lacs Ninety three Thousand Four Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each for cash at a par (the pricing which is determined in accordance with the SEBI Guidelines as applicable) aggregating Rs. 4,99,34,000/- (Rupees Four crore Ninety nine Lacs Thirty four thousand only) in one or more tranches, at such time or times, in such manner, form and numbers as may be prescribed while granting permission(s), sanction(s) and approval(s) by the aforesaid authorities and/or which the Board may at its absolute discretion consider proper, desirable and expedient by way of Preferential allotment(s) to the persons/entities of the Promoter Group of the Company, whether such allottees are shareholders of the Company or not, as per the details mentioned below:

Sr. No.	Name of Party	No. of Shares proposed to be allotted
1	Mr. Rushabh J. Shah	49,93,400
	Total	49,93,400

and also to seek listing of such securities on the Stock Exchange(s) in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, fit and proper by the Board.

RESOLVED FURTHER THAT the new Equity Shares referred to hereinabove shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including entitlement for dividend with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Director or Directors or to any Committee of Directors or any officer or officers of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all deeds, acts and things and take action on matters, give such direction or instructions for settling any questions, doubt or difficulty which may arise with regard to the offer, issue, allotment of the said shares and to take appropriate actions to give effect the above resolutions and the matters related thereto."

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 26th August 2008

RUSHABH SHAH
Chairman & Managing Director

Registered Office:
1273, Kanji Diwans' Khancho
Raja Mehta's Pole
Tankshal Road
Ahmedabad 380 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is attached.
3. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Sharex Dynamics (India) Private Limited, Luthra Industrial Estate, in respect of their physical share folios.
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman and Managing Director, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
5. Members/proxies are requested to bring their copy of Annual Report to the Meeting.
6. Members/proxies are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
7. A brief note on Directors to be regularised is as follows:

Name	Mr. Rushabh Shah	Mrs. Mansi Shah	Mr. Shardul Shah
Age	29 Years	26 Years	29 Years
Qualification	B.Com	Post Graduation of Food & Dietetics	A. C. A.
Nature of Expertise	In the field of Plastic Industry	In the field of Administration	In the field of Accounts and Taxation
Experience	10 Years	5 Years	10 Years
Name of other Companies in which also holds Directorship	N.A.	N.A.	N.A.
Name of other Companies in Committees of which holds membership / chairmanship	N.A.	N.A.	N.A.
Shareholding in Aadi Industries Limited	43.11 %	NIL	NIL

8. A brief note on Directors to be reappointed is as follows:

Name	Mr. Pravin Doshi	Mr. T. S. Ramcharan
Age	50 Years	59 Years
Qualification	S.S.C.	S.S.L.C & Dip. In Export-Import
Nature of Expertise	In the field of Sanitary Industries.	In the field of Import & Export
Experience	30 years	20 years
Name of other Companies in which also holds Directorship	None	None
Name of other Companies in Committees of which holds membership / chairmanship	None	None
Shareholding in Aadi Industries Limited	NIL	NIL

By and on behalf of the Board of Directors

Place: Mumbai

Dated: 26th August, 2008

RUSHABH SHAH
Chairman & Managing Director



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

Item no 5, 6 & 7

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Rushabh Shah and Mrs. Mansi Shah were appointed as Additional Directors with effect from 7th November 2007 and Mr. Shardul Shah was appointed as an Additional Director with effect from 5th March 2008. As per the said provisions of the Act, they are eligible to hold office only upto the date of ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The Company has received notices from a shareholder of the Company pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing their candidature.

Mr. Rushabh Shah and Mrs. Mansi Shah are interested in the respective resolution of their appointment. Mr. Rushabh Shah is also interested in the resolution for appointment of Mrs. Mansi Shah and Mrs. Mansi Shah for appointment of Mr. Rushabh Shah, since they are related to each other.

Mr. Shardul Shah is interested in resolution in respect of his appointment as Director.

Except above no other directors are concerned or interested in the proposed resolutions.

The Directors recommend their appointments.

Item no 8

Mr. Rushabh Shah had taken over the management and ownership of the Company by acquiring promoters' stake in the Company from the then Promoters after complying with the provisions of SEBI (SAST) Rules. As per the provisions of the Companies Act, 1956, a Public Company whose paid up capital is more than Rs. 5 crore requires to have Managing Director. Hence Mr. Rushabh Shah was appointed as Managing Director by the Board of Directors at their meeting held on 31st January, 2008 without payment of any remuneration with effect from 1st February, 2008.

As per the provisions of Section 269 of the Companies Act, 1956, members' approval is necessary for appointment of Managing Director.

Hence the resolution is placed before you for your approval.

Except Mr. Rushabh Shah and Mrs. Mansi Shah, no other directors of the Company are deemed to be interested or concerned in the proposed resolution.

The Directors recommend the appointment of Managing Director.

Item no 9

As Members are aware, currently, the Registered Office of the Company is situated in Ahmedabad, State of Gujarat. The Company's management and ownership is taken over by Mr. Rushabh Shah with an intention to set up the facilities to manufacture Tarpaulins and Plastic

Bags. The Company already commenced activities for setting up of such facilities in Silvassa. Hence substantial amount of the Company's operations will be undertaken from Silvassa. Hence, with a view to facilitate better co-ordination between administration and operations, it is considered prudent that the registered office of the Company be shifted from Ahmedabad, to Silvassa.. This would enable the Company to carry on its business more conveniently, economically and profitably.

The Board of Directors of the Company had recommended the Special Resolution set out in the Notice for approval by the Members.

None of the Directors of the Company is interested or concerned in the aforesaid resolution.

Item no 10

The Company plans to make Preferential Issue of 49,93,400 (Forty nine lacs Ninety three thousand Four hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each for cash at par aggregating Rs. 4,99,34,000/- (Rupees Four Crore Ninety nine Lacs Thirty four Thousand only). The details of the same are as under:

(a)	Relevant date and the price at which allotment is proposed	Relevant date in accordance with the SEBI guidelines for issue of shares on preferential basis is 28 th August 2008. It is proposed to issue and allot the Equity Shares of Rs.10/- each for cash which is in accordance with SEBI preferential issue guidelines, as applicable.
(b)	No. and % of shares proposed to be allotted on preferential allotment basis pursuant to Special Resolution passed under Section 81(1A) of the Companies Act, 1956.	49,93,400 (Forty nine lacs Ninety three thousand Four hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each for cash at par constituting 49.93% of the Post Preferential Allotment paid-up share capital of the Company.
(c)	Objects of the Issue	The proposed preferential issue is being made to part finance for setting up of facilities to manufacture Tarpaulins and plastic bags at Silvassa and to augment finance for the working capital as well as long time requirements of the Company.
(d)	Intention of the Promoters / Directors / Key Management Personnel to subscribe to the offer	The Promoter group parties comprising of only Mr. Rushabh Shah, a Promoter of the Company, intend to subscribe to the tune of 4993400 Equity Shares. No other Directors / Key management personnel are intend to subscribe in the preferential issue.
(e)	Proposed time within which the allotment shall be complete	The Equity Shares are Proposed to be allotted within 15 days of the passing of the Special Resolution approving the allotment. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the