



***31st Annual Report  
2011-12***

BOARD OF DIRECTORS	:	Mr. A.K.Jain	Whole Time Director
		Dr. A.A.Sisodia	Director
		Mr. M.K.Bothra	Director
		Mr. J. Singha	Director
REGISTERED OFFICE	:	4, N. S. Road, 1 <sup>st</sup> Floor, Kolkata – 700 001	
AUDITORS	:	M/s. Mohindra Arora & Co. Chartered Accountants Mumbai	
COMPANY SECRETARY	:	Ms. Sujata Dange	
BANKERS	:	HDFC Bank ICICI Bank	
REGISTRAR & TRANSFER AGENT	:	Adroit Corporate Service Pvt. Ltd. 19, Jaferbhoy Industrial Estate, 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Mumbai – 400 059.	

### **NOTICE**

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of Adinath Bio-Labs Limited will be held on Monday, 10<sup>th</sup> September, 2012 at 10.00 A.M. at Hotel Rose Valley, RB – 29, Raghunathpur, VIP Road, Kolkata – 700 059 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet, the Statement of Profit & Loss Account and the Cash Flow Statement for the year ended 31st March, 2012, together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. M.K.Bothra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board  
For Adinath Bio-Labs Limited**

**Place : Kolkata  
Date : 02/08/2012**

**Sujata Dange  
(Company Secretary)**

### **NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company.
2. Members who are holding Company's shares in a Dematerialized form are required to bring details of their depository account No. for identification.
3. Register of Members and Share Transfer Books shall remain closed from 03/09/2012 to 10/09/2012 (Both days inclusive).
4. Proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the time fixed for the meeting.
5. Members are requested to kindly notify immediately change if any in their address to the company.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Secretary / Director of the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting to the best extent possible.
7. Corporate members are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the meeting.
8. Pursuant to the Provisions of Section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account shall be transferred to the Investor Education and protection Fund set up by the Central Government. No claims shall lie against the company or said fund, in respect of individual amount/s which remain unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.

Members who have not encashed the dividend warrant (s) so far, for any of the dividends declared for the earlier year or for any subsequent year/s are requested to make their claims immediately to the Company.

### **Appointment / Re appointment of Directors:**

#### **Details as stipulated under Clause 49 (amended) of the Listing Agreement in respect of the Director seeking re-appointment is furnished below:**

Mr. M.K. Bothra, aged about 36 years, is the Non-Executive Independent Director of the Company. He is a Commerce graduate. He is having vast experience in the field of Accounts, Financial Matters and Administration etc.

At ensuing Annual General Meeting, Mr. M. K. Bothra, Director retires by rotation and being eligible offers himself for re-appointment.

## Adinath Bio-Labs Limited



### Statements pursuant to clause (iv) of proviso to sub - paragraph C of paragraph 1 of section II of Part II of Schedule XIII to the Act

#### I. General Information:

(1) **Nature of industry**

The company is engaged in the trading of Products and Commodities (Agricultural, Pharma and Chemicals) and involved in IT activities.

(2) **Date or expected date of commencement of commercial production**

The Company is an existing company

(3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

The Company is an existing company

(4) **Financial performance based on given indicators**

(Rs.in lacs)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Total Income	4228.29	5362.99
Profit before Tax	70.47	87.44
Profit after Tax	67.92	87.48

(5) **Export performance and net foreign exchange collaborations**

The Company has not earned any income in foreign exchange.

(6) **Foreign investments or collaborators, if any.**

The Company has not any foreign investments or collaboration during the financial year.

#### II. Information about the appointee:

(1) **Background details**

(2) **Past remuneration**

(3) **Recognition or awards**

(4) **Job profile and his suitability**

(5) **Remuneration proposed**

(6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

(7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

No Executive Director Appointed during the FY 2011-12

### **III. Other information:**

#### **(1) Reasons of loss or inadequate profits**

The profit of the company for the year ended 31.03.2012 is comparatively lower from last year due to sluggish marketing conditions.

#### **(2) Steps taken or proposed to be taken for improvement**

The company expects to improve its margins and profitability by entering into new emerging market.

#### **(3) Expected increase in productivity and profits in measurable terms.**

It is difficult to quantify the improvement in productivity and profits in measureable terms.

### **IV. Disclosures:**

**(1) The shareholders of the company shall be informed of the remuneration package of the managerial person.**

**(2) The following disclosures shall be mentioned in the Board of director's report under the heading "Corporate Governance", if any, attached to the annual report: -**

**(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;**

**(ii) Details of fixed component and performance linked incentives along with the performance criteria;**

**(iii) Service contracts, notice period, severance fees;**

**(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.**

Remuneration package of the managerial person is duly entered in the Report on Corporate governance annexed hereto the report of the Board of Directors.

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Dear Shareholders,

Your Directors are pleased to present the 31<sup>st</sup> Annual Report together with the Audited Statement of Accounts and the Auditors Report of your company for the year ended 31<sup>st</sup> March, 2012. The Financial highlights for the year under review are given below:

**FINANCIAL RESULTS**

(Rs. in Lacs)

	<b>31<sup>st</sup> March, 2012</b>	<b>31<sup>st</sup> March, 2011</b>
Total Income	4228.29	5362.99
Profit before Depreciation & Tax	126.06	126.38
Depreciation	55.59	38.94
<b>Profit before Tax</b>	<b>70.47</b>	<b>87.44</b>
Less – Tax	2.55	-0.04
<b>Profit after Tax</b>	<b>67.92</b>	<b>87.48</b>
Add: Balance of Profits for earlier years	211.47	123.99
<b>Balance available for Appropriation</b>	<b>279.39</b>	<b>211.47</b>

**DIVIDEND**

Due of lower profit and requirement of funds for the existing business activities, your Directors do not propose any dividend for the financial year 2011 – 2012 (Previous year – Nil Dividend).

**PERFORMANCE**

The Total Income for the financial year under review decreased to Rs. 4228.29 Lacs against Rs.5362.99 Lacs during previous year whereas the Profit after Tax generated by the company during the year under review is Rs.67.92 Lacs as compared to Rs. 87.48 Lacs during the previous year. The PAT for the financial year under review is lower due to lower margins in the business and reduction in total income during this financial year. However, the company is working hard to increase the profitability in the forthcoming years.

**DIRECTORS**

Mr. M. K. Bothra, Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**LISTING OF SHARES**

Equity shares of the Company are listed at Calcutta Stock Exchange. Equity shares of the company are also traded under permitted category at Bombay Stock Exchange. Listing fees had already been paid in pursuance to clause 38 of the listing agreement.

## **AUDITORS & AUDITORS OBSERVATION**

M/s. Mohindra Arora & Co., Chartered Accountants, the auditors of the company who hold office until the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The observations of the Auditors as referred to in the Auditor's Report are properly explained in the financial statements.

## **FIXED DEPOSITS**

The company has not accepted any public deposit and, as such, no amount of principal or interest was outstanding on the date of Balance Sheet.

## **COMPLIANCE WITH THE ACCOUNTING STANDARDS**

The Company prepares its accounts and other financial statements in accordance with the relevant accounting principles and also complies with the accounting standards issued by the Institute of Chartered Accountants of India.

## **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

Your Company has in place adequate Internal Control system, which is duly supported by Internal Audit and management reviews with documented policies and procedures.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance is included in the Annual Reports and the Certificate from Company's auditors confirming the compliance with the code of Corporate Governance as enumerated in clause 49 of the listing of agreements with the Stock Exchange is annexed hereto.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as stipulated under clause 49 of the Listing agreement with Stock Exchange is presented separately forming part of the Annual Report.

## **HRD INITIATIVES**

The Company strongly believes that the growth of the organization can be sustained through the continuous development of its people who contribute to the business success. Today the Company is proud of its performance driven team. It is the strategy of the leadership team and the execution skills of our people that will take the organization to greater heights.

Today HR has become a critical catalyst for continuous transformation during a phase of rapid growth and transition from a mid-sized company to a large corporation, in line with the company's vision.

## **DIRECTORS RESPONSIBILITY STATEMENT**

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



- (i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) 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 31<sup>st</sup> March, 2012 and of the profits of the company for the year ended on that date;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO,**

The statement of particulars under section 217(1)(e) of the Companies Act, 1956 regarding conservation of energy, technology absorption and Foreign exchange earnings and outgo are given below::

- a) Your Company, being involved in Trading and IT activities, has not consumed energy of any significant level. Accordingly, no measures were taken for energy conservation and no investment is required to be for reduction of energy consumption.
- b) No comment is made on technology absorption, considering the nature of activities undertaken by your company during the year under review.
- c) No Expenditure has been made for research and development.
- d) There were no Foreign Exchange earnings or out go during the year under review.

**PARTICULARS OF EMPLOYEES**

There are no employees drawing remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with companies (Particulars of employees) Rules 1975.

**ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation of the contributions made by the employees at all levels, whose continued commitment and dedication helped the company achieve better results. The Directors also wish to thank customers, bankers, Central and State Governments for their continued support. Finally your directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us and your Co-operation & never failing support.

**For and on behalf of the Board of Directors**

**Place : Kolkata**  
**Date : 02/08/2012**

**A. K. Jain**  
**(Whole Time Director)**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The management of Adinath Bio-Labs Limited presents the analysis of performance of the Company for the financial year 2011-2012 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments.

### **Company Overview**

Adinath Bio-labs Ltd. is engaged in the trading of pharmaceutical raw material and chemicals for the pharmaceutical and aromatic industries alongwith trading of commodities with an excellent track record in the Indian domestic market since 31 years.

A professionally managed organization, Adinath Bio-Labs Ltd is listed on the Bombay Stock Exchange and the Calcutta Stock Exchange.

With adherence to strong business ethics and transparent corporate policies, we have established ourselves as one of the established trader of Natural Essential Oils and pharmaceutical ingredients. We have been serving our esteemed clientele with complete reliability, exactness and assurance for quality.

Corresponding to the need gaps & requirement of pharmaceutical and the aroma industry, we are driven by a vision to offer high quality products.

Our main products in the essential oil division are Mentha Piperata, Spearmint oil, Basil oil, clove, eucalyptus oil etc.

### **Financial Performance**

The Company's performance was satisfactory during Financial Year 2011-2012. During the financial year 2011-12, the Company reported revenues of Rs.4217.32 Lacs a decline of 25.29% compared with Rs. 5645.05 Lacs in the previous financial year. The PAT decreased from Rs. 87.48 Lacs in 2010-11 to Rs. 67.92 Lacs in FY 2011-12. This is due to increased purchase costs.

### **Mission**

Our mission is to achieve business excellence and dedicate ourself for increasing long – term business relationship with our customers, keeping in the view the needs and interests of all our stakeholders.

### **Vision**

To provide a range of international quality products at competitive prices through integration, research & development.

### **Management Team**

Adinath Bio-Labs possesses a multi skilled, highly experienced management team with highly qualified professionals having extensive operational, marketing, and financial experiences of many years, who are working together as a team for the success and growth of our company. Our team is committed to developing, manufacturing, marketing and distributing safe, innovative and quality pharmaceuticals which gives us an upper hand over our competitors in the industry.