



***32nd Annual Report
2012-2013***

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, 1st Floor, Kolkata – 700 001 Phone / Fax : 033 – 22315718 Email: investors@adinathbio.com Website: www.adinathbio.com	
AUDITORS	:	M/s. Mohindra Arora & Co. Chartered Accountants Mumbai	
COMPANY SECRETARY	:	Mrs. Sujata Dange	
BANKERS	:	HDFC Bank ICICI Bank	
REGISTRAR & TRANSFER AGENT	:	Adroit Corporate Service Pvt. Ltd. 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 Phone: 022 – 2859 0942 Fax : 022 – 2850 3748	

Notice

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Adinath Bio-Labs Limited will be held on Tuesday, 3rd September, 2013 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, 2013, together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in the place of Dr. A.A. Sisodia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Mohindra Arora & Co (Firm Registration No. 00655IN) as the Statutory Auditors, who shall hold office from the conclusion of this Annual General 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 : 30/07/2013**

**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 28/08/2013 to 03/09/2013 (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:

Dr. A. A. Sisodia, aged about 42 years, is the Non - Executive Independent Director of the Company. He is a Law graduate. He is having vast experience in the field of legal corporate affairs, Accounts, Financial Matters and having expertise in Yoga and spiritual activities. The company is utilizing his opinion in all respective fields of business.

At ensuing Annual General Meeting, Dr. A. A. Sisodia, Director retires by rotation and being eligible offers himself for re-appointment.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting 32nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013. The Financial highlights for the year under review are given below:

FINANCIAL RESULTS

	(Rs. in Lacs)	
	31st March, 2013	31st March, 2012
Total Income	4307.01	4228.29
Profit before Depreciation & Tax	109.36	126.06
Depreciation	39.60	55.59
Profit before Tax	69.76	70.47
Less – Tax	0.04	2.55
Profit after Tax	69.72	67.92
Add: Balance of Profits for earlier years	279.39	211.47
Balance available for Appropriation	349.11	279.39

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 2012 – 2013 (Previous year – Nil Dividend).

PERFORMANCE

The Total Income for the financial year under review increased to Rs.4307.01 Lacs against Rs. 4228.29 Lacs during previous year whereas the Profit after Tax generated by the company during the year under review is Rs.69.72 Lacs as compared to Rs. 67.92 Lacs during the previous year. However, the company is working hard to increase the profitability in the forthcoming years.

DIRECTORS

Dr. A. A. Sisodia, 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.

CORPORATE SOCIAL RESPONSIBILITY

The Company has adopted Corporate Social Responsibility Initiative and focuses on key areas as education, healthcare etc in accordance with the provisions of the relevant Acts and rules made there on.

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 31st March, 2013, 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 31st March, 2013 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(as amended).

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 : 30/07/2013

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 2012-2013 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 REVIEW

Adinath Bio-labs Ltd. is engaged in the business of pharmaceutical raw material and chemicals for the pharmaceutical and aromatic industries alongwith trading of commodities with an excellent track record of growth in the Indian domestic market since 32 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 quality business house of Natural Essential Oils and pharmaceutical ingredients. We have been serving our esteemed clientele with complete reliability, exactness and assurance for quality. Manufactured from premium quality raw material, our products are reputed for their high quality.

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 2012-2013. During the financial year 2012-13, the Company reported revenues of Rs.4307.01 Lacs compared to Rs.4228.29 Lacs in the previous financial year. The PAT has increased to Rs. 69.72 Lacs from Rs.67.92 Lacs in FY 2011-12.

Products

The Company is marketing pharmaceutical raw material and chemicals and trading commodities. The Products of the Company are enjoying wide acceptance in various user industries even though the cost pressures and competition among major pharmaceutical players has increased.

The company is engaged in the business of natural menthol and peppermint oil like liquid menthol, mentha oil, natural recryst flakes, crude menthol oil etc.

Mint Products

- Menthol Crystals
- Natural Melted Menthol
- Crude Mentha Oil Natural
- Liquid Menthol
- Peppermint Oil

Essential Oil Products

- Menthones
- Mentha Piperata Natural
- Spearmint Oil
- Basil Oil Natural

Other Products

- Carboxylic Acids / Dicarboxylic Acids
- Laboratory Reagents
- Morpholine / Phenanthroline
- Quinoline / Isoquinolines
- Phenol / Resorcinol / Anisole
- Chemical Compounds - 5-bromovanillin, 4-cyanobenzaldehyde, isovanillin, phloroglucinol, suberonitrile etc.
- Commodities- Sack, Soya, Chana, Jute, Isabgol, Copra, Guar gum

INDUSTRY STRUCTURE AND DEVELOPMENT

Essential Oils have added a lot of value to the growth of flavor and fragrance industry as well as agriculture. The economy of the country being agriculture based, its farmers were engaged in traditional agriculture growing mostly food crops, which has caused them low returns. Imperative need has, therefore, been felt of growing essential oil bearing crops for a long time past, under diversified farming programme which have proved to be cash crops offering much better returns to the farmers.

The process of globalization of Fragrance and Flavour industry, which started about a decade before, is now growing rapidly. Essential oils are the backbone of the Fragrance and Flavour industry all over the world. Besides this, essential oils will gain added importance due to environment safety and regulatory provisions applicable to petroleum – based aroma chemicals causing pollution.

There has been a general uncertainty across the world due to repeated economic and civic events. Besides a continuing economic across the world, major civic events are taking place in other parts of the world. Although India has been playing an increasing important role in the world economy, it has also seen reduced growth and has not been able to deliver on projections and expectations.

Despite such adverse conditions, the company has fared fairly well. Profitability has improved and the management believes that the company is at a point of upward inflection in yielding better results for its stakeholders.

OUTLOOK

The company remains optimistic about the bright future lying ahead. It will endeavor to grow by building on its strengths for competitive advantage. The domestic business is becoming more competitive with the entry of new players from the emerging economies. On the other hand, the Government induced changes in select markets and the ongoing consolidation in the Industry is bringing forth new challenges in the market place. The generic segment has inherent risks of patent litigation, product liability, continuous development in R&D, capital investment, increasing regulation and compliance related issues, particularly in developed markets.

RISK AND CONCERNS

Uncertainties in business offer opportunities and downside risks. Consequently, the company recognizes the importance of well structured system to identify and manage the different elements of risk. Pressure on margins, high raw material prices, availability of substitutes, indiscriminate imports, higher overheads, patent litigation are some factors which could impact adversely especially as we strive to tap into the regulated markets.