

ADI RASAYAN LIMITED

**20TH ANNUAL REPORT
2011-12**

**BOOK-POST
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ADI RASAYAN LIMITED
Regd. Office: 48 Gujarat Grain Market,
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Khokhra Mehdabad,
Ahmedabad - 380 050

**20th ANNUAL REPORT
2011-12**

Directors

Dinesh Harchand Desai (Upto 10.02.2012)	- Executive Director
Vikram Ramanlal Shah (Upto 10.02.2012)	- Executive Director
Dahyabhai Bhagubhai Patel (Upto 10.02.2012)	- Executive Director
Ashish S Pandare	- Independent Director
Lalji Ramraj Yadav	- Independent Director
Mandar Subhash Palav	- Independent Director

Auditors : M/S. Padam Chand Jain & Associates
M V House, Hajipura Garden
Shahibaug, Ahmedabad - 380 009.

Bankers : Allahabad Bank
Borivali (West), Branch

Registered Office : 23, Sarvopari Mall,
Opp. Utsav Party Plot,
Sola Road
Ahmedabad 380 050

Registrar and Share

Transfer Agent : System Support Services
209, Shivai Ind Estate,
89, Andheri Kurla Road,
Saki Naka, Andheri E,
Mumbai – 400 072

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of **Adi Rasayan Limited** will be held on Saturday, 29th September, 2012, at 11.00 A.M. at 23, Sarvopari Mall, Opp. Utsav Party Plot, Sola Road, Ahmedabad 380 063 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, 2012 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2012 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Mandar S. Palav - 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 a Director in place of Mr. Lalji Ramraj Yadav - Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 4) To appoint M/S Padam Chand Jain & Associates, as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting, until the conclusion of next AGM and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Place: Ahmedabad

Date: 10th August 2012

**Sd/-
Director**

**Sd/-
Director**

NOTES:

1. A member entitled to attend and vote 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. Proxies in order to be effective must be received by the company not later 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday 25th September, 2012 to Saturday 29th September, 2012 (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 THE BOARD OF DIRECTORS,

Place: Ahmedabad

Date: 10th August 2012

**Sd/-
Director**

**Sd/-
Director**

DIRECTORS' REPORT

The Directors have pleasure in presenting their 20th Annual Report on the business and operations of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS & OPERATIONS:

Accounting year 2011-2012 is the 20th 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. Mandar S. Palav and Mr. Lalji Yadav, Directors of the Company who retires by rotation under Article 104 of Articles of Association of the Company and being eligible offers themselves for re-appointment as directors of the Company.

5. AUDITORS:

M/s. Padam Chand Jain & Associates, Chartered Accountants as the Statutory Auditors of the Company, the Board recommends the reappointment of M/s. Padam Chand Jain & Associates, as auditors of the Company for the financial year 2012-13, who have also confirmed that their appointment shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Necessary Resolutions for their appointment has been proposed for the consideration of the Members of the Company.

6. AUDITOR'S REPORT:

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

6. 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.

14. 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.

15. HUMAN RESOURCES:

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

16. 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 THE BOARD OF DIRECTORS,

**Place : Ahmedabad
Date : 10th August 2012**

**Sd/-
Director**

**Sd/-
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 2011 -12.

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):

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 THE BOARD OF DIRECTORS,

**Place : Ahmedabad
Date : 10th August 2012**

**Sd/-
Director**

**Sd/-
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 2012.

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.

The trading of the company's shares has been suspended on the stock exchanges due to non compliance of the listing agreement. However, the Company has paid all listing fees and initiated steps to revoke the suspension of trading in equity shares 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 THE BOARD OF DIRECTORS,

Place : Ahmedabad
Date : 10th August 2012

Sd/-
Director

Sd/-
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, Dinesh H. Desai, 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 2011 -12.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Place : Ahmedabad
Date : 10th August 2012

Sd/-
Dinesh Desai
Chairman

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-11
(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 2011-12 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2012.

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, 2012 have been made by the Directors.

During the financial year ended 31st March, 2012, 6 Meetings of the Board of Directors were held as on 14/05/2011, 04/08/2011, 11/08/2011, 20/10/2011, 11/01/2012 and 10/02/2012.

Sr. No.	Name of Directors	Category of Directors	No. of Board Meetings during	Whether attended last AGM	Number of other Directorship	No of membership of Committees in other Public Ltd Companies
1.	Mr. Vikram R Shah	Executive Director	6	Yes	5	2
2.	Mr. Dahyabhai B. Patel	Executive Director	6	Yes	Nil	Nil
3.	Mr. Dinesh H. Desai	Chairman & Executive Director	6	Yes	Nil	Nil
4.	Mr. Ashish S. Pandare	Independent Director	6	Yes	Nil	Nil
5.	Mr. Lalji R. Yadav	Independent Director	6	Yes	Nil	2
6.	Mr. Mandar S. Palav	Independent Director	1	No	1	2

Notes:

1. Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
2. Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

Particulars of Re-appointed Directors:

Mr. Mandar Palav and Mr. Lalji Ramraj Yadav who retires by rotation and being eligible for re-appointment have offered themselves for re- appointment.

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee:**i. Terms of Reference**

The role and terms of reference of Audit Committee covers are as mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition

The Audit Committee comprised of Mr. Ashish S. Pandare Chairman, Mr. Lalji Ramraj Yadav and Shri Mandar Palav as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

During the 2011-12 under review 5 meetings of the Audit Committee were held on, 14/05/2011, 04/08/2011, 11/08/2011, 20/10/2011 and 11/01/2012. The attendance of members is as follows:

Name	Category	Meetings during the year 2011-12	
		Held	Attended
Mr. Ashish S. Pandare - Chairman	Independent, Non – Executive Director	5	5
Mr. Lalji Ramraj Yadav - Member	Independent, Non – Executive Director	5	5
Mr. Mandar Palav - Member	Independent, Non – Executive Director	5	0

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

b. Share Transfer & Shareholders'/Investors' Grievance Committee :**(i) Terms of references**

- a) To scrutinize and approve registration of transfer of shares / debentures / warrants issued / to be issued by the company.
- b) To exercise all power conferred on the Board of Directors under Article 43 of the Article of Association.
- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

(ii) Composition

The Share Transfer & Shareholders' / Investors' Grievance Committee met 5 times during the 2011-12 respectively on 14/05/2011, 04/08/2011, 11/08/2011, 20/10/2011 and 11/01/2012. The attendance of the members is as follows:

Name	Category	Meetings during the year 2011-12	
		Held	Attended
Mr. Lalji Yadav - Chairman	Independent, Non-Executive Director	5	5
Mr. Ashish Pandare - Member	Independent, Non-Executive Director	5	5
Mr. Mandar Palav - Member	Independent, Non-Executive Director	5	0

The constitution and terms of reference of the Share Transfer & Shareholders'/ Investors' Grievance Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressed of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Name and designation of Compliance officer:

- Mr. Ashwin R. Thumar, Compliance Officer.
- No. of shareholders' complaints received during the year : 0
- No. of complaints not resolved to the satisfaction of shareholders : 0
- No. of pending share transfers : 0

1. General Body Meetings:

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2010-2011	23/09/2011	11.00 am	Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006
2009-2010	30/09/2009	11.00 a. m.	Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006
2008-2009	30/09/2008	11.00 a.m.	9 Surarath, Ground Floor, Panchvati, Ahmadabad 380 006

(a) Whether Special Resolutions were put through postal ballot last year : No

(b) Are votes proposed to be conducted through postal ballot this year : No

2. Other disclosures:

(a) Related Party Transactions

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 Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

(b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

(d) Code of Conduct

The Board of Directors has not adopted the Code of Ethics and Business Principles for the Non-executive Directors as also for the employees including Executive Director.

(e) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None

REMUNERATION OF DIRECTORS

Details of remuneration paid to Directors

None of Directors have been paid during the year.

3. General Shareholder information:

(a) AGM date, time and venue: Annual General Meeting will be held on Saturday, 29th September, 2012, at 11.00 A.M. at Parking plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006.

(b) Financial Year: The Financial Year is from 1st April 2012 to 31st March 2013.
Tentative Schedule

Unaudited Results for quarter ending June 30, 2012	: End of July 2012
Unaudited Results for quarter ending September 30, 2012	: End of October 2012
Unaudited Results for quarter ending December 31, 2012	: End of January 2013
Unaudited Results for quarter ending March 31, 2013	: End of April 2013
Audited Results for year ending March 31, 2013	: End of July 2013
AGM for year ending March 31, 2013	: End of September 2013.

(c) Book Closure period: **Tuesday, 25th September, 2012 to Saturday, 29th September, 2012, both days inclusive.**

(d) Dividend payment: The Company has not declared any dividend.

(e) Stock Exchanges where securities are listed.

The Company's securities are listed at:
Bombay Stock Exchange Limited & Ahmedabad Stock Exchange Limited

STOCK MARKET DATA:

The Equity Shares of the company are listed at Bombay Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd. Your Company has paid the annual listing fees to the BSE for the financial year 2011-12. Trading in the scrip of the Company has been revoked by the BSE on 26th October, 2011. Month wise data is mentioned below:

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Oct-11	20	48	18	20.86	3,800	11	74,543	3,800	100	30	0.86
Nov-11	19.85	19.85	17.15	17.15	3,400	8	60,540	3,400	100	2.7	-2.7
Dec-11	16.3	16.3	10.45	10.45	2,900	10	40,705	2,900	100	5.85	-5.85
Jan-12	9.93	9.93	5.15	5.4	3,100	20	22,763	3,100	100	4.78	-4.53
Feb-12	5.67	5.95	5.13	5.13	5,800	15	33,290	5,800	100	0.82	-0.54

(f) **Scrip code:** 531592 - Bombay Stock Exchange Limited

Not available – Ahmedabad Stock Exchange Limited

(g) Registrar and Transfer Agent : System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Saki Naka, Andheri E, Mumbai – 400072.

(h) Share transfer system with number of shares transferred:
Share transfers in physical form are registered and returned within a period of 15-20 days from the date of receipt, in case documents are complete in all respects. The Share Transfer & Shareholders' / Investors' Grievance Committee meets at least every fortnight. The total number of shares transferred during the financial year under review was as below:

	<u>No. of transfers</u>	<u>No. of Shares</u>
Transfer:	22	15,700
Other cases (like; deletion, transmission, transposition etc.)	-	-
Total:	22	15,700

(i) **Dematerialization of shares and liquidity: Yes**

(j) **Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity. Nil**

(k) Distribution of Shareholding and Shareholding Pattern as on 31st March, 2012.**(i) Distribution of Shareholding as on 31st March, 2012:**

No. of Shares	No. of Shareholders	% of holding
001 to 500	1007	54.00
0501 to 1000	717	38.44
1001 to 2000	27	1.45
2000 to 5000	24	1.28
5001 to 10000	29	1.55
Above 10001	61	3.28
TOTAL	1865	100.00

(ii) Shareholding pattern as at 31st March, 2012:

No. of Shares held	% to Total Shares
Promoter Group*	3704800 56.82
Mutual Funds and UTI	00 0.00
Banks & Financial institutions & Insurance Companies etc.	00 0.00
Corporate Bodies	00 0.00
General Public	2814900 43.18
NRIs/ OCBs	00 0.00
TOTAL	6519700 100.00

(l) Address for correspondence:

The Company's Registered Office is situated at:
**48 GUJARAT GRAIN MARKET, OPP. ANNUPAM CINEMA,
KHOKHRA MEHAMADABAD, AHMADABAD 380 050**

Non-Mandatory Requirements:

The Company is not yet implementing the non-mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

WHISTLE BLOWER POLICY**1. Preface**

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- 1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.3 Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter-alia, provides, a non-mandatory requirement, for all listed companies to establish a mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.
- 1.4 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- 1.5 The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. Policy

- 2.1 This Policy is for the Employees as defined hereinafter.
- 2.2 The Policy has been drawn up so that Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 5.

3. Definitions

- 3.1 “Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.2 “Employee” means every employee of the Company (whether working in India or abroad).
- 3.3 “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 3.4 “Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

- 3.5 “Whistle Blower” is someone who makes a Protected Disclosure under this Policy.
- 3.6 “Whistle Officer” or “Committee” means an officer or Committee of persons who is nominated/ appointed to conduct detailed investigation.
- 3.7 “Ombudsperson” will be a Non-Executive Director for the purpose of receiving all complaints under this Policy and ensuring appropriate action. In the first instance, the Board shall appoint this Ombudsperson. The Director shall have the authority to change the Ombudsperson from time to time.

4. The Guiding Principles

- 4.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
 - 4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
 - 4.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person/ (s);
 - 4.1.3 Ensure complete confidentiality.
 - 4.1.4 Not attempt to conceal evidence of the Protected Disclosure;
 - 4.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
 - 4.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject;

5. Coverage of Policy

- 5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - 1. Abuse of authority
 - 2. Breach of contract
 - 3. Negligence causing substantial and specific danger to public health and safety
 - 4. Manipulation of company data/records
 - 5. Financial irregularities, including fraud, or suspected fraud
 - 6. Criminal offence

7. Pilferation of confidential/propriety information
 8. Deliberate violation of law/regulation
 9. Wastage/misappropriation of company funds/assets
 10. Breach of employee Code of Conduct or Rules
 11. Any other unethical, biased, favoured, imprudent event
- 5.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

6. Disqualifications

- 6.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 6.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- 6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to be prosecuted under Company's Code of Conduct.

7. Manner in which concern can be raised

- 7.1 Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- 7.2 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- 7.3 If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- 7.4 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 7.5 Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee.

- 7.6 The Ombudsperson/Whistle Officer/Committee shall:
- i) Make a detailed written record of the Protected Disclosure. The record will include:
 - a) Facts of the matter
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
 - e) Findings of Ombudsperson/Whistle Officer/Committee;
 - f) The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/ other action/(s).
 - ii) The Whistle Officer/Committee shall finalise and submit the report to the Ombudsperson within 15 days of being nominated/appointed.
- 7.7 On submission of report, the Whistle Officer /Committee shall discuss the matter with Ombudsperson who shall either:
- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer / Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
 - ii) In case the Protected Disclosure is not proved, extinguish the matter; Or
 - ii) Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Committee of Directors (Whole-time Directors) with proposed disciplinary action/counter measures. The Committee of Directors, if thinks fit, may further refer the matter to the Audit Committee for necessary action with its proposal. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its 8 recommendations. The Board may decide the matter as it deems fit.
- 7.8 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of the Audit Committee.

8. Protection

- 8.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of

discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

8.2 The identity of the Whistle Blower shall be kept confidential.

8.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
 - b. not discuss the matter in any informal/social gatherings/ meetings
 - c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
 - d. not keep the papers unattended anywhere at any time
 - e. keep the electronic mails/files under password
- If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

10. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

11. Amendment

The Executive Director of the Company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

CEO/CFO CERTIFICATION

**To,
The Board of Directors
Adi Rasayan Limited**

We, do hereby certify that:

- (a) We have reviewed financial statements and the Cash Flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations,
- (b) There are to the best of our Knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committees.
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management having a significant role in the Company's internal control system over financial reporting.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

**Place : Ahmedabad
Date : 10th August 2012**

**Sd/-
Director**

**Sd/-
Director**

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of:

Adi Rasayan Limited

48 Gujarat Grain Market,

Opp Annupam Cinema,

Khokhra Mehamabad, Ahmadabad 380050

I have examined the compliance of conditions of Corporate Governance by **ADI RASAYAN LIMITED** for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s).

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR PADAM CHAND JAIN & ASSOCIATES
Chartered Accountants

PADAM CHAND JAIN
PARTNER
Membership No. 34966

Place : Ahmadabad
Date : 10th August, 2012

AUDITORS' REPORT

To,
The Members of
ADI RASAYAN LTD

We have audited the attached Balance Sheet of **ADI RASAYAN LTD**, as at 31st March, 2012 and also the annexed Profit & Loss Account of the Company for the year ended on that date annexed thereto.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

1. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable;
 - e) On the basis of written representations from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956;
 - f) Subject to what is stated in above, in our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2012;
 - b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date;
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended that date.

For PADAMCHAND JAIN & ASSOCIATES
Chartered Accountants

Sd/-
(PADAMCHAND K. JAIN)
(Partner)
Membership No.134966

Place: Ahmedabad
Date: 10/08/2012

ANNEXURE TO THE AUDITORS' REPORT
The Companies (Auditor's Report) Order, 2003 ('CARO')

As required by Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and explanations given to us and on the basis of such checks, as we considered appropriate, we have to state that ;

- 1) a) The Company has maintained proper records showing full particulars including Quantitative details and situation of Fixed Assets.
 - b) All the assets have been physically verified by the management during the year but, according to the information and explanation given to us, there is a regular program me of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) During the year, The Company has not disposed off any substantial/major part of assets.
- 2) The company does not hold any inventory and hence the question of physical verification etc does not arise.
- 3) The company has not granted loans during the year to parties covered in the registered maintained under section 301 of the Company Act, 1956. The company has not taken unsecured loans during the year from parties covered in registered maintained u/s 301 of the Act.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- 6) The Company has not accepted any deposits under the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- 7) In our opinion, the Company has an internal audit system commensurate with size and nature of the business.
- 8) The Central Government has not prescribed the maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
- 9) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including, Income Tax, Sales Tax, Cess and any other material statutory dues applicable to it. The Company is not liable under the provisions of Investor Education and Protection Fund, Wealth Tax for the financial year covered by our audit. There are no undisputed statutory liabilities outstanding more than six months as on 31st March 2012.

- b) According to the information and explanation given to us, there are no dues of Income tax and cess, which have not been deposited on account of any dispute.
- 10) The Company have accumulated losses of Rs. 7,58,95,158/- as at 31.03.2012. The Company has incurred cash losses during the financial year covered by our audit.
- 11) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues a financial institution or bank.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company has not a chit fund, nidhi/mutual benefit fund and therefore the requirement pertaining to such class of companies is not applicable.
- 14) According to the information and explanation given to us, the Company did not deal in or trade in shares, securities, debentures or other investment .The shares and other investment acquired by the company by way of investment are held by the company in its own name.
- 15) The Company has not given any guarantee for loans taken by others from banks or financial institution.
- 16) The Company has not taken term loan from Financial Institution during the year.
- 17) On the basis of review of utilization of funds on overall basis, related information as made available to us and as represented to us by the management, funds raised on short-term basis have not been used for long-term investment during the year.
- 18) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year and therefore, the question of creating the security in respect thereof does not arise.
- 20) The Company has not made any public issue during the year and therefore, the question of disclosing the end use of money does not arise.
- 21) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For PADAMCHAND JAIN & ASSOCIATES
Chartered Accountants

Sd/-
(PADAMCHAND K. JAIN)
(Partner)
Membership No.13496

Place: Ahmedabad
Date: 10/08/2012

Balance Sheet as at 31st March, 2012

PARTICULARS	Note No	As At 31st March 2012	As At 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	6,51,97,000	6,47,93,000
(b) Reserves and Surplus	2	(7,58,95,158)	(7,45,74,067)
(c) Money received against share warrants			
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	1,11,14,395	1,01,23,880
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	4	27,76,899	65,18,196
(c) Other current liabilities	5	-	27,000
(d) Short-term provisions		-	-
Total		<u>31,93,137</u>	<u>68,88,009</u>
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments		-	-
(c) Deferred tax assets (net)			
(d) Long term loans and advances	6	1,37,000	-
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	7	25,94,127	67,23,657
(d) Cash and cash equivalents	8	4,06,079	1,17,390
(e) Short-term loans and advances		-	-
(f) Other current assets	9	55,931	46,962
Total		<u>31,93,137</u>	<u>68,88,009</u>

As per our report of even date attached
For **PADAMCHAND JAIN & ASSOCIATES**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(PADAMCHAND K. JAIN)
PARTNER
MEM. NO : 34966
Place: Ahmedabad
Date: 10/08/2012

(Ashish Pandare)
Director

(Lalaji Yadav)
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note No	Year ended On 31-03-2012 Rupees	Previous Year On 31-03-2011 Rupees
I. Revenue from Operations	10	24,60,190	89,31,906
II. Indirect Income	11	1	2,41,722
III. Total Revenue (I + II)		24,60,191	91,73,628
IV. Expenses:			
<u>Manufacturing Expenses</u>	12	26,39,565	88,98,805
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	13	3,16,524	-
Other Administrative and Selling Expenses	14	8,25,192	2,34,787
Other Misc. Expenses		-	-
Finance Costs		-	-
Depreciation and Amortization Expense		-	-
Total Expenses		37,81,281	91,33,592
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		(13,21,091)	40,036
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		(13,21,091)	40,036
VIII. Extra Ordinary Items		-	12,11,134
IX. Profit before Tax (VII - VIII)		(13,21,091)	(11,71,098)
X. Tax Expense:			
(1) Provision for Taxation		-	-
(2) Deferred Tax		-	-
XI. Profit/ (Loss) for the period from Continuing Operations (IX - X)		(13,21,091)	(11,71,098)
XII. Profit/Loss from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII)		-	-
XV. Profit/ (Loss) for the Period (XI + XIV)		(13,21,091)	(11,71,098)
XVI. Earnings Per Equity Share			
(1) Basic		(0.20)	(0.18)
(2) Diluted		-	-

As per our report of even date attached
For **PADAMCHAND JAIN & ASSOCIATES**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(PADAMCHAND K. JAIN)
PARTNER
MEM. NO : 34966
Place: Ahmedabad

(Ashish Pandare)

(Lalaji Yadav)

SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
NOTE # 1		
Share Capital		
Authorised Capital		
70,00,000 Equity Shares of Rs 10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued		
65,19,700 Equity Shares of Rs10/- each	6,51,97,000	6,51,97,000
Subscribed		
(a) Subscribed and fully paid up		
64,38,900 Equity shares of Rs.10 each with voting rights	-	6,43,89,000
65,19,700 Equity shares of Rs.10 each with voting rights	6,51,97,000	-
(b) Subscribed but not fully paid up		
80,800 Equity shares of Rs.10 each with voting rights, Rs.5 not paid up	-	4,04,000
	<u>6,51,97,000</u>	<u>6,47,93,000</u>
NOTE # 2		
Reserves and Surplus		
(a) Capital Reserve	-	-
As per last Balance Sheet	-	-
Addition during the year	-	-
	<u>-</u>	<u>-</u>
(b) Securities Premium	-	-
As per last Balance Sheet	-	-
Addition during the year	-	-
	<u>-</u>	<u>-</u>
(c) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	(7,45,74,067)	(7,34,02,969)
Addition during the year	(13,21,091)	(11,71,098)
Allocations & Appropriations		
Transfer to Reserves		
	<u>(7,58,95,158)</u>	<u>(7,45,74,067)</u>
	<u>(7,58,95,158)</u>	<u>(7,45,74,067)</u>
NOTE # 3		
Long-Term Borrowings		
Unsecured Loan		
(a) Loans and advances from related parties		
Secured	-	-
Unsecured	1,11,14,395	1,01,23,880
(b) Deposits		
Secured	-	-
Unsecured	-	-
	<u>1,11,14,395</u>	<u>1,01,23,880</u>

PARTICULARS	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
NOTE # 4		
Trade Payables		
Acceptances	27,76,899	65,18,196
other the Acceptances	-	-
	<u>27,76,899</u>	<u>65,18,196</u>
NOTE # 5		
Current Liabilities		
Professional Fees Payable	-	27,000
	<u>-</u>	<u>27,000</u>
NOTE # 6		
Long-Term Loans and Advances		
Capital Advances		
Security Deposits		
Loans and advances to Related Parties		
Other Loans & Advances	1,37,000	-
	<u>1,37,000</u>	<u>-</u>
NOTE # 7		
Trade Receivables		
Secured, Considered Good		
- Outstanding for a period exceeding six months	-	-
- Others	-	-
Less: Allowance for Bad & Doubtful Debts	-	-
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	25,94,127	-
- Others	-	67,23,657
Less: Allowance for Bad & Doubtful Debts	-	-
	<u>25,94,127</u>	<u>67,23,657</u>
NOTE # 8		
Cash and Cash Equivalents		
Balance with Banks	43,255	1,07,890
Cash on Hand	3,62,824	9,500
	<u>4,06,079</u>	<u>1,17,390</u>
NOTE # 9		
Other Current Assets (Residual Head)		
Others (specify nature)		
- TAX DEDUCTED AT SOURCE	22,222	22,222
- MVAT CREDIT WITH MAHARASHTRA GOVT.	8,969	24,740
- DEPOSIT WITH SALES TAX	24,740	-
	<u>55,931</u>	<u>46,962</u>

PARTICULARS	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
NOTE # 10		
Revenue From Operations		
Sale of Products	24,60,190	89,31,906
Sale of Services	-	-
Other Operating Revenues	-	-
Less: Excise Duty	-	-
	<u>4,60,190</u>	<u>89,31,906</u>
NOTE # 11		
Other Incomes		
Direct Income - Consultancy Income	-	-
Dividend Income	-	-
Other Non-Operating Income	1	2,41,722
	<u>1</u>	<u>2,41,722</u>
NOTE # 12		
Manufacturing Expenses		
Cost of Materials Consumed	26,39,565	88,98,805
Purchases of Stock-in-Trade	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-
Other Manufacturing Expenses	-	-
	<u>26,39,565</u>	<u>88,98,805</u>
NOTE # 13		
Employee Benefit Expenses		
Salaries and Wages	3,16,524	-
Contribution to PF and Other Funds	-	-
Staff Welfare Expenses	<u>3,16,524</u>	<u>-</u>
NOTE # 14		
Other Administrative and Selling Expenses		
Audit Fees	10,000	-
Shares Transfer Agent Fees	40,000	-
Profession Tax	5,000	-
Bank Charges	1,196	3,257
Various Listing Fees & Complainece Fees & Filing Fees	6,71,601	-
Stock Exchange Fees	28,665	1,99,000
Professional Fees	8,000	27,500
Website Development Fees	22,000	-
Sales Tax Registration fees	-	5,030
Bombay Stock Exchange Fees	2011	38,730
BSE reinstalment Fees	-	-
	<u>8,25,192</u>	<u>2,34,787</u>

SIGNIFICANT ACCOUNT POLICES AND NOTES TO ACCOUNT

A.. SIGNIFICANT ACCOUNTING POLICES

- (a) The company follows the accrual system of accounting in accordance with the requirement of the Companies Act, 1956 and complies with the accounting standards referred to in sub-section 211 of the said Act.
- (b) The accounts are prepared on historical cost basis and on the basis of going concern. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

B. NOTES FORMIMG PART OF ACCOUNTS:

- 1 Under the Micro Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of complying relevant information from its suppliers about their coverage under the Act. Since the relevant information is not presently available, no disclosures have been made in the accounts.
- 2 The company has suspended manufacturing activities during the financial year 2003-2004 and there are no intentions to resume the manufacturing activities. In spite of these facts the accounts have been prepared on the basis of going concern.
- 3 Corresponding figures of the previous year have been regrouped or rearranged to make it comparable with this years' figure, wherever necessary.
- 4 In view of the fact that the company has suspended manufacturing operations, particulars required to be furnished as per part-III of Schedule-6 of the Companies Act, 1956 has not been furnished.
- 5 The company is not having net deferred tax assets. Deferred tax assets, which have arisen mainly on account of unabsorbed depreciation and carried forward losses, have been considered for recognition, as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Therefore, net deferred tax asset has not been recognized in the accounts of the company.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	<u>31-03-2012</u>	<u>31-03-2011</u>
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax and Extra Ordinary items	(13.21)	(11.71)
<u>Adjustment for:-</u>		
Provisions	-	-
Misc. Balance Written Off	-	(12.11)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(13.21)	0.40
<u>Adjustment for:-</u>		
Increases Trade and other receivables	41.21	(67.71)
Decreases Trade Payables	(37.68)	65.45
Others receivables/Current Assets/Deferred Tax Assets	-	-
Cash generated from operations	3.52	(2.25)
Direct Taxes Paid	-	-
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES I	(9.69)	(1.85)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
New Investments	-	-
Sale of Investments	-	-
Interest Received	-	-
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES II	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Loan From Directors & Relatives	9.91	3.00
Preceeds from issue of share capital	4.04	-
Preceeds from Long term borrowings	-	-
Repayment of Financial Liability & Advances	-	-
Dividend Paid	-	-
Loan Given	(1.37)	-
NET CASH USED IN FINANCING ACTIVITIES III	12.58	3.00
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS (I + II + III)	2.89	1.15
Add:- CASH & CASH EQUIVALENTS AS AT BEGNNING	1.17	0.03
CASH & CASH EQUIVALENTS AT AT END	4.06	1.17
	(0.00)	0.00

For ADI RASAYAN LIMITED

Place: Ahmedabad
Date: 10/08/2012Sd/-
(Ashish Pandare)Sd/-
(Lalaji Yadav)

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of ADI RASAYAN LIMITED for the period ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with correspondence Profit & Loss Account and Balance Sheet of the Company covered by our report of 10.08.2012 to the members of the Company.

In terms of our Certificate of even date
For **PADAMCHAND JAIN & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
(PADAMCHAND K. JAIN)
PARTNER
MEM. NO : 34966

Place: Ahmedabad
Date: 10/08/2012

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS		REGISTRATION NOS.	018572
	STATE CODE 04		BALANCE SHEET DATE	03.2012
II	CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)			
	PUBLIC ISSUE	NIL	RIGHT ISSUE	
	NIL			
	BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL
III	POSITION OF MOBILISATION & DEPLOYMENT OF FUND (AMOUNT IN RS. THOUSANDS)			
	TOTAL LIABILITIES	3,193	TOTAL ASSETS	3,193
	SOURCES OF FUNDS		APPLICATION OF FUNDS	
	NET FIXED ASSETS	—		
	PAID UP CAPITAL	65,197	RESERVE & SURPLUS	—
	NET CURRENT ASSETS	2,79		
	SECURED LOAN	—		
	UNSECURED LOAN	11,114	MISC. EXPENDITURE (DEBIT OF P/L A/C)	75,895
IV	PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)			
	TURNOVER INCLUDING	2,460	TOTAL EXPENDITURE	3,781
	OTHER INCOME			
	PROFIT BEFORE TAX	(1,321)	PROFIT AFTER TAX	(1,321)
	EARNING PER SHARE	N. A.	DIVIDEND RATE %	NIL
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)			
	ITEMS CODE NO.			
	PRODUCT DESCRIPTION			

As per our attached report of even date

**For PADAMCHAND JAIN & ASSOCIATES,
DIRECTORS,
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD OF

**PADAMCHAND K.JAIN
PARTNER
Membership No. 34966**

**PLACE: AHMEDABAD
DATED: 10TH AUGUST 2012**

Sd/-
Director

Sd/-
Director

ADI RASAYAN LIMITED

Registered Office: 48 Gujarat Grain Market. Opp. Annupam Cinema
Khokhra Mehmdabad, Ahmedabad 380 050.

ATTENDANCE SLIP

I/We _____
being a Member/Members of ADI RASAYAN LIMITED. Hereby appoint _____ of
_____ or failing him/her _____ of
_____ as my/our proxy of vote for me/us on my/our behalf at the 20th Annual
General Meeting of the company to be held on Saturday, 29th Day of September 2012 at Parking Plot,
Indrapuri Apartments, Ellisbridge, AHMEDABAD 380006 at 11.00 A.m. and at any adjournment thereof.

Reg. Folio No. _____

No. of Shares held _____

Signed this

Notes:

1. The proxy Form Must be Lodged at the registered office of The Company, Not less Than 48 hours before the time of commencement of the aforesaid Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. A Proxy need not be a Member.

ADI RASAYAN LIMITED

Registered Office: 48 Gujarat Grain Market. Opp. Annupam Cinema
Khokhra Mehmdabad, Ahmedabad 380 050

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company held on
Saturday, 29th Day of September 2012 at Parking Plot, Indrapuri Apartments, Ellisbridge, AHMEDABAD
380006, at 11.00 a.m. and at any adjournment thereof.

Full Name of the Member (in Block Letters) _____

Reg. Folio No. _____

No of Shares held _____

Full Name of Proxy (in Block Letters) _____

Member's/ Proxy's Signature

NOTE: Shareholders are requested to bring this slip to the Meeting duly filled up including Folio
Number & Number of Shares held.