



***30th Annual Report
2010-11***



BOARD OF DIRECTORS : Mr. A.K.Jain Whole Time Director
(w.e.f. 1.05.2011)

Dr. A.A.Sisodia Director

Mr. M.K.Bothra Director

Mr. Jyotiraaditya Singha Director

REGISTERED OFFICE : 4, N.S.Road, 1st Floor,
Kolkata - 700 001.

AUDITORS : M/s Mohindra Arora & Co.
Chartered Accountants
Mumbai

COMPANY SECRETARY : Ms. Sujata Dange (w.e.f. 01/07/2011)

BANKERS : HDFC Bank
ICICI Bank

REGISTRAR & TRANSFER AGENT : Adroit Corporate Service Pvt. Ltd.
19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Mumbai - 400 059.



NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of Adinath Bio-Labs Limited will be held on Tuesday, 27th September, 2011 at 10.00 A.M. at O2 Hotel, VIP Road, Kaikhali, Kolkata - 700 052 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Jyotiraaditya Singha, 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.

SPECIAL BUSINESS:

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

“RESOLVED that pursuant to the provisions of section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (herein after referred as the Act) including Schedule XIII of the Companies Act, 1956, consent of Company be and is hereby accorded to the appointment of Mr. Abhishek Kumar Jain as a Whole Time Director of the Company for the period of three years commencing from 01/05/2011 on a remuneration of Rs.35000/- per month (including perks).”

“RESOLVED FURTHER THAT Mr. Alam Ali Sisodia Director / or any other Director of the Company be and is hereby authorized to file the necessary documents under the provisions of the Companies Act within the specified period with Registrar of Companies, West Bengal, Kolkata, and other concern department.”

By Order of the Board
For Adinath Bio-Labs Limited

Place: Kolkata
Date: 17/08/2011

Abhishek Kumar Jain
(Whole Time Director)

//////
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 21/09/2011 to 27/09/2011 (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. Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of the special Business of the above Notice is annexed hereto. All documents referred to in the Notice and explanatory statements are open for inspection at the registered office of the Company on all working days, except Sunday between 11:00 A.M. to 1:00 P.M. up to the date of the Annual General Meeting.
6. Members are requested to kindly notify immediately change if any in their address to the company.
7. 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.
8. Corporate members are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the meeting.
9. In terms of circular No 17/ 2011 dated April 21, 2011 and circular No 18/2011 dated April 29, 2011 issued by Ministry of Corporate Affairs (MCA), the Company proposes to send you from next financial year 2011-2012 onwards, all communication including Notices of Meetings, Annual Reports and financial Statements etc. or to receive any other document prescribed under any law through Electronic mode to the e-mail addresses, which would be made available to us by the Depositories and also which are registered and /or otherwise available with the Company's Registrars and Shares Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd. Mumbai from time to time. The full text of all such documents and communication will also be displayed at the website of the Company www.adinathbio.com
We seek your kind co-operation and support in our Green initiative and request you to register your e-mail id with your Depository participants. The members still holding the equity shares of the company in physical form are requested to provide / update their e-mails Id with the Company's Registrar and Share Transfer Agent at info@adroitcorporate.com or with the Company at info@adinathbio.com
If at any time a shareholder desire, they may receive all communication in physical form on written request.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF
THE COMPANIES ACT, 1956.**

Item No.4

At the meeting of the Board of Director of the Company held on 12/04/2011, Mr. Abhishek Kumar Jain has been appointed as a Whole Time Director of the Company with effect from 01/05/2011 for the period of three years and payment & terms of remuneration recommended by remuneration committee. He has vast experience in the various fields such as accounts, administration and business Promotion etc. The Company will be immensely benefitted towards the ongoing growth of the Company. It is therefore proposed to appoint him as a Whole Time Director for the period of three years thereby approving the terms and conditions of such appointment.

The terms and conditions of his appointment are as follows:

Tenure of agreement

The appointment of Mr. Abhishek Kumar Jain has been made for the period of three years from 01/05/2011 to 30/04/2014.

Nature of duties

Mr. Abhishek Kumar Jain shall perform as Director and exercise such powers from time to time be entrusted to him, subject to the superintendence and contract of the Board of Directors of the Company.

Remuneration

Salary & Perquisites per month:

Rs.25000/- Salary

Rs.10000/- other benefits (perquisites)

Except for Mr. Abhishek Kumar Jain no other Directors is in any way concerned or interested in the Resolution.

The Board of Director recommends the resolution(s) set out at Item No. 4 of the accompanying Notice for approval of the Members.

Appointment / Re appointment of Directors:

At ensuing Annual General Meeting, Mr. Jyotiraaditya Singha Director, retires by rotation and being eligible offers himself for re-appointment. The relevant information as required under Clause 49 of the Listing Agreement concerning Corporate Governances Code in respect of re-appointment of Directors is given below for information of the Members.

Mr. Jyotiraaditya Singha Non-Executive Director of the Company is having lot of experience in the field of Accounts, Finance, taxation etc. The Company is utilizing his experience in all respective field of the business operation.

////////////////////////////////////

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors are pleased to present the 30th Annual Report together with the Audited Statement of Accounts and the Auditors Report of your company for the year ended 31st March, 2011. The Financial highlights for the year under review are given below:

FINANCIAL RESULTS

	31st March, 2011	31st March, 2010
		<i>(Rs.in Lacs)</i>
Total Income	5362.99	3276.49
Profit Before Depreciation & Tax	126.38	229.17
Depreciation	38.94	33.00
Profit Before Tax	87.44	196.17
Less - Tax	-0.04	6.44
Profit After Tax	87.48	189.73
Add: Balance of Profits for earlier years	123.99	108.19
Balance available for Appropriation	211.47	297.92

APPROPRIATIONS

Dividend	0	132.44
Tax on Dividend	0	22.51
General Reserve	0	18.97
Balance carried to Balance Sheet	211.47	123.99

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 2010 - 2011 (Previous year @ Rs.0.06 per equity share of Face Value Re.1/-).

PERFORMANCE

The Total Income for the financial year under review increased to Rs. 5362.99 Lacs against Rs. 3276.49 Lacs during previous year whereas the Profit after Tax generated by the company during the year under review is Rs.87.48 Lacs as compared to Rs. 189.73 Lacs during the previous year. The PAT for the financial year under review is lower due to lower margins in the business of your company during this financial year. However, the company is working hard to increase the profitability in the forthcoming years.



DIRECTORS

During the current year, Mr. Biresh Kumar Thaker resigned from the post of Whole Time Director w.e.f. 02/02/2011 due to his preoccupation. Your Directors place on record of their appreciation for the services rendered by him.

Mr. Abhishek Kumar Jain was inducted as a Director and presently he has been appointed as a Whole Time Director of the Company for the period of three years w.e.f. 01/05/2011, subject to approval of members at the ensuing Annual General Meeting.

Mr. Abhishek Kumar Jain terms of appointment and remuneration are detailed out in the explanatory statements accompanying in the notice of the meeting.

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

Necessary resolution for the reappointment of the aforesaid director has been included in the notice convening the Annual General Meeting.

COMPANY SECRETARY

Miss Sujata Dange, ACS, Member of Institute of Company Secretaries of India has been appointed Company Secretary cum Compliance Officer of the Company pursuant to section 383A and other applicable provisions of the Companies Act, 1956, in place of Miss Richa Sharma, Company Secretary cum Compliance Officer of the Company who has resigned due to her pre-occupation.

LISTING OF SHARES

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

MANAGEMENT & DISCUSSION AND ANALYSIS

In compliance with the provision of clause 49 of the listing agreement with the Stock Exchanges, detailed review of the operations, performance and future outlook of the Company is annexed hereto.

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 suitably explained in the notes to the account.



////////////////////////////////////
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.

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

Your Directors want to place on record their appreciation for the contribution made by employees at all levels, who through their steadfastness, solidarity and with their co-operation and support have made it possible for the company to achieve the current status it enjoys in the industry.

It is the endeavour of the company to create in its employees a sense of belonging, and an environment that promotes openness, creativity and innovation. All our manpower initiatives are implemented with the aim of maximizing productivity and aligning organizational needs with employees aspirations.

PARTICULARS OF EMPLOYEES

There is no employee drawing remuneration in excess of the limits prescribed in Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (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

Adinath Bio-Labs Limited



fair view of the state of affairs of the company at the end of the financial year 31st March 2011 and of the profit of your company for that period;

- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis.

TECHNOLOGY, R&D AND FOREIGN EXCHANGE

The provisions of Section 217(1) (e) of the Companies Act, 1956, with regard to conservation of energy and technology absorption are not applicable to the company. The company has not incurred any expenditure or earned any income in foreign exchange during the period under review.

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 : 26/07/2011**

**Abhishek Kumar Jain
(Whole Time Director)**



ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

The operations of your company are not energy intensive. Your Company evaluates on an on-going basis new technologies and techniques to make infrastructure more energy efficient. Investments are made on a continuous basis to reduce energy consumption.

Adequate measures have been taken to reduce energy consumption. Efforts are being made on an on-going basis to conserve and optimise the use of energy in regular operations by introducing state-of-art equipment for consumption of energy.

B. RESEARCH AND DEVELOPMENT

a) The Company's R&D Effort

To enhance its capability and customer service, the company continues to make investment in R&D. The R&D activities are carried out in-house in the knowledge management and efficiency development, etc.

b) Benefits of R&D Efforts

The benefits of R&D have led to improved performance due to upgradation of existing knowledge. The R&D has resulted in direct benefits in improved productivity and customer service.

c) Future Plan on R&D

The on-going process of R&D will be directed towards creation of new productive methods, tools and utilities, development of advanced techniques and process. This will help in the development of the company. The company will continue to leverage new technologies and upgrade existing performance. This will enable the company to introduce and implement new technology to meet changing market.

d) Expenditure on R&D

Nil

A. FOREIGN EXCHANGE EARNING AND OUTGO

The total foreign exchange earning of the company was Nil whereas the outgo was Nil during the financial year.



//////////////////////////////////////
MANAGEMENT DISCUSSION AND ANALYSIS

The management of Adinath Bio-Labs Limited presents the analysis of performance of the Company for the financial year 2010-2011 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 manufacture 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 30 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 manufacturers 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.

Corresponding to the need gaps & requirement of pharmaceutical and the aroma industry, we are driven by a vision to offer high quality products. We aim to continually enhance our production facility in order to provide consistency in quality & delivery system.

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 2010-2011. During the financial year 2010-11, the Company reported revenues of Rs.5645.05 Lacs a growth of 73.70% compared with Rs. 3249.82 Lacs in the previous financial year. The PAT decreased from Rs. 189.73 Lacs in 2009-10 to Rs. 87.48 Lacs in FY 2010-11. 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 become a global pharmaceutical export company, by providing 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. The Company has 16 full time employees and 14 part time employees.

Quality Control

The importance of quality cannot be undermined in any organization. The pharma industry is subject to strict quality control and scrutiny. At Adinath Bio-Labs, We believe that quality is the mainstay of competitiveness and we take considerable pride in the quality that we ensure and assure. We are committed to develop, manufacture and distribute products that meet the highest standards of quality in terms of purity, safety and efficacy.

Highly specialised training programmes, seminars, workshops are conducted on an ongoing basis and form a part of the quality management programme.

Products

The Company is manufacturing 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 manufacture and trade 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 Overview

Essential Oils

An essential oil is a concentrated, hydrophobic liquid containing volatile aroma compounds from plants. According to industry sources, more than 3,000 essential oils are known. Out of these, some 300 are used for commercial purposes on a regular basis. Essential oils are odoriferous bodies of an oily nature obtained from herbal sources generally liquid (sometimes semi-solid or solid) at ordinary temperatures and volatile without decomposition. These are the constituents of plants generally volatile in steam. They are used in cosmetics, toiletries, tooth-paste, food products like confectionery, chocolate, ice cream and pharmaceuticals. Many of the developing countries have vast potential in cultivating the herbs due to their climate, rainfall and geographical conditions.

Growth rates of essential oil is about 9% and 25% for domestic and export market respectively. Generated from home market as well as export market the source of demand depends on the end use industries which are primarily personal care products, food products, pharmaceuticals. The demand for essential oil in the

- Fragrance industry is 60%,
- Flavour industry 20% and
- Pharmaceutical industry 20%

The global essential oils market is currently valued at US\$ 16 - 18 billion.

Globally, the Flavor and Fragrance (F&F) form a \$17.8-billion industry.

For most major companies, 2010 was remarkably successful with some of the largest year-to-year gains in recent years. It is estimated that the total market grew 10% last year.

Indian Pharma Industry

The pharmaceutical industry is core to the Indian economy, a battle ground of major global majors in the pharmaceutical sector. Its growth is being catalyzed by a significant gap between



demand and supply. As a result, with increasing competition, consumer preference will become paramount and product differentiation is expected to play a major role in success.

Indian Pharmaceutical Industry has already been placed among the top four emerging markets in pharma industry by the market research report published by IMS Health Inc. The global pharmaceutical industry, in the last few years, has shown high interest in India pharma industry because of its sustained economic growth, healthcare reforms and patent-related legislation.

Indian domestic pharmaceutical market has seen growth at a CAGR of about 12% in the last 5 year. Globally the Indian pharmaceutical industry ranks fourth in terms of volume (with an 8% share in global sales), 13th in terms of value (with a share of 1% in global sales) and produces 20% to 24% of the world's generic drugs (in terms of value).

India tops the world in exporting generic medicines worth US\$ 11 billion and currently, the Indian pharmaceutical industry is one of the world's largest and most developed. Moreover, the Indian generic market is expected to grow at a CAGR of around 17% between 2010-11 and 2012-13.

Riding on better sales in the domestic and export markets, Indian pharmaceutical industry is expected to continue with its good performance.

Pharma Industry Outlook

As per a report by IMS Health India, the Indian pharmaceutical market reached US\$ 10.04 billion in size in July 2010. A highly organized sector, the Indian Pharma Industry is estimated to be worth \$ 4.5 billion, growing at about 8 to 9 percent annually.

The value of the global pharmaceutical market is expected to grow 5-7% in 2011, to \$880 billion, compared with a 4-5% pace in the year 2010, according to IMS Health.

The Indian Pharmaceutical sector is highly fragmented with more than 20,000 registered units. It has expanded drastically in the last two decades. It is an extremely fragmented market with severe price competition and government price control. The Indian pharmaceutical market has seen a CAGR of about 14% in the last 5 years. It continues to be highly fragmented and dominated by Indian companies.

The next five years are expected to reflect a significant imbalance between new product introductions and patent losses. Many brand-name drugs will be going off-patent till 2015. Due to increased use of generics and patent expiry, US revenue at Indian pharmaceutical companies is likely to increase by more than 20% annually over the next five years.



////////////////////////////////////
Business Outlook

India currently represents just U.S. \$ 6 billion of the \$550 billion global pharmaceutical industry but its share is increasing at 10 percent a year, compared to 7 percent annual growth for the world market overall. The "organized" sector of India's pharmaceutical industry consists of 250 to 300 companies, which account for 70 percent of products on the market, with the top 10 firms representing 30 percent. The economic slowdown and credit crunch has caused a lot of existing pharma players to significantly underperform growth expectations. The company will focus on not just consolidating its existing operations but also look at expanding into newer segments of the pharmaceutical industry. Valuations have shrunk and a lot of existing companies are available at attractive valuations considering that the long term prospects remain bright. The outlook on the pharma industry is positive from a long-term perspective.

The Company is making right balance between Pharmaceuticals and Chemicals. Medical equipments, contract research and ayurvedic and herbal drugs for lifestyle diseases are the key focus segments of the company. It aims to provide its shareholders and commercial partners with reasonable economic returns by maintaining its growth rate and providing higher and higher quality services to its customers. Rapidly growing economies, increasing population and greater health awareness combined with larger incomes to spend on healthcare will drive the growth of pharmaceuticals in emerging markets. In order to attain high growth, the Key elements of our business include:

- ⇒ Wide acceptance of products in various user industries.
- ⇒ Highly qualified and experienced team of professionals.
- ⇒ Strong product manufacturing base.
- ⇒ Excellent financial control.

Opportunity, Threat, Risk And Concerns

Opening up of health insurance sector and the expected growth in per capita income are key growth drivers from a long-term perspective. This leads to the expansion of healthcare industry of which pharma industry is an integral part. The factor acting in our favour will be the low production costs which are lower by 30-45% mainly due to cheap manpower in our country.

Your Company's products and services enjoy wide acceptance in various user industries. Yet the business environment will continue to remain challenging characterized by intense competition, margin pressures and regulatory interventions. These changes pose many challenges and opportunities to companies operating in this environment. In this context, the Company has identified several growth initiatives.

The company practices a prudent and alert risk management mechanism which helps it in addressing all risk concerns and ensures the smooth running of the operations.



The product patents regime heralds an era of innovation and research resulting in the launch of new patented product launches. In the longer run, domestic companies would face fresh competition from MNCs, as they would make aggressive new launches. However, the latter would most likely be subject to price negotiation. Low production costs give India an edge over other generics-producing nations, especially China and Israel. India is exposed to the threat of takeovers from global big pharmaceutical companies under the new IPR regime. Pharma MNCs are now focusing more on generics and taking over Indian companies would help them in leveraging the competitive price advantage offered in this country.

Internal Control

The Company has a reasonable system of internal control which is reviewed and updated on an on-going basis. The Company is committed to ensuring a comprehensive internal control structure across its operations to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition.

Research and Development

The pharmaceutical business is one of the most knowledge-intensive businesses. The company is planning to set up a highly advanced and cost effective state-of-art research system to be manned by widely experienced professionals to develop new and value-added services to cater various industrial, academic and research needs of the country. This research system will help to develop and strengthen expertise and to achieve excellence and sustainability in pharmaceutical industry.

Human Resource Development & Industrial Relation

The company believes that its employees are the real strength to achieve the Company's objectives and growth strategies. Company is dedicated to cultivate a work environment that encourages high performance, leadership and innovation. The company continues to maintain excellent industrial relation while ensuring development of its human resources through appropriated training and further educational programs.

Cautionary Statement

Statements made in the 'Management Discussion and Analysis' describing the Companies' objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement important factors that influence the Company's operations, include global and domestic supply and demand conditions.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

////////////////////

CORPORATE GOVERNANCE

Company's Philosophy on code of Governance:

Your Company is fully adhered to the principles of transparency, integrity & accountability and has been practicing the principles of good corporate governance over the years. Good governance ensures adoption of best business practices and accountability of the persons in charge of the Company operations. Your Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of the listing agreement. The Company is in compliance with mandatory provisions of clause 49 of the listing agreement with the Stock Exchange and guidelines issued by SEBI.

Board of Directors:

The Board of the Company comprises of five members. The board has combination of Executive and Non Executive Directors. They are qualified and have expertise in finance, management, legal, accounts, etc. The Company is in compliance with clause 49 of the listing agreement pertaining to composition of the Board of Directors The Company has a Non-executive Chairman and the number of Independent and Non- Executive Directors are more than 50% of the total number of Directors. The Non-Executive Directors with their diverse knowledge experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

The Board of Directors has laid down a code of conduct for all Board Members and senior management of the Company. The said code of conduct has been posted on the website of the Company.

The Company held at least one meeting of the Board of Directors in every three months and the maximum time gap between any two meetings was not more than four months. During the financial year 2010-2011, six meetings of the Board of Directors were held on 03/05/2010, 26/07/2010, 21/08/2010, 25/09/2010, 11/11/2010 and 02/02/2011.

The composition of the Board of Directors, their attendance at Board meeting, last Annual General Meeting, number of other Directorship, committee membership and Chairmanship are as under:

Composition of Board:

Name of Director	Category	No. of Board Meeting Attended	Attendance at Last Last AGM	No. of Other Directorship	No.of Other committee Membership
Mr. Biresh Kumar Thaker*	Whole Time Director	5	Yes	-	-
Dr. Alam Ali Sisodia	Non-Executive Independent Director	6	Yes	4	2
Mr. Manoj Kumar Bothra	Non-Executive Independent Director	3	Yes	2	4
Mr. Abhishek Kumar Jain @	Non-Executive Director	5	Yes	5	6
Mr. Jyotiraaditya Singha	Non-Executive Independent Director	3	No	Nil	Nil

- * Mr. Biresh Kumar Thaker was resigned from the post of Whole Time Director w.e.f. 02/02/2011
- @ Mr. Abhishek Kumar Jain (Non- Executive) Director of the Company and has been appointed as a Whole Time Director w.e.f. 01/05/2011
- Mr. Jyotiraaditya Singha (Non executive Independent) Director has been appointed member of Audit committee / Share Holders / Investors Grievances Committee and Remuneration Committee in place of Mr. Abhishek Kumar Jain w.e.f. 12/04/2011

Audit Committee:

The Audit committee comprises of three Non-Executive Directors. Out of them two members are Independent Directors. Dr. Alam Ali Sisodia is Chairman of the Audit Committee. All the members of the Audit Committee are financially literate and possess necessary expertise in finance, accounting, etc. During financial year 2010 - 2011, the Audit Committee met four times viz., 30/04/2010, 23/07/2010, 8/11/2010 and 31/01/2011.

The role, powers and functions of the Audit Committee are as per Section 292A of the Companies Act 1956, and guidelines stated in the revised Clause 49 of the Listing agreement. The scope of the committee includes:

- a. To Review with the management and statutory auditors and the adequacy of internal control systems
- b. To Review the quarterly, half yearly and annual accounts before submission to the Board
- c. To Review with the management and statutory auditors, the annual financial statements before submission to the Board
- d. To Review the company's financial and risk management policies
- e. To Consider such other matters as may be required by the Board
- f. To hold periodical discussions with statutory auditors on the scope and content of the audit.
- g. To review the Company's financial reporting process and the disclosure of its financial information

The composition and attendance at the Audit Committee are as follows:

Members	Meeting Attended
Dr. Alam Ali Sisodia Chairman (Non-Executive Independent)	4
Mr. Manoj Kumar Bothra (Non-Executive Independent)	4
Mr. Abhishek Kumar Jain (Non-Executive)	4
Mr. Jyotiraaditya Singha (Non-Executive Independent)	N.A.

Mr. Jyoriraaditya Singha (Non-Executive, Independent Director) was appointed as member of the committee in place of Mr. Abhishek Kumar Jain w.e.f. 12/04/2011.

////////////////////////////////////

Share Holders / Investors Grievances Committee:

The company has constituted the shareholders/ investor grievance committee comprising of Mr. Manoj Kumar Bothra, Dr. Alam Ali Sisodia and Mr. Abhishek Kumar Jain. The committee has appointed Dr. Alam Ali Sisodia as a Chairman of shareholders / investor grievance committee, whereas Ms. Richa Sharma is a Company Secretary cum Compliance Officer of the Company. The shares being in compulsory demat list are transferable through the depository system. Shares in physical & dematerialised form are processed through Registrar & Transfer Agent of the company.

The Committee approves and monitors transfers, transmission, sub-division, consolidation of shares issued by the company. The committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services. The committee meets periodically and shares are transferred within 15 days from the date of receipt of valid transfer request. The committee has sorted out all complaints/ queries received from shareholders/ investors during the year ended 31/03/2011.

The Shareholders/ Investor's Grievance Committee is empowered to perform all the functions of the Board in relation to handling of Shareholders' Grievances. The committee also monitors redresses / replies to investor's complaints queries and requests relating to transfers of shares, non-receipt of Annual Reports, etc.

Below-mentioned table gives the composition and attendance record of the Shareholders' Grievance Committee.

Members	Meeting Attended
Dr. Alam Ali Sisodia Chairman (Non-Executive Independent)	4
Mr. Manoj Kumar Bothra (Non-Executive Independent)	4
Mr. Abhishek Kumar Jain (Non-Executive)	4
Mr. Jyotiraaditya Singha (Non-Executive Independent)	N.A.

Mr. Jyotiraaditya Singha (Non-Executive, Independent Director) was appointed as member of the committee in place of Mr. Abhishek Kumar Jain w.e.f. 12/04/2011.

Share transfers and other related records duly signed by a practicing Company Secretary have been furnished to Stock Exchanges.

Remuneration Committee:

The Remuneration Committee is composed of 2 Independent Directors and 1 Non-executive Director, reviews the performance of the Whole Time Director and senior executives one level below the Board, and also reviews the remuneration package offered by the Company to different grades/

Adinath Bio-Labs Limited



levels of its employees. While reviewing the remuneration of senior management personnel, the Committee takes into account the following:

- ⇒ Financial position of the Company;
- ⇒ Trends in the industry;
- ⇒ Appointee's qualifications and experience;
- ⇒ Past performance;
- ⇒ Past remuneration; etc.

The Chief of Human Resources makes periodic presentations to the Remuneration Committee on organization structure, performance appraisals, increments and performance bonus recommendations. The Committee keeps the Directors updated on various Human Resources matters.

The Remuneration Committee met two times during the year. The composition and attendance record of the Compensation Committee is given in below table. The Chief of Human Resources is the Secretary of the Committee.

Members	Meeting Attended
Dr. Alam Ali Sisodia, Chairman (Non-Executive Independent)	2
Mr. Manoj Kumar Bothra (Non-Executive Independent)	2
Mr. Abhishek Kumar Jain (Non-Executive)	2
Mr. Jyotiraaditya Singha (Non-Executive Independent)	N.A.

Mr. Jyotiraaditya. Singha (Non-Executive, Independent Director) was appointed as member of the committee in place of Mr. Abhishek Kumar Jain w.e.f.12/04/2011.

Remuneration of Director:

The Non-Executive Directors/ Independent Directors are paid only sitting fees for attending Board / committee meetings. There is no pecuniary relationship or transaction of the Company with its Non-Executive Directors/ Independent Directors other than payment of sitting fees @ Rs. 500/- per meeting.

During the year, company has paid remuneration to its executive directors. The detail of remuneration of Mr. Biresh Kumar Thaker (Whole-time Director) is as under:

Name of Director	Salary cum Allowances	Stock Benefits	Service Contract Tenure
Mr. Biresh Kumar Thaker*	Rs.200000/-	Nil	3 Years

Adinath Bio-Labs Limited



*Mr. Biresh Kumar Thaker, Whole Time Director of your Company has resigned from Board / Committee of the Company w.e.f. 02/02/2011. The Board hereby places on record its sincere appreciation for valuable guidance and meaningful contribution made by Mr. Biresh Kumar Thaker as a Whole Time Director of the Company.

Mr. Abhisek Kumar Jain has been appointed as a Whole Time Director of the Company for the period of three years with remuneration of Rs.35000/- per month (including perks) w.e.f. 01/05/2011, Subject to the approval of the members.

General Body Meeting:

The last three Annual General Meetings & Extra Ordinary General Meeting were held as per details given below:

Year	Address	Date	Day	Time
2009-10 AGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	25/09/2010	Saturday	10:00 A.M.
2008-09 2008-09	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	23/09/2009	Wednesday	10:00 A.M.
2007-08 AGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	26/09/2008	Friday	10:00 A.M.
2008 EGM	Shivam Conference Hall, B-267, Bangur Avenue, Kolkata- 700 055	09/08/2008	Saturday	10:00 A.M.

No special Resolution was put through postal ballot last year nor is it proposed to put any special resolution to vote through postal ballot.

Disclosure:

There is no non-compliance with the regulations; no penalties or strictures have been imposed on the company by the Stock Exchanges, SEBI or any other authority on any matter relating to the capital markets during the last three years.

There are no significant transaction with the related parties namely, promoters/ Directors or the management their Associates or relatives etc. that may have a conflict with the interest of the company.

The Company has not issued any GDRs /ADRs /Warrants/ Equity share or any Convertible instruments or any other instruments during the year.

The Company follows accounting standards issued by the Institute of Chartered Accountants of India and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.

The Company does not have any subsidiary.

The Company has complied with all mandatory requirements of clause 49 of the listing agreement.

Adinath Bio-Labs Limited



The non-mandatory requirements, to the extent followed by the company have been stated in this report

Your Company does not have any whistle blower policy

Details of Directors seeking appointment/ re appointment at the ensuing Annual General meeting as required under clause 49 of listing agreement is annexed to notice convening the Annual General Meeting.

Non-Mandatory Requirements:

The company has adopted the non mandatory provisions relating to the various clauses of listing agreement of stock exchange. The quarterly/ half yearly and audited Financial results are published in financial newspapers, posted on the company's website and sent to the shareholders on request. The company is also moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the other non mandatory requirements as and when necessary.

Means of Communication:

The quarterly / half yearly results of the company are published in leading English / Bengali (regional) newspapers. No half yearly report is sent to the shareholders directly. Such financial are covered by limited review reports by the statutory auditors

General Share Holder Information:

1. The quarterly results of the Company are submitted to the exchange and published in the leading newspapers.
2. Company Secretary-cum Compliance Officer ... Ms. Richa Sharma
4, Netaji Subhash Road, Ist Floor,
Kolkata-700001
3. Annual General Meeting.
 - a) Date & Time ... Tuesday, 27/09/2011 at 10.00 A.M.
 - b) Venue ... O2 Hotel, VIP Road, Kolkata- 700 052.
 - c) Dividend ... No dividend has been recommended by the Board of Directors for the F.Y. 2010-11
 - d) Financial Calendar ... 1st April to 31st March
 - e) Quarterly Results ...

First Quarter	-	July
Second Quarter	-	October
Third Quarter	-	January
Fourth Quarter	-	April
 - f) Date of Book Closure ... 21/09/2011 to 27/09/2011

Adinath Bio-Labs Limited



- g) Listing on Stock Exchange ... The Calcutta Stock Exchange Assn. Ltd.,
Bombay Stock Exchange Ltd
- h) Stock Code ... 10012130 (CSE), 590088 (BSE)
- i) Demat ISIN in NSDL ... INE129D01039
& CDSL for equity shares
- j) Registrar and Share ... Adroit Corporate Services Pvt. Ltd.
Transfer Agent (For 19, Jaferbhoy Industrial Estate,
Physical & Dmat 1st Floor, Makwana Road, Andheri (E),
Segment) Mumbai - 400 059
Tel. : 022 - 28590942
Fax : 022 - 28503748

k) Market Price data high, low, during each month in last financial year is given below
High, Low and Number of Shares Traded per month on BSE

Month	High (Rs)	Low (Rs.)	No. of Shares
April 2010	4.99	3.47	6371144
May 2010	4.10	2.64	4969858
June 2010	2.96	2.50	3819860
July 2010	3.69	2.57	21272876
August 2010	2.82	2.10	3249282
September 2010	3.10	2.18	12602109
October 2010	3.08	2.21	14058951
November 2010	3.74	2.16	5905005
December 2010	2.90	2.16	4046566
January 2011	3.00	2.20	3654619
February 2011	2.98	2.46	3034567
March 2011	2.69	2.20	848017

Note : There has been no trade at Calcutta Stock Exchange.

Share Transfer System:

The shares of the Company, being in the compulsory demat list, are transferable through the depository system. Shares in physical & dematerialized form are processed through M/s. Adroit Corporate Services Private Limited, Mumbai. Shares lodged for transfer at the Registrar's address are normally processed and approved by Share Transfer cum Shareholders Grievance Committee within stipulated period. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. Grievance received from members and other miscellaneous correspondence on change of address etc. is processed by the Registrar within 30 days.

Dematerialisation of Shares:

82.91% (approx) of total equity share capital is held in d-materialization form with NSDL & CDSL as at 31st March 2011. Members can hold shares in electronic form and trade the same in depository system. However they may hold the same in physical form also.

Distribution of Shareholdings**Categories of Shareholders as on 31/03/2011**

Category	No. of Shareholders	No. of Shares	% of Equity Capital
Promoters	11	87238005	39.52
Other Bodies Corporate	180	63214650	28.64
Foreign Institution Investors	1	100000	0.05
Individual / Others	5110	70189905	31.79
Total	5302	220742560	100.00

Distribution of Shareholdings as on 31/03/2011

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	1909	36.01	505210	0.23
501 - 1000	1124	21.20	1057410	0.48
1001 - 2000	753	14.20	1303521	0.59
2001 - 3000	327	6.17	894966	0.41
3001 - 4000	160	3.02	594952	0.27
4001 - 5000	278	5.24	1357672	0.62
5001 - 10,000	384	7.24	3130933	1.42
10001 - above	367	6.92	211897896	95.99
Total	5302	100.00	220742560	100.00

Declaration as required under clause No. 49 of the Listing Agreement

All the Directors and Senior Management of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended 31/03/2011.

Place: Kolkata
Date: 20/05/2011

Abhishek Kumar Jain
(Whole Time Director)



Auditor's Certificate on Corporate Governance

To
The Members of
Adinath Bio-Labs Limited

We have examined the compliance of conditions of Corporate Governance by Adinath Bio-Labs Limited for the year ended 31st March 2011, as stipulated in Clause No.49 of the listing agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement and no investors grievance(s) are pending for a period exceeding one month against the Company as records maintained by the investor grievance committee.

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

**For Mohindra Arora & Co.
(Chartered Accountants)
FRN. 006551 N**

**Place: Mumbai
Date : 20/05/2011**

**A. K. Katial
(Partner)
FCA No. 09096**



AUDITORS' REPORT

To
The Members of
M/s. Adinath Bio-Labs Limited

We have audited the attached Balance Sheet of M/s. Adinath Bio-Labs Limited, Kolkata as at 31st March 2011, Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order 2004 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, and on basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
 - iii) The attached Balance Sheet, Profit and Loss Account and cash flow statement dealt with in this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with in this report comply with the Accounting Standard referred to in sub section (3C) of section 211 of the Companies Act, 1956.

Adinath Bio-Labs Limited



- v) On the basis of written representations received by us from the directors of the Company as at 31st March 2011 and taken on record by the Board of Directors. We report that no director is disqualified from being appointed as director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanation given to us, the said account 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 in conformity with the accounting principles generally accepted in India.
- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2011 and
- (b) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.
- (c) In case of Cash flow statement of the cash flow for the year ended on that date.

**For Mohindra Arora & Co.
(Chartered Accountants)
FRN. 006551 N**

**Place: Mumbai
Date : 12/04/2011**

**A. K. Katial
(Partner)
FCA No. 09096**

//////////
ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As informed to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. They have not reported any material discrepancies.
 - c. As informed, the Company has not disposed of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. In our opinion and according to the information and explanations given to us, there is no loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the requirement of Clause (iii) of paragraph 4 of the order is not applicable to the Company.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for purchase of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. In respect of transaction covered under section 301 of the Companies Act, 1956:

- //////////
- a. In our opinion and according to the information and explanation given to us, the transaction that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In the absence of competitive quotations and comparable prices and having regards to the specialized nature of items purchased or sold, we are unable to comment upon the reasonability of prices at which such transactions have been entered, having value exceeding Rs.5,00,000/- or more in the financial year under audit.
6. The Company has not accepted any deposit from the public to which the provision of Sec 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975 apply.
 7. In our opinion, the company has an internal audit system commensurate with the size of the Company and nature of its business.
 8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
 9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on 31st March 2011 for a period of more than six months from the date of becoming payable.
 - b. In our opinion and according to the information and explanation given to us, there are no disputed statutory dues pending before appropriate authorities.
 10. The Company is not having any accumulated losses and has not incurred any cash losses during the financial year and the immediate preceding financial year covered by our audit.
 11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holder.

Adinath Bio-Labs Limited



12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been 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 institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized the funds raised on short basis towards long-term borrowings and investment and vice versa.
18. During the year, the Company has not made preferential allotment of shares 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. Hence the requirement of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. The Company has not raised money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud in or by the Company has been noticed or reported during the causes the financial statements to be materially misstated.

For Mohindra Arora & Co.
(Chartered Accountants)
FRN. 006551 N

Place: Mumbai
Date : 12/04/2011

A. K. Katial
(Partner)
FCA No. 09096

BALANCE SHEET AS ON 31st MARCH, 2011

	SCHEDULE	31st March 2011 Rupees	31st March 2010 Rupees
SOURCES OF FUNDS			
SHARE HOLDERS' FUND			
Share Capital	A	220742560	220742560
Reserve & Surplus	B	55898363	47150712
	TOTAL	276640923	267893272
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	35601333	46877324
Less: Depreciation		15463387	11569474
NET ASSETS		20137947	35307850
CAPITAL WORK IN PROGRESS		22704170	22166070
INVESTMENTS		12695000	12695000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories & Work in Progress	D	32245330	62785130
Sundry Debtors		72927240	78859091
Cash & Bank Balances		1101680	2105026
Loans & Advances		117532508	72932971
		223806758	216682218
Less: Current Liabilities & Provisions	E	2702952	18957865
NET CURRENT ASSETS		221103806	197724353
	TOTAL	276640923	267893272
Significant Accounting Policies & Notes to the Accounts			
	I		

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report on even date

For Mohindra Arora & Co

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

For Adinath Bio-Labs Limited

A.K.Katial
(Partner)
FCA No. 09096

A. K. Jain A.A.Sisodia
(Director) (Director)

Place: Mumbai
Date : 12/4/2011

Richa Sharma
(Company Secretary)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

	SCHEDULE	31st March 2011 Rupees	31st March 2010 Rupees
INCOME			
Sales & Operating Income	F	564505217	324982143
Other Income	G	2333170	892343
Increase/ (Decrease) in Stock		-30539800	1774091
		536298587	327648577
EXPENDITURE			
Purchases		515675854	297179803
Administration & Selling Exp.	H	7984898	7516153
Interest		0	35371
		523660752	304731327
Profit Before Depreciation & Tax		12637835	22917251
Less: Depreciation		3893912	3300047
Profit Before Taxation		8743923	19617204
Less : Provision for Taxation		126000	609530
Provision for Deferred Tax		-129728	34776
Profit After Taxation		8747650	18972897
Add: Profit brought forward from Previous Year		12399305	10819163
Amount available for Appropriation		21146956	29792060
APPROPRIATIONS			
Proposed Dividend		0	13244554
Dividend Tax		0	2250912
Transfer to General Reserve		0	1897290
BALANCE CARRIED TO BALANCE SHEET		21146956	12399305
EARNING PER SHARE			
- Face Value (Rs.)			
- Basic and Diluted (Rs.)		1	1
Significant Accounting Policies & Notes to the Accounts	I	0.04	0.09

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report on even date

For Mohindra Arora & Co

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

For Adinath Bio-Labs Limited

A.K.Katial

(Partner)

FCA No. 09096

A. K. Jain

(Director)

A.A.Sisodia

(Director)

Place: Mumbai

Date : 12/4/2011

Richa Sharma
(Company Secretary)

//////////////////////////////////////

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March 2011 Rupees	31st March 2010 Rupees
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL		
22,51,00,000 Equity Shares of Re.1/- each	225100000	225100000
	225100000	225100000
ISSUED, SUBSCRIBED & PAID UP		
22,07,42,560 Equity Shares of Re.1/- each fully paid-up	220742560	220742560
	220742560	220742560
SCHEDULE 'B'		
RESERVE & SURPLUS		
Capital Reserve	15464327	15464327
Share Premium	14443080	14443080
General Reserve	4844000	4844000
Profit & Loss Account	21146956	12399305
	55898363	47150712
SCHEDULE 'D'		
CURRENT ASSETS, LOANS & ADVANCE		
A) CURRENT ASSETS		
INVENTORIES		
(As valued, certified & taken by the management)		
i) Finished Goods	27053580	50863290
ii) Work in Progress	5191750	11921840
(including Software Projects Under Development)		
SUNDRY DEBTORS		
(Unsecured Considered Good)		
Others	72927240	78859091
CASH AND BANK BALANCE	1101680	2105026
(as certified by the management)		
Cash in Hand	320166	
Balance in Current A/c with Scheduled Bank	397306	
Unclaimed/ Unpaid Dividend A/c 2009-10	263280	
Unclaimed/ Unpaid Dividend A/c 2008-09	120928	
TOTAL (A)	106274250	143749247

**SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT
SCHEDULE 'C'**

FIXED ASSETS	Cost as on 1.4.2010	Addition during the year	Sale Adj.	Total as on 31.3.2011	Depreciation as on 1.04.2010	Depreciation for the year	Depreciation as on 31.03.2011	Net Assets as on 31.03.2011	Net Assets as on 31.03.2010
Computers & Accessories	3780617	6235041	0	10015658	2591276	1268153	3859429	6156229	1189341
Land & Building	23478071	2714635	24522117	1670589	1298405	372185	1670589	0	22179666
Plant & Machinery Incl. Lab Equipments	11994800	2618460	0	14613260	4923954	1267567	6191521	8421739	7070846
Furniture & Fixtures	5448386	781007	0	6229393	2105668	707515	2813183	3416210	3342718
Air Conditioners	1037138	393442	0	1430580	285495	138906	424401	1006179	751643
Office Equipments	1138312	503541	0	1641853	364676	139587	504263	1137590	773636
Total	46877324	13246126	24522117	35601333	11569474	3893912	15463387	20137947	35307850
Previous Year	40825372	6051952	0	46877324	8269427	3300047	11569474	35307850	

//////
SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	31st March 2011 Rupees	31st March 2010 Rupees
SCHEDULE 'H'		
ADMINISTRATIVE & GENERAL EXPENSES		
Advertisement Expenses	89895	46790
Auditors Remuneration	71695	60665
Bank Charges	11971	17293
Books & Periodicals	36393	38261
Conveyance & Travelling	260263	224627
Consultancy Fees	198000	180000
Directors Remuneration	240000	186000
Directors Sitting Fees	11000	11500
R&T and Demat Charges	206494	394283
Filing Fees	8000	1500
General Expenses	689341	553856
Listing Fees	57908	57908
Legal Fees	0	200000
Office Maintenance Expenses	176377	52321
Professional Fees	180000	75000
Postage & Courier	204334	171257
Printing & Stationary	189894	152947
Rent, Rates & Service Charges	2487126	2312124
Salary & Bonus to Employees	1713142	1709970
Selling & Distribution Expenses	712149	583218
Software Maintenance	125184	221654
Staff Welfare Expenses	94867	87930
Telephone Expenses	220865	177049
	7984898	7516153



//////
SCHEDULE - 'I'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

(A) SIGNIFICANT ACCOUNTING POLICIES:

- 1 a) The accounts of the Company are prepared on historical cost basis and on the accounting principle of a going concern.
- b) The Company recognizes income on accrual basis for income from Software Sale, Software System Services and Trading Sale of Agriculture Products and other commodities is recognized up on completion of the job.
- c) In respect of other heads of income, the company follows the practice of accounting of such income on accrual basis.
2. **Inventories:** Inventories of work-in-process, finished goods and traded products are valued at standard cost adjusted for variances or net realizable value, whichever is lower. Cost of work-in-process and finished goods include materials, labour and manufacturing overheads.
3. a) Fixed Assets are stated at cost, which includes expenditure on installation / construction and preoperative expenses wherever applicable.
- b) Depreciation on Fixed Assets is provided block-wise on written down value method on prorata basis as per rates prescribed in Schedule XIV to the Companies Act, 1956.
4. There has been no foreign exchange income or outflow during the year.
5. Investments are valued at cost.
6. Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.
7. Deferred Tax is recognized, subject to the consideration of prudence, on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
8. **Retirement Benefits:**
Gratuity, Leave Encashment and other retirement benefits are accounted for on cash basis.
9. **Impairment of Assets:**
An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets.

9. Details of Turnover, Purchases and Stock

	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
Sales	564,505,217	324,982,143
Purchase	515,675,854	297,179,803
<u>Closing Stock</u>		
Finished Goods	27,053,580	50,863,290
Work in Progress	51,91,750	11,921,840
10. Remuneration to Auditors:		
a) Audit fee	71,695	60,665
b) As advisor, or in any other Capacity in respect of		
i) Taxation matters	Nil	Nil
ii) Company Law matters & certifications	12,000	18,000
11. Remuneration to Directors :	240,000	186,000
12. Deferred Tax: The break-up of net deferred tax liability as on 31st March, 2011 is as under:		
Particulars		Deferred Tax Liability
Tax on Difference between book and Income Tax Depreciation		Rs. (1,29,728/-)
13. Paise have been rounded off to the nearest rupee.		
14. Schedule A to I from an integral part of Balance Sheet and Profit & Loss Account.		
15. Previous year figures have re grouped or rearranged wherever necessary.		

**As per our Reports of Even Date
For Mohindra Arora & Co.
(Chartered Accountants)**

For Adinath Bio-Labs Limited

**A. K. Katial
(Partner)
FCA No. 09096**

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

**A. A. Sisodia
(Director)**

**Place : Mumbai
Date : 12/04/2011**

**Richa Sharma
(Company Secretary)**

////////////////////////////////////
**COMPANY BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI
 OF THE COMPANY ACT, 1956**

I. Registration Details

Registration No.: L24230WB1982PLC034492 State Code: 21
 Balance Sheet Dt.: 31 March, 2011.

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 Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	279,344	Total Assets	279,344
Sources of Funds		Applications of Funds	
Paid-up Capital	220,743	Net Fixed Assets	20,138
Reserves and Surplus	55,898	Currents Assets	223,807
Current Liabilities	2,703	Investments	12,695
		Capital WIP	22,704

IV. Performance of Company (Amount in Rs. Thousands)

Total Income	536299
Total Expenditure	527555
Profit before tax	8744
Profit after tax	8748
E.P.S (Rs.)	0.04
Dividend Rate (%)	Nil

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code no. (ITC Code No.)	Not Available
Product Description	Software Sales
Item Code no. (ITC Code No.)	Not Available
Product Description	Pharma Products

**As per our Reports of Even Date
 For Mohindra Arora & Co.
 (Chartered Accountants)**

For Adinath Bio-Labs Limited

**A. K. Katial
 (Partner)
 FCA No. 09096**

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

**A. A. Sisodia
 (Director)**

**Place : Mumbai
 Date : 12/04/2011**

**Richa Sharma
 (Company Secretary)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Pursuant to the Listing Agreement Clause 32 with the Stock Exchange)

		(Amount Rs.)
(A) Cash Flow From Operating Activities	2010-11	2009-10
Net Profit before Tax as per P&L Account	8743923	19617204
Adjusted for		
Misc Income	1255408	257892
Interest Income	1077762	634451
Depreciation	3893912	3300047
Operating Profit Before Working Capital Changes	10304665	22024907
Adjusted for		
Finished Goods	23809710	399899
Work in Progress	6730090	-2173990
Sundry Debtors	5931851	-4494131
Loans & Advances	-44599537	5705024
Current Liabilities	-146190	1892802
Cash Generated From Operations	2030589	23354512
Payment of Tax	-609530	-5106474
Payment of Dividend & Dividend Tax	-15495465	-7747733
Net Cash Inflow/Outflow From Operations	-14074406	10500305
(B) Cash Flow From Investing Activities		
Purchases of Fixed Assets	11275991	-6051952
Capital Work in Progress	-538100	-3593848
Misc. Income	1255408	257892
Interest Income	1077762	634451
Net Cash Flow From Investing Activities	13071061	-8753457
(C) Cash Flow From Financing Activities	NIL	NIL
Net Cash Increase in Cash & Cash Equivalents (A+B+C)	-1003346	1746848
Cash & Cash Equivalents at the Beginning of the Year	2105026	358178
Cash & Cash Equivalents at the End of the Year	1101680	2105026

For Adinath Bio-Labs Limited

A. K. Jain
(Director)

A. A. Sisodia
(Director)

Place : Mumbai
Date :12/04/2011

Richa Sharma
(Company Secretary)

Adinath Bio-Labs Limited



//////
AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Adinath Bio-Labs Limited for the year ended 31st March 2011. The statement has been prepared by the Company in accordance with the requirements of the listing agreement of the stock exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the company.

**For Mohindra Arora & Co.
(Chartered Accountants)**

**Place: Mumbai
Date : 12/04/2011**

**A.K. Katial
(Partner)
FCA No. 09096**





Adinath Bio-Labs Limited

Regd. Office : 4, Netaji Subhash Road, 1st Floor, Kolkata - 700 001.

ATTENDANCE SLIP

I hereby record my presence at the 30th Annual General Meeting held at O2 Hotel, VIP Road, Kolkata - 700052, on Tuesday, 27th September, 2011 at 10.00 a.m.

- 1. L. F. No. _____
 - 2. Depository : NSDL/CDSL _____
 - 3. DP ID. _____
 - 4. Client ID _____ * For shares held in electronic form
 - 5. FULL NAME OF SHAREHOLDER _____ (IN BLOCK LETTERS)
 - 6. NO. OF EQUITY SHARES HELD : _____
 - 7. SIGNATURE OF THE SHAREHOLDER OR PROXY ATTENDING : _____
- (PLEASE GIVE FULL NAME OF THE 1ST JOINT HOLDER) MR./MRS./MISS _____

(TO BE USED ONLY WHEN FIRST NAMED SHAREHOLDER IS NOT ATTENDING
NOTE : PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

Adinath Bio-Labs Limited

Regd. Office : 4, Netaji Subhash Road, 1st Floor, Kolkata - 700 001.

FORM OF PROXY

I/We _____ of _____ in the District of _____ being the member/members of the above named Company hereby appoint _____ of _____ in _____ the District of _____ or failing him _____ of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on Tuesday, 27th September 2011, at 10.00 a.m. and at any adjournment thereof. Signed this ____day of ____ 2011.

Signature _____

Affix
a revenue
stamp

LF No. _____ * Depository : NSDL / CDSL _____ *DP ID _____ *Client ID _____

*For Shares held in Electronic Form No. of Shares held

Note : (1) A member is entitled to attend and vote is entitled a proxy to attend and vote instead himself. (2) A proxy need not be a member. (3) The complete form should be deposited at the Registered Office of the Company, 4, Netaji Subhash Road, 1st Floor, Kolkata - 700 001 not less than 48 hours before the time of holding the meeting.

BOOK-POST

To,

Adinath Bio-Labs Limited

REGISTERED OFFICE : 4, N.S.Road, 1st Floor, Kolkata - 700 001.