

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of **Adi Rasayan Limited** will be held on Thursday, 30th September, 2010, at 11.00 A.M. at Parking plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006 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, 2010 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2010 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri. Vikram R Shah - 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 Shri. Dahyabhai B. Patel- 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 Statutory Auditor and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmadabad
Date : 1st September 2010

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 25th September, 2010 to 30th September, 2010 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office, 48 Gujarat Grain Market, Opp Annapam Cinema, Khokhra Mehamabad, Ahmadabad 380050.
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.

6. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto and the papers/documents referred to therein are open for inspection at the Registered Office of the Company between 11:00 am and 2:00 pm on any working day prior to the date of Meeting.
7. At the ensuing Annual General Meeting Mr. Vikram shah, Shri Dahyabhai B Patel directors, who are seeking appointment /reappointment, the brief resume of the directors are as under:

Name	Vikram shah	Dahyabhai B Patel
Age	46	56
Qualification	SSC	SSC
Expertise in Specific Area	Diamond	Diamond
Date of First Appointment on the Board of the Company		
Name(s) of the other companies in which Directorship held and Committee Membership/ Chairmanship held.		

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmadabad
Date : 1st September 2010

Sd/-
Director

Sd/-
Director

ANNEXURE TO THE NOTICE

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

ITEM NO. 2

Shri Vikram R Shah and Shri Dahyabhai B Patel Director of the Company who retires by rotation under Article 104 of Articles of Association of the Company and being eligible offer himself for re-appointment as director of the Company.

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmadabad
Date : 1st September 2010

Sd/-
Director

Sd/-
Director

DIRECTORS' REPORT

The Directors have pleasure in presenting their 18th Annual Report on the business and operations of the Company for the year ended 31st March, 2010.

1. FINANCIAL RESULTS & OPERATIONS:

Accounting year 2009-2010 is the 18th year of operation. During the year under review, no commercial activities were carried out. In view of this, the company has continued to incur losses. The management is putting every effort to come out of the financial crisis. It has already paid of the Secured Loans during the year.

2. DIVIDEND:

In view of loss, the Directors have decided not to recommend any dividend for the year under review.

3. DIRECTORS :

Shri Vikram Shah, Shri Dahyabhai B Patel Director of the Company who retires by rotation under Article 104 of Articles of Association of the Company and being eligible offer himself for re-appointment as director of the Company.

4. 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 2010-11, 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.

5. AUDITOR'S REPORT:

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

6. AUDIT COMMITTEE:

Audit Committee was reconstituted on 30th April, 2010. The Board appointed Shri Ashish S. Pandare - Chairman, Shri. Lalji Ramraj Yadav and Shri Vikram Shah as Members of the Audit Committee.

7. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:

Shareholder and investor Grievance Committee was reconstituted on 30th^t April, 2010. The Board appointed Shri Ashish S. Pandare – Chairman, Shri. Lalji Ramraj Yadav and Shri Vikram Shah as Members of the Shareholders and Investors Grievance Committee.

8. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) In the presentation of the Annual Accounts, the applicable Accounting Standards except revised AS 15 applicable for Accounting Treatment for Gratuity, Leave Encashment and other Retirement Benefits have been followed and that no material departures except to the extent disclosed have been made from the same;
- b) The Directors had selected such Accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) The Directors had prepared the Annual Accounts on a going concern basis.

9. STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable in case of your Company.

10. STOCK EXCHANGES:

The Company is listed on the following Stock Exchanges:

- a) Bombay Stock Exchange Limited.
- b) Ahmedabad Stock Exchange.

The Shares of the Company are presently suspended from trading in both the Stock Exchanges.

11. PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits during the year under report.

12. PARTICULARS OF EMPLOYEES :

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

13. FOREIGN EXCHANGE:

There were no foreign exchange Earnings or outgo during the year under review.

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,

**Place : Ahmadabad
Date : 1st September 2010**

**Sd/-
Director**

**Sd/-
Director**

ANNEXURE 'A' TO DIRECTORS' REPORT**RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.****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 2009 -10.

1. Benefits derived as a result of the above efforts.

None

2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):**A. 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,

**Place : Ahmadabad
Date : 1st September 2010**

**Sd/-
Director**

**Sd/-
Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Overall Review**

There is slowdown in the growth rate in the market in which your company. The Company is taking various steps to review the operations of the Company.

2. Financial Review

Company is in the process of finding profitable avenue to undertake the activities. As such the operation of the Company has not been undertaken at full scale.

3. Risk and Concern

Price fluctuations and volatile commodities markets will affect the business of the Company. Changes in rate of Interest will affect Company's ability to obtain funds from the financial markets.

4. 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.

5. Cautionary Statement

Statement in this report on Managing discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward – looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

REPORT 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 2009-10 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2010.

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, 2010 have been made by the Directors.

During the financial year ended 31st March, 2010, 5 Meetings of the Board of Directors were held as on 30/04/2009, 31/07/2009, 03/09/2009, 30/10/2009 and 30/01/2010.

Name of Directors	Category of Directors	No. of Board Meetings attended during 2009-10	Whether attended last AGM	Number of other Directorship	No of membership of audit committee and Share Holders & Investors Grievance Committee in other Companies	Chairmanship of audit committee & Share Holders & Investors Grievance Committee in other Companies
Mr. Vikram R Shah	Executive Promoter Chairman	5	Yes	5	2	Nil
Mr. Dahyabhai B. Patel	Executive Promoter Director	5	Yes	Nil	Nil	Nil
Mr. Dinesh H. Desai	Executive Promoter Director	5	Yes	Nil	Nil	Nil
Mr. Ashish S. Pandare	Non – Executive Inde. Director	5	Yes	Nil	Nil	2
Mr. Lalji R. Yadav	Non – Executive Inde. Director	5	Yes	Nil	2	Nil

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:

Shri. Vikram R Shah and Shri. **Dahyabhai Bhagubhai Patel** who retires by rotation and being eligible for re- appointment has offered himself 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 areas 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 Shri. Ashish S. Pandare Chairman, Shri. Lalji Ramraj Yadav and Shri Vikram R Shah as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

During the 2009-10 under review 5 meetings of the Audit Committee were held on, 30-04-2009, 31/07/2009, 03/09/2009, 30/10/2009 and 30/01/2010. The attendance of members is as follows:

Name	Category	Meetings during the year 2009-10	
		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. Vikram R Shah - Member	Executive Director	5	5

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 comprises following Members:

Name	Category	Meetings during the year 2009-10	
		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. Vikram R Shah - Member	Executive Director	5	5

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 redressal 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.

The Share Transfer & Shareholders' / Investors' Grievance Committee met 5 times during the 2009-10 on 30/04/2009, 31/07/2009, 03/09/2009, 30/10/2009 and 30/01/2010. The attendance of the members is as follows:

Name	Category	Meetings during the year 2009-10	
		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. Vikram R Shah - Member	Executive Director	5	5

Name and designation of Compliance officer:

· Mr. Vikram Shah, Compliance Officer.		
· No. of shareholders' complaints received during the year	:	5
· No. of complaints not resolved to the satisfaction of shareholders	:	3
· No. of pending share transfers	:	Nil

1. General Body Meetings:

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

Financial Year	Date	Time	Location
2008-2009	30/09/2009	11.00 am	Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006
2007-2008	30/09/2008	11.00 a. m.	Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006
2006-2007	29/09/2007	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

1. 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 any r during the year.

2. CEO/CFO Certification

A certificate from Shri Vikram R Shah and Mr. Dinesh B Desai, Promoter Directors in their capacity as Directors on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement.

Means of communication:

- (a) Quarterly results:
The unaudited quarterly results are announced within one month from the end of the quarter and the audited annual results within three months from the end of the last quarter, as stipulated under the listing agreement with the Bombay Stock Exchange Limited.
- (b) Newspapers wherein normally published: The Company does not publish Unaudited Financial Results in any newspaper.
- Any Website, wherein displayed: No
- (c) Whether Website also displays official news releases: No
- (d) Whether presentations made to institutional investors or to the analysts: No
- (e) Whether Management Discussion & Analysis Report is a part of Annual Report: Yes

3. General Shareholder information:

- (a) AGM date, time and venue: Next Annual General Meeting will be held on Thursday, 30th September, 2010 at 11.00 A.M. at Parking Plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006.
- (b) **Financial Year: The Financial Year is from 1st April 2010 to 31st March 2011.**
Tentative Schedule
- | | |
|---|-------------------------|
| Unaudited Results for quarter ending June 30, 2010 | : End of July 2010 |
| Unaudited Results for quarter ending September 30, 2010 | : End of October 2010 |
| Unaudited Results for quarter ending December 31, 2010 | : End of January 2011 |
| Unaudited Results for quarter ending March 31, 2011 | : End of April 2011 |
| Audited Results for year ending March 31, 2011 | : End of August 2011 |
| AGM for year ending March 31, 2011 | : End of September 2011 |
- (c) **Book Closure period: Saturday, 25th September, 2010 to Thursday, 30th September, 2010, 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:

There has not been any trade in the shares of the Company during the year ended 31st March, 2010. The Bombay Stock Exchange Limited, Ahmedabad Stock Exchange Limited

(f) Scrip code: 531592 - Bombay Stock Exchange

Not available – Ahmedabad Stock Exchange Limited

(g) **Registrar and Transfer Agent:** IN HOUSE

(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:	3	900
Other cases (like; deletion, transmission, transposition etc.)	-	-
Total:	3	900

(i) Dematerialization of shares and liquidity: No

(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, 2010.

(i) Distribution of Shareholding as on 31st March, 2010:

No. of Shares	No. of Shareholders	% of holding
001 to 500	45	1.13
0501 to 1000	85	3.16
1001 to 2000	87	1.85
2000 to 5000	85	2.45
5001 to 10000	33	6.66
Above 10001	24	84.75
TOTAL	359	100.00

(ii) Shareholding pattern as at 31st March, 2010:

	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	5800	0.09
General Public	2809100	43.09
NRIs/ OCBs	00	0.00
TOTAL	6519700	100.00

(I) 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.

DECLARATION**ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO CLAUSE 49 (i) (d) (ii) OF THE LISTING AGREEMENT**

As the Executive Director of Adi Rasayan Limited and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I, Vikram R Shah, 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 2009 -10

FOR AND ON BEHALF OF THE BOARD,

**Place : Ahmadabad
Date : 1st September 2010**

**Sd/-
Director**

**Sd/-
Director**

CEO/ CFO CERTIFICATE

I, **Vikram R Shah**, Executive Director in my capacity as Director of Adi Rasayan Limited, to the best of our knowledge and belief certify that:

I have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement.

Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made.

Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations and full explanation has been given for any material departure in compliance of Accounting Standards.

To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or volatile of the Company's Code of Conduct.

I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

I have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over the financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

Sd/-

Vikram R Shah
Executive Director

Place : Ahmadabad

Date : 1st September 2010

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, 2010 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

Sd/-**PADAM CHAND JAIN****(Proprietor)****Member ship No. 34966****Place : Ahmadabad****Date : 1st September 2010**

AUDITORS' REPORT

To
The Members of
ADI RASAYAN LIMITED

- A. We have audited the attached Balance Sheet of **M/S. ADI RASAYAN LIMITED**, as at 31st March, 2010 and Profit & Loss Account 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.
- B. We have conducted our audit in accordance with 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 misstatement. 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 management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
- C. 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 give in the Annexure, a statement on the matters specified in paragraphs 4 of the said order.
- D. Further to our comments in the Annexure referred to in paragraph C above, we report that:
1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 2. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
 3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 4. ***Except for non compliance of Accounting Standard 6 for Depreciation accounting and Accounting Standard 24 for discontinuing operations***, in our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
 5. On the basis of representations from the directors, taken on record by the Board of Directors and as per information and explanations given to us, none of the directors of the company are, prima facie, as at 31st March, 2010, disqualified from being appointed as directors of the company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

6. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to notes thereon of Schedule-5 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

(i) In the case of Balance sheet, of the state of affairs of the company as at 31st March, 2010

and

(ii) In the case of profit & Loss Account of the loss for the year ended on that date.

**FOR PADAM CHAND JAIN & ASSOCIATES
Chartered Accountants**

**Sd/-
PADAM CHAND JAIN**

**(Proprietor)
Member ship No. 34966**

**Place : Ahmadabad
Date : 1st September 2010**

ANNEXURE TO THE AUDITORS' REPORT

(Re: ADI RASAYAN LIMITED)

(Referred to in paragraph : C of our report of even date)

1. The company does not have any fixed assets and hence this clause is not applicable to the company for the year under consideration.
2. As the company does not have any inventories as at the end or at the beginning of the year; this clause is not applicable to the company for the year under consideration.
3. (a) The company has not granted unsecured loan to any of the parties covered by section 301 of the Companies Act, 1956.
(b) The company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
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 purchase of inventory and fixed assets and for sale of goods and services. In our opinion, there is no continuing failure to correct major weakness in internal control.
5. To the best of our knowledge and belief, and according to the information and explanations given to us, we are of the opinion that there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. During the year, the company has not accepted deposits from the public.
7. The Company did not have any formal internal audit system during the year under review.
8. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 in respect of products of the company.
9. (a) According to the books of accounts examined by us and also based on representations received from the management, the company is regular in depositing undisputed statutory dues applicable to it. There is no Undisputed amounts payable in arrears in respect of statutory dues as at 31/03/2010 for a period of six months from the date they become payable.
(b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, excise duty, service tax and cess which have not been deposited on account of dispute.
10. The company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and the company has incurred cash losses in such financial year and in the immediately preceding financial year also.

11. Based on our audit procedures and according to the information and explanations given to us we report that the company had not defaulted in repayment of any secured loans during the year under review.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities and debentures; therefore, the provisions of clause 4 (xiv) of the Order are not applicable to the company.
15. The company has not given guarantee to a bank for loan taken by any other company.
16. The company has not obtained any term loan during the year. Accordingly, the provisions of clause (xvi) of the Order are not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used to finance long-term investments.
18. According to the information and explanations given to us, during the year covered by our report, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (xviii) of the Order are not applicable to the company.
19. According to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the company.
20. During the period covered by our audit report, the company has not raised any money by way of a public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

FOR PADAM CHAND JAIN & ASSOCIATES
Chartered Accountants

Sd/-
PADAM CHAND JAIN

(Proprietor)
Member ship No. 34966

Place : Ahmadabad
Date : 1st September 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	Rupees	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
<u>SOURCES OF FUND:</u>				
Share Capital	1		64,793,000	64,793,000
TOTAL			64,793,000	64,793,000
<u>APPLICATION OF FUNDS:</u>				
<u>Current Assets, Loan & Advances:</u>				
Cash & Bank Balance	2	2,777		2,777
Loans & Advances	3	1,211,134		1,211,134
		1,213,911		1,213,911
Less: Current Liabilities & Provisions	4	9,823,881		7,323,881
Net Current Assets			(8,609,969)	(6,109,969)
Balance of Profit & Loss Account			73,402,969	70,902,969
TOTAL			64,793,000	64,793,000
Significant Accounting Policies & Notes			-	
Forming Part of Accounts	5			

As per our attached report of even date

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

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

**PLACE: AHMEDABAD
DATED: 1ST SEPTEMBER 2010**

FOR AND ON BEHALF OF THE BOARD,

Sd/-

DIRECTOR

Sd/-

DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule	Year ended On 31-03-2010 Rupees	Year ended On 31-03-2009 Rupees
-------------	----------	---------------------------------------	---------------------------------------

INCOME:

TOTAL - -

EXPENDITURE:

Loss on settlement payment to IARC 2,500,000 -
-

TOTAL 2,500,000 -

Loss Before Tax 2,500,000 -

Balance of loss brought forward 70,902,969 70,902,969

Loss Carried to Balance Sheet 73,402,969 70,902,969

**Significant Accounting Policies & Notes
Forming Part of Accounts** 5

As per our attached report of even date

For PADAMCHAND JAIN & ASSOCIATES,

CHARTERED ACCOUNTANTS

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

**PLACE: AHMEDABAD
DATED: 1ST SEPTEMBER 2010**

FOR AND ON BEHALF OF THE BOARD,

Sd/-

DIRECTOR

Sd/-

DIRECTOR

SCHEDULE FORMING PART OF THE BALANCE SHEET

Particulars	Amount Rupees	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<u>SCHEDULE-1</u>			
<u>SHARE CAPITAL:</u>			
<u>Authorised:</u>			
7000000 Equity shares of Rs. 10/- each		70,000,000	70,000,000
<u>Issued, Subscribed & paid up capital:</u>			
65,19,700 equity shares of Rs. 10/- each		65,197,000	65,197,000
Less: Calls in arrears		404,000	404,000
TOTAL		64,793,000	64,793,000

SCHEDULE-2**CASH & BANK BALANCES:**

Cash on hand		-	-
Balance with Schedule Banks in current account		2,777	2,777
TOTAL		2,777	2,777

SCHEDULE-3**LOANS & ADVANCES:**

(Unsecured, considered good)			
Advance recoverable in cash or in kind or for value to be received & Deposits			
Tax deducted at source		33,190	33,190
Balance with excise authorities		1,177,944	1,177,944
TOTAL		1,211,134	1,211,134

SCHEDULE-4**CURRENT LIABILITIES & PROVISIONS:****Current Liabilities :**

Sundry creditors		9,823,881	7,323,881
TOTAL		9,823,881	7,323,881

SCHEDULE – 5:**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****A. SIGNIFICANT ACCOUNTING POLICIES:**

- (a) The company follows the accrual system of accounting in accordance with the requirements of the Companies Act, 1956 and complies with the accounting standards referred to in sub-section (3C) of 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 FORMING 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 compiling 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 2003-04 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 year's 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 having net deferred tax assets. Deferred tax assets, which have arisen mainly on account of unabsorbed depreciation and carried forward losses, have not 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.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS			
	REGISTRATION NOS.	18572 2	STATE CODE	04
	BALANCE SHEET DATE	31.03.2010		
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	64,793	TOTAL ASSETS	64,793
	SOURCES OF FUNDS		APPLICATION OF FUNDS	
			NET FIXED ASSETS	--
	PAID UP CAPITAL	64,793		
	RESERVE & SURPLUS	--	NET CURRENT ASSETS	(8,610)
	SECURED LOAN	--		
	UNSECURED LOAN	--	MISC. EXPENDITURE (DEBIT OF P/L A/C.)	73,403
IV	PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)			
	TURNOVER INCLUDING	--	TOTAL EXPENDITURE	2,500
	OTHER INCOME			
	PROFIT BEFORE TAX	(2,500)	PROFIT AFTER TAX	(2,500)
	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,

FOR AND ON BEHALF OF THE BOARD,

CHARTERED ACCOUNTANTS

Sd/-

Sd/-

PADAMCHAND K.JAIN
PARTNER
Membership No. 34966

DIRECTOR

DIRECTOR

PLACE: AHMEDABAD
DATED: 1ST SEPTEMBER 2010

ADI RASAYAN LIMITED

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

PROXY FORM

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 Eighteenth
Annual General Meeting of the company to be held on Thursday, 30th Day of September 2010 at
Parking Plot, Indrapuri Apartments, Ellisbridge, AHMEDABAD 380006 at 11.00 A.m. and at any
adjournment thereof.

Affix Revenue
stamp of Rs 1

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 EIGHTEENTH ANNUAL GENERAL MEETING of the Company held on
Thursday, 30th Day of September 2010 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.

18th ANNUAL REPORT

2009-2010

ADI RASAYAN LIMITED

Directors : **Vikram Ramanlal Shah** - **Executive Director**
Dahyabhai Bhagubhai Patel - **Executive Director**
Dinesh Harchand Desai - **Executive Director**
Ashish S Pandare - **Independent Director**
Lalji Ramraj Yadav - **Independent Director**

Auditors : **M/S. Padam Chand Jain & Associates**
M V House, Hajipura Garden
Shahibaug, Ahmedabad 380009

Registered Office : **48 Gujarath Grain Market,**
Opp. Annupam Cinema,
Khokhra Mehamadabad
Ahmedabad 380 050

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BOOK-POST

If undelivered please return to:

ADI RASAYAN LIMITED

Registered Office:

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