

ADINATH EXIM RESOURCES LIMITED

AHMEDABAD

**10th Annual Report
2003-2004**



NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the members of Adinath Exim Resources Limited will be held on Saturday, 29th Day of September, 2004, at 11.00 a.m., at 2nd Floor, Super Bazar, Naranpura Cross Road, Ahmedabad-380013 for transacting the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2004 and Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint a Director in place of Mr. Paras Savla, who retires by rotation and being eligible for re-appointment offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

Paras Savla

Date: 20.08.2004

Chairman

Notes :

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM THURSDAY, THE 20TH DAY OF SEPTEMBER, 2004 TO THE 29TH DAY OF SEPTEMBER, 2004 (BOTH DAYS INCLUSIVE).
3. THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY THE CHANGE OF ADDRESS IF ANY, TO THE COMPANY.

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DIRECTORS REPORT

To,
The Members
Adinath Exim Resources Limited
Ahmedabad

Your Directors are pleased to present the Tenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended on 31st March 2004.

(1) FINANCIAL RESULTS

	2003-04 (Rs. in Lacs)	2002-2003 (Rs. in Lacs)
INCOME	23.15	11.61
EXPENDITURE	6.03	6.45
PROFIT BEFORE PROVISION FOR TAX & AFTER PRIOR PERIOD EXPENDITURE	17.12	5.16
PROVISION FOR TAXATION	1.31	2.29
ADD : DEFERRED TAX CREDIT	0.02	0.08
PROFIT AFTER PROVISION FOR TAX	15.83	2.95

2. PERFORMANCE :

During the period under review the Company has earned gross income of Rs. 23.15 Lacs and earned Net Profit of Rs. 15.83. The Company expects to perform better in the current year.

3. DIRECTORS :

Pursuant to provisions of Section 256 of the Companies Act, 1956 Shri Paras Savla retire by rotation and being eligible offers himself for re-appointment.

4. DIVIDEND :

Looking to the current money market stringency, higher cost of funds and slumpness in the capital market your directors think it better to plough back entire profit.

5. PARTICULARS OF EMPLOYEES :

No employee is drawing remuneration more than the specified limit prescribed u/s.217(2A) of the Companies Act, 1956, (Particulars of Employees) Rules, 1975. Hence, the information required in terms of Section 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975 is not applicable to us.

6. AUDITORS :

The retiring Auditors SHAILESH C. PARIKH & CO. Chartered Accountants, Ahmedabad are eligible for re-appointment and offer themselves for re-appointment. The Auditors have furnished a certificate to the effect that if reappointed, their appointment shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

7. FOREIGN EXCHANGE EARNING/OUTGO :

There is no foreign exchange earning or outgo during the period under review.

8. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

The Company has no activities relating to conservation of energy or technology absorption.

9. NBFC COMPLIANCE WITH RBI :

Your Company has been registered as a Non-Banking Financial Company with the Reserve Bank of India and the Company has complied with all the necessary formalities.

10. PUBLIC DEPOSIT :

During the year under review your Company has not accepted any deposits from the public.

11. MANAGEMENT DISCUSSION AND ANALYSIS :**INDUSTRY STRUCTURE & DEVELOPMENT**

THE increased penetration of the banking sector in all segment of the financial services, industries

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and reduced direct cost of borrowing from high quality borrowers have greatly reduced business opportunity of NBFCs.

Opportunity :

The India economy provide attractive growth opportunities with GDP growth forecast at 5% to 6% per annum over the next several years. Growth in major infrastructure re such as road and port sector and other infrastructure are likely to provide significant business opportunity in future.

CHALLENGES

The entire NBFC sector faces competitive pressure from banking sector which enjoys access to lower cost financing. The spreads in the lending business have also narrowed considerably.

RISK AND CONCERNS

The company is exposed to specific risks that are particular to its business such as interest rate volatility, economic cycle, market risk and credit risk. The Company manage this risk any maintaining a conservative financial profile and by following prudent and business risk management practices.

ADEQUACY OF INTERNAL; CONTROL

The company has adequate internal control system commensurate with its size and nature of business and suitable internal control procedures, optimum resources utilization and compliances with the various statutes is ensured.

HUMAN RESOURCES

The company's strength lies in the human resources. The company recognises the fact that the human resources represent the most valuable capital of the company. The company constantly review its organisation structure and carries out changes to make it learn and flexible. Industrial relations climate continue to be cordial and the company believes in resolving any outstanding issued through discussions.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors state that -

- In the presentation of Annual Accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and the profit or loss of the Company for the period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.
- As per information furnished to us, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub-section (1) of section 274 of the companies act, 1956.

13. ACKNOWLEDGMENT :

Your Directors take this opportunity to express their grateful appreciation for the willing assistance and co-operation received from the bankers, shareholders and the employees of the Company.

FOR AND ON BEHALF OF THE BOARD

For Adinath Exim Resources Limited

Place: Ahmedabad
Date: 20.08.2004

Paras Savla
Chairman

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COMPLIANCE REPORT ON CORPORATE GOVERNANCE :
(Annexure to Directors' Report)

Pursuant to clause 49 of Listing Agreement your directors present below a complete report on corporate governance :

1. COMPANY'S PHILOSOPHY :

Your Company is committed to good Corporate Governance and has adhered to the prescribed standards. The Company's philosophy on code of Governance is aimed at efficient conduct of business in compliance with the prescribed Acts and Rules on Corporate Governance.

2. BOARD OF DIRECTORS :

Composition of Board of Directors

Name of Directors	Executive/ Non-executive/ Independent	No. of other Directorship in public Ltd. Companies	No. of other Board Committee of which member/Chairman
Paras Savla	Executive - Non independent	Nil	Nil
Manoj Savla	Non-executive Non independent	Nil	Nil
Mukesh Savla	Non-executive Non independent	Nil	Nil

ATTENDANCE OF EACH DIRECTORS AS BOARD MEETING AND LAST ANNUAL GENERAL MEETING

Sr. No.	Name of Director	Category of Directorship	No. of Board Meeting Held	No. of Board Meeting attended	Attendance at last AGM
1.	Paras Savla	Chairman &	6	6	Yes
2.	Manoj Savla	Director	6	6	Yes
3.	Mukesh Savla	Director	6	6	Yes

NUMBER OF BOARD MEETING HELD DURING THE YEAR 2002-03 AND THE DATES OF BOARD MEETINGS :

Board Meeting	Date	Board Meeting	Date
1	30/06/2003	4	31/12/2003
2	20/08/2003	5	10/02/2004
3	30/09/2003	6	30/03/2004

3. AUDIT COMMITTEE :

The Audit Committee was formed by the Board of Directors of the Company on 29th day of March, 2002. Brief description of terms of reference are :

1. To look into the adequacy and compliance of internal control system.
2. To review the quarterly, half-yearly and annual financial statements before submission to the Board
3. To recommend the appointment and removal of external auditors, fixation of audit fee and also approval for payment to the external auditors for any other services.
4. To undertake the periodical review of internal control system and appraise and update the range and scope of Internal Audit Programme from time to time.
5. To interact actively with the External Auditors from time to time and discuss about finalization of annual financial statements.
6. To look into any other matter which may be referred to it by the Board.

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN :

The Committee consists of the following directors :

1. Mr. Paras Savla
2. Mr. Manoj Savla
3. Mr. Mukesh Savla

The Audit Committee in its meeting held on 20/07/2003 approved the annual accounts for the year ended on 31st day of March, 2003. The Audit Committee met four times during the year ended on 31st of March, 2004 viz. on 30/05/03, 20/07/2003, 24/10/2003 and 20/01/2004. All members of the Committee attended these meeting

4. SHAREHOLDERS' COMMITTEE :

- a) The Board of Directors constituted a shareholders' committee consisting of Mr.Paras Savla, Mr.Manoj Savla and Mr.Mukesh Savla, as the Chairman of the committee.
- b) The Company did not received any complaint during the year under review.
- c) The name of the Compliance officer is Mr.Anoop Belani.
- d) There were no pending share transfers as on 20th August, 2004 which were received more than one month prior to that date.
- e) There were no pending cases of dematerialisation requests exceeding 30 days as on 20th August, 2004.

5. GENERAL BODY MEETING :

- a) The details of the location and time of the last three Annual General Meeting of the Company :

Financial year	Date	Time	Venue
31/03/2001	26/09/2001	11.00 a.m.	1, Super Bazar, Naranpura, Cross Roads, Ahmedabad-13.
31/03/2002	21/09/2002	11.00 a.m.	1, Super Bazar, Naranpura, Cross Roads, Ahmedabad-13.
31/03/2003	29/09/2003	11.00 a.m.	1, Super Bazar, Naranpura, Cross Roads, Ahmedabad-13.

No postal ballot were used or required for voting at these meetings in respect of special resolution passed.

6. DISCLOSURES :

- a) Disclosures on materially significant related party transaction. 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 interest of the company at large :

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

- b) Details of non-compliance by the Company, penalties strictures imposed on the Company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

NON-COMPLIANCE WITH LISTING AGREEMENT**7. MEANS OF COMMUNICATION :**

- a) Management discussion and Analysis Report is a part of the Director Report.
- b) The Company does not have website.

8. GENERAL SHAREHOLDERS INFORMATION :

1. Annual General Meeting date, time & Venue :

29/09/2004

at 11.00 a.m.

ADINATH EXIM RESOURCES LTD.

2nd Floor, Super Bazar, Naranpura Cross Roads, Ahmedabad-380 013.