

ADINATH EXIM RESOURCES LIMITED

AHMEDABAD

**11th Annual Report
2004-2005**

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NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of Adinath Exim Resources Limited will be held on 30th September, 2005, at 11.00 a.m., at 2nd Floor, Super Bazar, Naranpura Cross Road Ahmedabad-380 013, 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, 2005, Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint a Director in place of Mr. Manoj Savla, who retires by rotation and being eligible for re-appointment offers himself for the same.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

Paras Savla

Date: 25.08.2005

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 FRIDAY, THE 22TH DAY OF SEPTEMBER, 2005 TO THE 30TH DAY OF SEPTEMBER, 2004 (BOTH DAYS INCLUSIVE).
- 3) THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY THE CHANGE OF ADDRESS IF ANY, TO THE COMPANY.

DIRECTORS REPORT

To,
The Members
Adinath Exim Resources Limited
Ahmedabad

Your Directors are pleased to present the Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31st March, 2005.

(1) FINANCIAL RESULTS

	2004-05 (Rs. in Lacs)	2003-2004 (Rs. in Lacs)
INCOME	22.66	23.15
EXPENDITURE	6.81	6.03
PROFIT BEFORE PROVISION FOR TAX & AFTER PRIOR PERIOD EXPENDITURE	15.85	17.12
PROVISION FOR TAXATION	1.47	1.31
ADD : DEFERRED TAX CREDIT	0.03	0.02
PROFIT AFTER PROVISION FOR TAX	14.35	15.83

2. PERFORMANCE :

During the period under review the Company has earned gross Income of RS. 22.66 Lacs and earned Net Profit of RS. 14.35 lacs. The Company expects to perform better in the current year.

3. 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.

4. DIRECTORS :

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

5. 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.

6. PARTICULARS OF EMPLOYEES :

No employee is drawing remuneration more than the specified limit prescribed u/s.217(2A) of the Companies Act, 1956, Companies (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.

7. 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.

8. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

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

9. FOREIGN EXCHANGE EARNING/OUTGO :

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

10. 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.

11. PUBLIC DEPOSIT :

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

12. CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement, the provisions relating to the Corporate Governance becomes applicable to the Company from the year 2004-05. The corporate governance report and Auditors' certificate in respect thereof form part to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

INTERNAL CONTROL SYSTEM :

The company has adequate internal control system commensurate with its size and nature of business and suitable internal control procedures, optimum resource utilization and compliance 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 reviews learn and flexible. Industrial relations climate continue to be cordial and the company believes in resolving any outstanding issues through discussions.

INDUSTRIAL STRUCTURE AND DEVELOPMENT :

The NBFC sector in India is represented by mix of few large companies with nationwide presence and large number of small and medium sized companies with regional focus. The Reserve Bank of India regulates the operations of NBFC's. In recent years NBFCs are facing strong competition from Banks and financial institutions as they are providing funds at lower cost. Hence, NBFCs are under pressure to cut cost and to develop focus marketing approach by offering more personalized services. Entries of strong NBFCs in insurance and banking sector have been some of the major development in this sector.

OPPORTUNITY & THREATS :

The economy is expected to achieve 6% - 7% GDP growth rate this year which will provide excellent investment opportunity in the future. NBFCs registered with RBI have also now been allowed to take up insurance agency business on fee basis and without risk participation, without the approval of RBI.

RISK AND CONCERNS :

Company is exposed to specific risk that are particular to its business and the environment within which it operates including economic cycle, market risk and credit risks. The Company will manage this risk by risk management practices.

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: 25.08.2005

Paras Savla

Chairman

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	Deep Industries Ltd.	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 2004-05 AND THE DATES OF BOARD MEETINGS :

Board Meeting	Date	Board Meeting	Date
1	30/04/2004	4	30/10/2004
2	30/07/2004	5	31/01/2005
3	20/08/2004	6	31/03/2005

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.

ADINATH EXIM RESOURCES LIMITED

Annual Report**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 20/07/2004 approved the annual accounts for the year ended on 31st day of March, 2004. The Audit Committee met four times during the year ended on 31st of March, 2005 viz. on 01/05/04, 20/07/2004, 20/10/2004 and 25/01/2005. All members of the Committee attended these meetings.

NOTE: The Company is in search of suitable and competent person who is to be appointed as an independent director of the company.

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.

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
31/03/2002	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.
31/03/2004	29/09/2004	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.

Trading of Company's securities has been suspended by the Bombay Stock Exchange Ltd. due to non-compliances of certain listing requirements.

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 :**

30/09/2005

at 11.00 a.m.

ADINATH EXIM RESOURCES LTD.

1, Super Bazar, Naranpura Cross Roads, Ahmedabad-380 013.