

ADINATH EXIM RESOURCES LIMITED

AHMEDABAD

12th Annual Report 2005-2006

For, ADINATH EXIM RESOURCES LTD,


Director

Report  Junction.com

ADINATH EXIM RESOURCES LIMITED**Annual Report****NOTICE**

NOTICE is hereby given that the 12th Annual General Meeting of the members of Adinath Exim Resources Limited will be held on Saturday, 30th September, 2006, at 10.00 a.m., at the Registered Office of the Company at 1, Super Bazar, Naranpura Cross Roads, Naranpura, Ahmedabad-380 013, at the Registered Office of the Company for transacting the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mukesh Savla and Mr. Paras Savla who retires by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors 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 Shri Jigar Shah, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the company liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Hitesh Vanvari, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the company liable to retire by rotation."

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

Paras Savla

Date: 25.08.2006

Chairman

NOTES:

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business at Item Nos. 4 & 5 set out in the Notice dated 25th August, 2006 is annexed hereto.
2. 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. In order to be effective, proxy must be received by the Company not less than 48 hours before the time of the meeting.
3. Members are requested to notify immediately the change, if any, in their registered address.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25th September, 2006 to Saturday, the 30th September, 2006 (both days inclusive) as required pursuant to the provisions of section 154 of the Companies Act, 1956.

ANNEXURE TO THE NOTICE:**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 & 5 in the accompanying Notice dated 25th August 2006 and should be taken as forming part of the notice.

In respect of Item No. 4:

The Board of Directors had appointed Mr. Jigar Shah as Additional Director at their meeting held on 07-11-2005. According to Section 260 of the Companies Act, 1956 the term of appointment of Additional Director is upto the Annual General Meeting. Therefore, term of Mr. Jigar Shah as Additional Director expires at the ensuing 12th Annual General Meeting of the Company.

As required by Section 257 of the Act, a notice has been received from members signifying their intention to propose appointment of Mr. Jigar Shah as a director along with a deposit of Rs.500. The Board considers it desirable that the company should continue to avail itself of his services.

None of the Directors, except Mr. Jigar Shah, is in any way concerned or interested in the resolution.

In respect of Item No. 5:

The Board of Directors had appointed Mr. Hitesh Vanvari as Additional Director at their meeting held on 07-11-2005. According to Section 260 of the Companies Act, 1956 the term of appointment of Additional Director is upto the Annual General Meeting. Therefore, term of Mr. Hitesh Vanvari as Additional Director expires at the ensuing 12th Annual General Meeting of the Company.

As required by Section 257 of the Act, a notice has been received from members signifying their intention to propose appointment of Mr. Hitesh Vanvari as a director along with a deposit of Rs. 500. The Board considers it desirable that the company should continue to avail itself of his services.

None of the Directors, except Mr. Hitesh Vanvari, is in any way concerned or interested in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

- Paras Savla

Date: 25.08.2006

Chairman

ADINATH EXIM RESOURCES LIMITED

Annual Report**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, 2006.

(1) FINANCIAL RESULTS

	2005-06 (Rs. in Lacs)	2004-2005 (Rs. in Lacs)
Total Income	96.61	22.66
Expenditure	6.41	6.32
Profit Before Interest and Depreciation	90.2	16.34
Less: Depreciation	0.40	0.49
Profit Before Interest	89.8	15.85
Less: Interest	0.004	Nil
Profit Before Tax	89.80	15.85
Less: Provision for: Current Taxation	8.84	1.47
Deferred Taxation	0.00	0.03
Profit after Taxation	80.96	14.35

2. PERFORMANCE :

During the period under review the Company has earned Gross Income of Rs. 96.61 Lacs and earned Net Profit of RS. 80.96 lacs. The performance of the Company is quite satisfactory. 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 Mukesh Savla retire by rotation and being eligible offers himself for re-appointment.

Mr. Jigar Shah & Mr. Hitesh Vanvari were appointed as Additional Directors by the Board at its meeting held on 07-11-2005. The Company has received notice from members under section 257 signifying their intention to appoint them as Director of the company.

5. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the Annual Accounts, all the applicable accounting standards have been followed
- ii) That the accounting policies are adopted and consistently followed and the judgments and estimates made 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 of the Company for the Financial Year
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities
- iv) That the Directors have prepared the Annual Accounts on going concern basis.

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company is not required to give information relating to conservation of energy and technology absorption as the Company is not engaged in any activities referred to in Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

7. FOREIGN EXCHANGE EARNINGS / OUTGO:

The Company does not have any foreign exchange earnings / outgo during the year under review and

ADINATH EXIM RESOURCES LIMITED**Annual Report**

therefore the information in respect of Foreign Exchange Earnings and Outgo as required by Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not provided.

8. AUDITORS:

The present Auditors of the Company M/s. Shailesh C. Parikh & Co., Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting of the Company. They have submitted Certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956.

9. INSURANCE:

All movable properties as owned by the Company continued to be adequately insured against risks such as fire, riot, strikes etc.

10. PARTICULARS OF EMPLOYEES:

There is no employee drawing remuneration for which information is required to be submitted under Section 217(2-A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

11. 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.

12. PUBLIC DEPOSIT :

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

13. CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement, 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 firmly believes that intellectual capital and human resources is the backbone of the company's success.

The company constantly reviews its organization 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 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 personalize 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.

14. ACKNOWLEDGEMENT:

Your Directors are pleased to take opportunity to express sincere gratitude for assistance and continued co-operation extended by Promoters, Banks, Government Authorities, Shareholders and employees of the Company.

FOR AND ON BEHALF OF THE BOARD

For Adinath Exim Resources Limited

Place: Ahmedabad
Date: 25.08.2006

Paras Savla
Chairman

ADINATH EXIM RESOURCES LIMITED

Annual Report

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. CORPORATE GOVERNANCE:

The principal characteristics of corporate governance are Transparency, Independence, Accountability, Responsibility, Fairness, and Social Responsibility. Corporate Governance pertains to system of blending law, regulations and voluntary practices, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole.

2. 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	Non Executive - Non independent	1	Nil
Manoj Savla	Non-executive Non independent	1	Nil
Mukesh Savla	Non-executive Non independent	Nil	Nil
Mr. Jigar Shah	Non-executive Non independent	Nil	Nil
Mr. Hitesh Vanvari	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
4.	Mr. Jigar Shah	Director	7	2	N.A.
5.	Mr. Hitesh Vanvari	Director	7	2	N.A.

Number of Board meetings held during the financial year and dates of Board meetings :

Board Meeting	Date	Board Meeting	Date
1	29/04/2005	2	25/06/2005
3	29/07/2005	4	20/08/2005
5	31/10/2005	6	25/11/2005
7.	31/01/2006	-	-

3. AUDIT COMMITTEE :**A) Constitution :**

The current Audit Committee comprises of Mr. Jigar Shah and Mr. Hitesh Vanvari, Non Executive – Independent Directors and Mr. Manoj Savla, Non Executive – Non Independent Director. Mr. Paras Savla, Non Executive Director and the internal auditor shall be the invitee to the meetings of the Audit Committee.

Mr. Jigar Shah, who is a Chartered Accountant, shall in addition to be the Chairman of the Committee