

# **ADINATH EXIM RESOURCES LIMITED**

## **14th Annual Report 2007-2008**

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

**NOTICE** is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the members of Adinath Exim Resources Limited will be held on Tuesday, the 30<sup>th</sup> of September, 2008 at 10.00 A.M at 6<sup>th</sup> Floor, N.G. Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad-380 015, for transacting the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit and Loss Account for the year ended on that date together with the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Savla who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukesh Savla who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Shailesh C. Parikh & Co., Chartered Accountants, as Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

5. To consider and if thought fit to pass with the without modification(s) the following resolution as a **SPECIAL RESOLUTION**.

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorised to seek voluntarily delisting of its securities from Ahmedabad Stock Exchange."

**"RESOLVED FURTHER THAT** the securities of the company shall continue to be listed on the stock exchange having nation wide trading terminals vis the Bombay stock exchange Limited Mumbai and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company."

**"RESOLVED FURTHER THAT** the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution."

**BY ORDER OF THE BOARD OF DIRECTORS**

Place: Ahmedabad

Date: 12.04.2008

Paras Savla

Chairman

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Book of the company will remain closed from 26<sup>th</sup> September 2008 to 30<sup>th</sup> September 2008. (both day inclusive).
3. Members holding shares in physical form are requested to intimate Registrar and Share Transfer Agent of the company i.e. Pinnacle Share Registry Private Limited, Near Asoka Mills, Naroda Road, Ahmedabad-380025, regarding change, if any, in their registered address along with pin code. Members holding shares in electronic form may update such details with their respective Depository Participant.

4. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, where the equity shares of the company are listed, additional information pertaining to Directors proposed for re- appointment at the Annual General Meeting is attached hereto.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

Date: 12.04.2008

Paras Savla

Chairman

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF COMPANIES ACT 1956 ITEM NO. 5**

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nation wide trading terminal, i.e., The Bombay Stock Exchange Limited, Mumbai, and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at Ahmedabad Stock Exchange, Delhi Stock Exchange and Bombay Stock Exchange. Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange Limited (BSE), Mumbai and Delhi Stock exchange.

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

**Details of Directors seeking re-appointment at the Annual General Meeting**

(in pursuance of clause 49 of the Listing Agreement)

Name of the Director	Brief Resume and nature of Expertise in Functional area	List of other Directorship/ Committee membership in other Public Companies as on 31st March 2008
Mr. Manoj Savla	He is a B.Com. Graduate with twenty years Experience in Distributorship of Petroleum Products.	<b>Other Directorships</b> Prabhavati Properties (P) Ltd. Yash Organochem (P) Ltd. Orpat Marketing (P) Ltd. Jay Khodiyar Properties (P) Ltd. Savla Enterprise (P) Ltd. S P Organisers (P) Ltd.  <b>Committe Membership</b> NIL
Mr. Mukesh Savla	He is a B.Com. Graduate with twenty eight years experience as owner of Rice Mill.	<b>Other Directorship</b> NIL  <b>Committe Membership</b> NIL

**ADINATH EXIM RESOURCES LIMITED*****Annual Report*****DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report together with Audited Statement of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2008:

**FINANCIAL RESULTS:**

(Rs. in Lacs)

Particulars	2007-08	2006-07
Total Income	25.87	196.22
Expenditure	10.49	167.71
Profit Before Interest and Depreciation	15.38	28.51
Less: Depreciation	1.34	0.57
Profit Before Interest	14.04	27.94
Less: Interest	0.004	0.007
Profit Before Tax	14.04	27.94
Less: Provision for: Current Taxation	2.98	3.63
Deferred Taxation	(0.00)	(0.00)
Profit after Taxation	11.06	24.31

**PERFORMANCE**

During the period under review the Company has earned Gross Income of Rs. 25.87 Lacs and earned Net Profit of Rs. 11.06 lacs compared to total income of Rs.196.22 Lacs and Net Profit of Rs. 24.31 Lacs in the previous year. Fall in Net Profit is due to heavy losses on account of loss on share trading and downward trend of the Market. The Company expects to perform better in the current year.

**DIVIDEND**

In view of marginal profit during the year under review, your Directors do not recommend any dividend on equity shares for the year ended 31<sup>st</sup> March, 2008.

**MANAGEMENT DISCUSSION AND ANALYSIS**

A report on Management Discussion and Analysis (MDA), which form part of this report, inter alia, deals adequately with the operation as also current and future outlook of the company.

**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.

**DIRECTORS**

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

**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:

- That in the preparation of the Annual Accounts, all the applicable Accounting Standards have been followed.
- 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.

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

- 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.

**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 (1B) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

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

**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.

**FOREIGN EXCHANGE EARNINGS / OUTGO:**

The Company does not have any Foreign Exchange Earnings / Outgo during the year under review and 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.

**PUBLIC DEPOSIT**

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

**DELISTING FROM AHMEDABAD STOCK EXCHANGE**

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nation wide trading terminal, i.e., The Bombay Stock Exchange Limited, Mumbai, and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at Ahmedabad Stock Exchange, Delhi Stock Exchange and Bombay Stock Exchange. Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange Limited (BSE), Mumbai and Delhi Stock exchange.

**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.

**BY ORDER OF THE BOARD OF DIRECTORS**

Place: Ahmedabad

**Paras Savla**

Date: 12.04.2008

*Chairman*

**ADINATH EXIM RESOURCES LIMITED*****Annual Report*****CORPORATE GOVERNANCE REPORT**

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

**COMPANY'S PHILOSOPHY ON 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. 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.

**CEO/CFO Certificate**

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & Chairman and Chief Financial Officer on the Financial Statements has been obtained.

**BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2008, the Board of Directors comprised of five Directors, the details of which are as follows:

**Composition and Category of Directors****ATTENDANCE OF EACH DIRECTORS AS BOARD MEETING AND LAST ANNUAL GENERAL MEETING**

Sr. No.	Name of Director	Category of Directorship	No. of Board Meeting attended	Attendance at last AGM	Members/ Chairman of other Board Committee	Number of other Directorship held
1.	Manoj Savla	Non- Executive, Non- Independent	14	Yes	NIL	5
2.	Paras Savla	Non- Executive, Non- Independent	14	Yes	NIL	5
3.	Mukesh Savla	Non- Executive, Non- Independent	14	Yes	NIL	NIL
4.	Jigar Shah	Non- Executive, Independent	14	Yes	NIL	NIL
5.	Hitesh Vanvari	Non- Executive, Independent	14	Yes	NIL	NIL

**Number of Board meetings held and the date on which held**

Fourteen Board meetings were held during the year and the gap between two Board meetings did not exceeded four months. These meetings were held on 26<sup>th</sup> April 2007, 2<sup>nd</sup> July, 2007, 31<sup>st</sup> July 2007, 14<sup>th</sup> August, 2007, 25<sup>th</sup> August 2007, 1<sup>st</sup> September, 2007, 15<sup>th</sup> September, 2007, 3<sup>rd</sup> October, 2007, 8<sup>th</sup> October 2007, 15<sup>th</sup> October, 2007, 20<sup>th</sup> October, 2007, 31<sup>st</sup> October, 2007, 30<sup>th</sup> January, 2008 and 3<sup>rd</sup> March, 2008.

**AUDIT COMMITTEE****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.

Mr. Jigar Shah, who is a Chartered Accountant, is the Chairman of the Committee.



## ADINATH EXIM RESOURCES LIMITED

Annual Report**Number of Meetings and attendance during the year :**

Four Meetings were held during the Financial Year 2007-08 on 31/07/2007, 25/08/2007, 31/10/2007 and 30/01/2008.

Name of Director	Designation	Category	No. of Meetings Attended
Mr. Jigar Shah	Chairman	Non- Executive, Independent	4
Mr. Hitesh Vanvari	Member	Non- Executive, Independent	4
Mr. Manoj Savla	Member	Non- Executive, Non- Independent	4
Mr. Paras Savla	Member	Non- Executive, Non- Independent	4
Mr. Mukesh Savla	Member	Non- Executive, Non- Independent	4

**Brief Description and terms of reference are :**

- Supervision of the Companies Financial Reporting process.
- Reviewing with the Management, the financial result before placing them to the board with a special emphasis on accounting policies and practices, internal controls, compliances with Accounting Standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- Reviewing the observation of statutory auditors about the finding during the audit of the company.
- Keeping watch on timely payment to shareholders and creditors.
- Reviewing the performance of Statutory Auditors.
- Reviewing the Management Discussion and Analysis of financial condition and result of operations.

**SHAREHOLDERS/INVESTOR GREIVENCE COMMITTEE**

The Board of the Company has constituted a shareholder'/Investors' Grievance Committee, comprising of following Members:

Four Meetings were held during the Financial Year 2007-08 on 31/07/2007, 25/08/2007, 31/10/2007 and 30/01/2008.

Name	Designation	Category	Committee meeting attended
Mr. Jigar Shah	Chairman	Independent & Non-Executive	4
Mr. Manoj Savla	Member	Non-Independent & Non-Executive	4
Mr. Paras Savla	Member	Non-Independent & Non-Executive	4
Mr. Mukesh Savla	Member	Independent & Non-Executive	4
Mr. Hitesh Vanvari	Member	Non-Independent & Non-Executive	4

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressing of shareholders' complaints like transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. the committee note down that during the year all the complaints have been disposed timely and up to the satisfaction of the shareholders.

- The Board of Directors constituted shareholders' committee consisting of Mr. Jigar Shah, who is a Chartered Accountant, also acts as the Chairman of the committee.
- The Company did not receive any complaint during the year under review.
- The name of the Compliance officer is Mr. Bharat Suthar.
- There were no pending share transfers as on 12/04/2008 which were received more than one month prior to that date.