

ADINATH EXIM RESOURCES LIMITED
Annual Report 2010-2011

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Paras S. Savla
Shri. Manoj S. Savla
Shri. Hitesh Vanvari
Shri. Shetal A. Shah

AUDITORS

M/s. Shailesh C. Parikh & Co.
Chartered Accountants

BANKER

HDFC Bank Ltd.

REGISTERED OFFICE

Adinath Exim Resources Limited
6th Floor, Astron Tower,
Opp. Fun Republic Cinema, Satellite,
Ahmedabad – 380 015.
Phone: (079) 26862076
Fax: (079) 26862078

REGISTRAR & TRANSFER AGENTS

Big Shares Services Private Limited
E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072.
Ph.No. (022), 28560652, 28560653

C O N T E N T S

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NOTICE

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the members of Adinath Exim Resources Limited will be held on Friday, the 30th of September, 2011 at 09:30 A.M at 12-A, Abhishree Corporate Park, Bopal Ambli Road, Ahmedabad -380 058, for transacting the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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. Paras Savla who retires by rotation and being eligible offers himself for re-appointment.
3. 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.

By Order of Board of Directors

Date : 25/08/2011
Place : Ahmedabad

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 A POLE 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 Tuesday, 27th September, 2011 to Friday, 30th September, 2011. (both day inclusive).
3. Members are requested to inform any change in their addresses immediately so as to enable the Company or its Registrar and Share Transfer Agent to send communication at their correct addresses.
4. Members are requested to direct all correspondence relating to shares to the Company's Registrar and Transfer Agent i.e. Big Shares Services Private Limited, E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072.
5. Members / Proxies attending the meeting are requested to complete the enclosed attendance slip and hand over the same at the entrance of the Meeting Hall. Members holding shares in dematerialized form are requested to bring their Client Id and DP Id numbers for easy identification of members attending the meeting.
6. Members / Proxies should bring along with them the Annual Report copy at the time of attending the Meeting.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance so that required information may be made available at the Meeting.

By Order of Board of Directors

Date : 25/08/2011
Place : Ahmedabad

PARAS SAVLA
Chairman

Details of Director Seeking Re-appointment at the Annual General Meeting
(in pursuance of Clause 49 of the Listing Agreement)

| Name of Director | Brief Resume and nature of expertise in functional area | List of other Directorship /Committee membership in other Public Companies as on 31 st March, 2011 |
|------------------|--|---|
| Paras Savla | He is a B.Com. Graduate with more than twenty years of experience in gas compression service sector. | Other Directorships Deep Industries Ltd. Deep CH4 Pvt. Ltd. Deep Methane Pvt. Ltd. Deep Natural Resources Ltd. Prabha Energy Pvt. Ltd. Savla Enterprise Pvt. Ltd. Savla Oil & Gas Pvt. Ltd. Yash Organochem Pvt. Ltd. Committe Membership NIL |

DIRECTORS REPORT

To
The Members
Adinath Exim Resources Ltd.

Your Directors have pleasure in presenting the Seventeenth Annual Report together with Audited Statement of Accounts for the Financial Year ended on 31st March, 2011:

FINANCIAL RESULTS:

| | (Rs. In Lacs) | |
|---|----------------|----------------|
| Particulars | 2010-11 | 2009-10 |
| Total Income | 29.91 | 19.54 |
| Expenditure | 7.5 | 18.19 |
| Profit Before Interest and Depreciation | 23.23 | 2.37 |
| Less: Depreciation | 0.82 | 1.02 |
| Profit Before Interest | 22.41 | 1.35 |
| Less: Interest | 0 | 0.00 |
| Profit Before Tax | 22.41 | 1.35 |
| Less: Prior Period Expenses | 0 | 0.65 |
| Less: Provision for: Current Taxation | 4 | 0.88 |
| Deferred Taxation | 0.03 | 0.00 |
| Profit after Taxation | 18.43 | (0.18) |

The total income of the Company during the year under review is Rs. 29.91 Lacs against Rs. 19.54 Lacs in the previous financial year. The increase in total income was mainly due to increase in dividend received on investments, interest income and other miscellaneous income. The profit before tax during the year under review is higher at Rs. 22.41 Lacs as compared to the loss of Rs. 0.18 Lacs incurred in the previous financial year.

DIVIDEND

With a view to conserve the financial resources of the Company, your Directors do not recommend any dividend on equity shares for the year ended 31st March, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Corporate Governance Report" is attached to this Annual report. We have obtained a certificate from a Chartered Accountant on our compliances with clause 49 of the listing agreement with Stock Exchange.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association, Mr. Paras Savla shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself 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:

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- 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.

AUDITORS

M/s. Shailesh C. Parikh & Co., Chartered Accountant, statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received certificate from M/s. Shailesh C. Parikh & Co., chartered Accountant, to the effect that their appointment, if made would within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified from such appointment within the meaning of section 226 of the Companies Act, 1956. The proposal for re-appointment is included in the notice of Annual General Meeting sent with.

SECRETARIAL COMPLAINT CERTIFICATE:

In accordance with section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate is attached with the report.

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 / EXPENSES:

The Company does not have any Foreign exchange earnings / expenses 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.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment displayed by its employees and also to Mr. Hitesh Vanvari, who resigned from the post of directorship during the year under review.

By Order of Board of Directors

Date : 05/08/2011
Place : Ahmedabad

PARAS SAVLA
Chairman

COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-24300
Nominal Capital : Rs. 5.50 Crores
Date of AGM : 30/09/2011

To,

The Members

ADINATH EXIM RESOURCES LIMITED

6th Floor, Astron Tower,
Opp. Fun Republic Cinema,
Satellite, Ahmedabad-380 015

I have examined the registers, records, books and papers of **M/S. ADINATH EXIM RESOURCES LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the date as mentioned in the said Annexure 'B'.
3. The Company being Public Limited Company the provisions of Section 3 (1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met 11 (Eleven) times on 19/04/2010, 22/04/2010, 26/04/2010, 03/05/2010, 01/06/2010, 30/07/2010, 16/08/2010, 29/10/2010, 31/12/2010, 03/02/2011, and 15/03/2011 during the financial year under review in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of members was closed from 24/09/2010 to 30/09/2010 during the Financial Year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2010 was held on 30/09/2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year under review.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contract falling within the purview of section 297 of the Companies Act, 1956 during the year under review.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued duplicate share certificates during the financial year under review.
13. (i) Bigshare Services Pvt. Ltd., Registrar and Transfer Agent of company has delivered all the certificates on lodgement thereof for transfer and transmission of securities. There was no allotment of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company was not required to comply with the provisions of Section 205C of the Companies Act, 1956 as there was no amount outstanding since its incorporation to the Investors of the Company.

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- (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of Mr. Manish Babubhai Joshi as additional Director during the year under review. However there was no appointment of alternate Director and Director to fill casual vacancy during the year under review.
15. There was no appointment of Managing Director / Whole Time Director during the financial year under review.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in Form No.24AA in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / any debentures/ other securities during the financial year.
20. The Company has not bought back any securities during the financial year.
21. The Company has not redeemed any preference shares /debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted or renewed deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company was not required to obtain consent of the shareholders pursuant to section 293(1) (d) of the Companies Act, 1956 in respect of the borrowings made by the Company during the financial year under review.
25. The Company being registered as Non Banking Financial Company under the Reserve Bank of India Act, 1934 and hence the provisions of section 372A of the Companies Act, 1956 are not applicable
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company. However, the Company had filed an suo-moto application with Company Law Board under section 621A of the Act for Compounding of an offence for violation of section 209 r.w. 211, 295 and 383A of the Companies Act, 1956. Penalty was imposed by the Company Law Board, which was paid by the company within time and complied with its orders.
32. The Company has not received any money as security deposit from its employees during the financial year.
33. As informed by the Company the provisions of Provident Fund Act, 1971, are not applicable to the Company and during the year under review no amount has been contributed from any employee nor from the employer to the Provident Fund.

DATE : 05/08/2011
PLACE : AHMEDABAD

FOR RAJESH PAREKH & CO.
Company Secretary
RAJESH PAREKH
Proprietor
CP.NO.: 2939
M.NO.: 8073

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ANNEXURE 'A'

Statutory and Other Registers maintained by the Company :

1. Register of Directors u/s. 303
2. Register of Members u/s. 154
3. Register of Share Transfer.
4. Minutes Book of the Board of Directors Meetings and General Meetings of the Company.
5. Register of Directors' Shareholding u/s.307
6. Register of Contracts u/s.301
7. Register of Charges u/s. 125

ANNEXURE "B"

Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2011

| SR. NO. | FORM NO./ RETURN | FILED UNDER SECTION | FOR | DATE OF FILING | WHETHER FILED WITHIN PRESCRIBED TIME | IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEES PAID |
|----------------|----------------------------------|----------------------------|---|-----------------------|---|--|
| 1 | Form 61 | 621A | Compounding Application with the Company Law Board and Registrar of Companies | 08/04/2010 | YES | N.A. |
| 2 | Form 61 | 621A | Compounding Application with the Company Law Board and Registrar of Companies | 08/04/2010 | YES | N.A. |
| 3 | Form 61 | 621A | Compounding Application with the Company Law Board and Registrar of Companies | 08/04/2010 | YES | N.A. |
| 4 | Form 1AA | 5 | Appointment of Officer who is in default | 21/04/2010 | NO | YES |
| 5 | Form 32 | 303 | Appointment of an Additional Director and Resignation of a Director | 25/05/2010 | YES | N.A. |
| 6 | Form 21 | 621A | Order of Company Law Board | 08/09/2010 | YES | N.A. |
| 7 | Form 21 | 621A | Order of Company Law Board | 08/09/2010 | YES | N.A. |
| 8 | Form 21 | 621A | Order of Company Law Board | 08/09/2010 | YES | N.A. |
| 9 | Form 66 (Compliance Certificate) | 383A | 2009-10 | 19/10/2010 | YES | N.A. |
| 10 | Balance Sheet | 220 | 2009-10 | 21/10/2010 | YES | N.A. |
| 11 | Form 32 | 303 | Regularisation of a Director | 21/10/2010 | YES | N.A. |
| 12 | Annual Return | 159 | 2009-10 | 25/11/2010 | YES | N.A. |

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.

It aims to assure the shareholders that it is "Your Company" and it belongs to you. The Chairman and Board of Directors are your fiduciaries and trustee pushing the business forward in maximizing long term value for its shareholders.

CEO/CFO Certificate

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

BOARD OF DIRECTORS

The current strength of the Board of Directors of the Company is four.

The composition of and the category of directors on the Board of the Company is as under:

Composition and Category of Directors

| Name of Directors | Category of Directorship | No. of Board meeting attended | Attendance at last AGM | Member/ Chairman of other Board Committee | Number of other Directorship held |
|--|--------------------------|-------------------------------|------------------------|---|-----------------------------------|
| Manoj Savla | ED (NI) | 11 | Yes | NIL | 7 |
| Paras Savla | NED (NI) | 11 | Yes | NIL | 8 |
| Shetal A. Shah | NED (I) | 11 | Yes | NIL | NIL |
| Manish Joshi (Appointed w.e.f. 26/04/2010) | NED (I) | 8 | Yes | NIL | NIL |
| Hitesh Vanvari (Resigned w.e.f. 26/04/2010) | NED (I) | 3 | No | NIL | NIL |

- a) ED (NI) – Executive Director (Non Independent)
- b) NED (NI) – Non Executive Director (Non Independent)
- c) NED (I) – Non Executive Director (Independent)

Number of Board meetings held and the date on which held

Eleven Board meetings were held during the financial year 2010-11 at the following dates:

| | | | |
|------------|------------|------------|------------|
| 19/04/2010 | 22/04/2010 | 26/04/2010 | 03/05/2010 |
| 01/06/2010 | 30/07/2010 | 16/08/2010 | 29/10/2010 |
| 31/12/2010 | 03/02/2011 | 15/03/2011 | — |

AUDIT COMMITTEE

Composition

The current Audit Committee comprises of Mr. Shetal Shah (Non-Executive, Independent Director), Mr. Manish Joshi (Non-Executive, Independent Director) and Mr. Paras Savla (Non Executive, Non Independent Director).

Members and attendance during the year :

The Audit Committee consisted of the following members details of which are provided below:

| Name of Director | Designation | Category | No. of Meetings Attended |
|--|--------------------|-----------------|---------------------------------|
| Mr. Hitesh Vanvari (resigned w.e.f. 26/04/2010) | Chairman | NED (I) | 1 |
| Mr. Shetal Shah (Chairman w.e.f. 27/04/2010) | Chairman | NED (I) | 3 |
| Mr. Manish Joshi | Member | NED (I) | 4 |
| Mr. Paras Savla | Member | NED (NI) | 4 |

a) NED (NI) – Non Executive Director (Non Independent)

b) NED (I) – Non Executive Director (Independent)

Number of Meetings

Five meetings of Audit Committee were held during the financial year 2010-11 on the following dates-

| Committee Meeting | Date |
|--------------------------|-------------|
| 1 | 22/04/2010 |
| 2 | 30/07/2010 |
| 3 | 16/08/2010 |
| 4 | 29/10/2010 |
| 5 | 03/02/2011 |

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 Report on financial condition and result of operations.

SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

Composition

The current Investor Grievances Committee comprises of Mr. Shetal Shah (Non-Executive, Independent Director), Mr. Manish Joshi (Non-Executive, Independent Director) and Mr. Paras Savla (Non Executive, Non Independent Director).