

**5TH ANNUAL
REPORT
1998 - 99**

ADINATH EXIM RESOURCES LIMITED

FIFTH ANNUAL REPORT

5TH ANNUAL REPORT

1998-99

BOARD OF DIRECTORS

Shri Shantilal M. Savla Chairman
Shri Paras S. Savla Managing Director
Shri Manoj S. Savla Director
Shri Mukesh M. Savla Director

AUDITORS

Sailesh C. Parikh & Co.
 Chartered Accountants
 Ahmedabad.

BANKERS

Corporation Bank
 Bank of Baroda

REGISTERED OFFICE

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

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ADINATH EXIM RESOURCES LIMITED

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Shareholders of Adinath Exim Resources Limited will be held at 2nd Floor, Super Bazar, Naranpura Cross Road, Ahmedabad-13. On Thursday, the 30th day of September, 1999 at 11.00 A.M. for the purpose of transacting the following business :

ORDINARY BUSINESS :

- To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account alongwith Auditors' Report thereon for the period ended 31st March, 1999.
- To appoint a director in place of Shri Mukesh Savla who retires by rotation and being eligible offers himself for re-appointment.
- To appoint auditors and to fix their remuneration.
- To consider and if thought fit to pass, with or without modification(s) the following resolution as a special Resolution :
 "RESOLVED THAT" pursuant to the Directives/Guidelines issued by the Securities and Exchange Board of India [SEBI] and the Stock Exchanges, from time to time, the consent of the Company be and is hereby accorded for voluntary delisting of the equity shares of the Company from Delhi Stock Exchange.
 "RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and incidental for the aforesaid purpose."

REGISTERED OFFICE :

1. Super Bazar,
 Naranpura Cross Road,
 Ahmedabad-380013.

Date 31-07-99

BY ORDER OF THE BOARD OF DIRECTOR
Shantilal M. Savla
 Chairman

NOTES :

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him self and the proxy need not be a member proxies in order to be effective must be deposited with the company not less than 48 hours before the meeting.
- The Register of members and Share Transfer Register shall remain closed from Tuesday, the 28th Sept., 1999 to Thursday, 30th Sept., 1999 [Both days inclusive].

EXPLANATORY STATEMENT :

Item No : 3

The Equity Shares of the Company are listed on Ahmedabad Mumbai and Delhi Stock Exchanges. It is proposed to delist the Shares from Delhi Stock Exchange since no trading in enquiry shares taken place on this stock Exchange and therefore do not justify the continuance of listing on this exchange. The Directives Guidelines of SEBI and the Stock Exchange(s) require the prior approval of the Shareholders by a special Resolution and hence your Directors recommend the special Resolution and hence your Directors recommend the special Resolution proposed at item-4 of the Notice for your approval. None of the Director of the Company is concerned or interested in passing of the resolution.

REGISTERED OFFICE :

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

Date : 31-7-99

BY ORDER OF THE BOARD OF DIRECTOR
Shantilal M. Savla
 Chairman

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DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Fifth Annual Report of the company alongwith the audited statement of accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

	(RS. IN LACS)	
	1998-99	1997-98
Total Income		
Profit Before Tax	86.16	69.89
Provision for Taxation	2.98	5.02
Profit After Tax	2.00	2.50
Balance brought forward from the last year	0.98	2.52
Balance carried forward	5.59	3.06
DIVIDEND :	6.57	5.59

In order to conserve the resources of the company, your directors do not recommend and Dividend for the year under review.

OPERATIONS :

During the year under review the company earned total income of Rs. 86.16 lacs as compared Rs. 91.40 lacs in the previous year and earned net profit of Rs. 0.98 lacs as against Rs. 2.52 lacs in the previous year. The Company hopes to achieve better results in the current year.

BOARD :

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Mukesh M. Savla is due to retire by rotation at the Annual General Meeting and being eligible offers himself for re-appointment.

PARTICULAR OF EMPLOYEES :

There were no employees drawing remuneration of Rs. 600 000 or more, employed through out the year or Rs. 50,000 or more per month employed for a part of the year and hence particulars pursuant to Section 217 (2A) of the Companies Act, 1956 are not required to be given.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company has no activities relating to conservation of energy or technology absorption, the Company has no foreign exchange earning and outgo.

STATUS ON Y2K COMPLIANCE

The Company has taken necessary step to make the hardware and software systems used by the company Y2K compliant. The expenditure to ensure Y2K compliance is negligible and the same has no material financial impact on the company.

AUDITORS :

M/s. Shailesh C. Parikh & Co. Chartered Accountants Ahmedabad retire at the ensuing Annual General Meeting, being eligible offers themselves for re-appointment.

ACKNOWLEDGEMENT :

Your directors take this opportunity to express appreciation of efforts put in by employees of the company.

REGISTERED OFFICE :

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

Date : 31-07-99

BY ORDER OF THE BOARD OF DIRECTOR

Shantilal M. Savla
Chairman

ADINATH EXIM RESOURCES LIMITED

AUDITORS' REPORT

To, THE SHAREHOLDERS
ADINATH EXIM RESOURCES LIMITED
AHMEDABAD.

We have audited the attached Balance Sheet of Adinath Exim Resources Limited, Ahmedabad as at 31st March, 1999 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. We report as follows :

- As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose our comments on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable to the Company as under
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion proper books of accounts as required by Law have been kept by the Company, so far as appears from our examination of the books.
- The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts.
- In our opinion, the Profit and Loss Account and Balance Sheet, comply with the Accounting Standards referred to in section 211 (30) of the Companies Act, 1956, to the extent applicable.
- In our opinion and to the best of our information and according to the explanations given to us the accounts subject to notes thereon gives the information as required by the Companies Act 1956, in the manner so required and give a true and fair view :

(a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999

And

(b) In the case of Profit and Loss Account of the Profit for the year ended on that date.

For, Shailesh C. Parikh and Co.
Chartered Accountants

Shailesh C. Parikh
Proprietor

Place : Ahmedabad

Date : 31-07-99

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999 OF ADINATH EXIM RESOURCES LTD.

- The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets. During the year, the management has carried out physical verification of these assets and we are informed that no significant discrepancy with respect to book records were noticed on such verification.
- There has been no revaluation of any of the fixed Assts during the year
- The stock of finished goods have been physically verified by the management at reasonable intervals during the year
- As explained to us, the procedures of physical verification of stocks referred to in (2) above, followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- According to the records produced to us for our verification, there were no material discrepancies noticed on physical verification of stocks referred to in above, as compared to book records.
- On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
- We have been informed that the company has not taken any loans from Companies, Firms or other

FIFTH ANNUAL REPORT

- The terms and conditions of Loans Secured or Unsecured, granted by the Company to Companies. Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company. There no companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
- The parties to whom Loans and Advances were given are regular in repayment of loan as well as in payment of interest.
- In our opinion and according to the information and explanations given to us, there adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchased of finished goods, other assets and for the sale of goods
- In our opinion and according to the information and explanations given to us, transaction of purchase of goods and materials and sale of goods, materials and service made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the period to Rs. 50000 (Fifty Thousand only) or more in respect of each party have been made at prices for such goods, materials or services have been made with other parties.
- Since the Company is not engaged in the manufacturing activities the question of maintenance of records for the sale and disposal of realisable scrape does not arise.
- The Company has not accepted any deposit from public.
- We have been informed that the Company is in the process of setting up an internal audit system. However the company is having adequate internal control procedures commensurate with the nature of its business and size of the Company
- We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company
- According to the information given to us, Provident Funds Rules are not applicable to the Company during the year.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty were outstanding as on 31st March 1999 for a period of more than six months from the date they became payable.
- On the basis (i) the examination of the books of account, (ii) the explanations given and representation made to us on our inquiries and (iv) the check and control relating to authorising the expenditure on the basis of contractual obligations to the employees, accepted business practices having regard to the Company's needs and exigencies. we have not come across any expenses charged to revenue which in our opinion, and judgement and to the best of our knowledge and belief could be regarded as personal expense.
- The Company is not a Sick industrial Company within the meaning of Section 3(1) (0) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- In respect of trading activities of the Company, we are informed that there were no damaged goods during the year.
- We have been informed that the provisions of special statutes applicable to chit fund, nidhi and mutual benefit society are not applicable to the Company.
- The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- The Company has maintained proper records of the transactions and contracts made for dealing or trading in Shares, securities and other investments. The shares, securities and other investments are held by the Company in its own name.

For, Shailesh C. Parikh and Co.
Chartered Accountants

Place : Ahmedabad
Date : 31-07-99

Shailesh C. Parikh
Proprietor

ADINATH EXIM RESOURCES LIMITED

BALANCE SHEET AS ON 31ST MARCH 1999

Particulars	Sch. No.	Amount Rs.	As On 31-03-99 Amount Rs.	As On 31-03-98 Amount Rs.
A. SOURCES OF FUND				
1 SHARE HOLDER'S FUNDS				
A. Share Capital	1	45522500	45522500	45522500
B. Reserves & Surplus	2	656614	558744	46081244
			46179114	
2 LOAN FUNDS				
A. Secured Loans	3	0	2601247	2601247
B. Unsecured Loans		0	0	0
			0	2601247
TOTAL			46179114	48682491
B. APPLICATION OF FUNDS				
1 FIXED ASSETS	4			
A. Gross Block		1140442	1594439	1594439
B. Less : Depreciation		417933	500717	500717
			722509	1093722
2. INVESTMENT	5		20263472	7390543
C. CURRENT ASSETS, LOANS AND ADVANCES	6			
A. Inventories		0	2151300	2151300
B. Cash & Bank Balances		748587	612056	612056
C. Debtors		555000	0	0
D. Loans & Advances		23697812	36383715	36383715
		25001399	39147071	39147071
Less : Current Liabilities & Provisions	7	1041727	389111	389111
NET CURRENT ASSETS..			23959672	38757960
4. MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF	8		1233461	1440266
TOTAL			46179114	48682491
Significant Accounting Policies and notes on Accounts	9			

As per our Report of even Date Attached herewith
For, Shailesh C. Parikh and Co.

Chartered Accountants
Shailesh C. Parikh
Proprietor

Place : Ahmedabad
Date : 31-07-99

For, Adinath Exim Resources Ltd.
Shri Shantilal M. Savla Chairman
Shri Paras Savla Managing Director
Shri Manoj S. Savla Director
Shri Mukesh M. Savla Director

Place : Ahmedabad
Date : 31-07-99

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998.

Particulars	Sch. No.	For the Year Ended 31-03-99 Rs.	For the Year Ended 31-03-98 Rs.
A. INCOME :			
Sales		4823489	2957673
Interest from Bank, Bills Discounting Deposits (Net)		3524373	4001004
Other Income		245000	30000
Closing Stock		0	2151300
Income Tax Refund		16957	0
Profit on Sales of Maruti Car		5783	0
TOTAL		8615602	9139977
B. EXPENDITURE :			
Opening Stock		2151300	0
Purchase		4556524	6250828
Freight		0	31898
Cold Storage Charges		0	193493
Packing Charges		0	45559
Professional Charges		0	0
Service Tax 495, Sales Tax 650		23000	0
Books & Periodicals Exp.		1145	0
Donation		901	0
Payment to and Provision for Employees		10002	500
Electricity & Electrical Exp.		545900	602595
Brokerage Expenses		24904	36307
Insurance		0	12500
Stationery & Printing 5224		10167	11459
Entertainment Exp.		5414	15017
Postage & Telephone Exp.		696	780
Conveyance & Petrol Exp. 203304		108063	162016
Share Transfer Agent Fees		57230	84791
Office Lease Rent		36250	43618
Income Tax 96-97		53193	46220
Office & Misc. Exp.		109480	0
Office & Other Repairs Exp.		9187	4726
SEBI and Stock Exchange Fees		3437	152000
Legal Exp.		34105	40230
Bank Charges and Interest		0	48500
Auditor's Remuneration : Audit Fees		1577	16145
Tax Audit Fees		10000	20000
Taxation Matters		5000	200000
Loss of Cash in Transit		20000	52072
Short Term Loss on Redemption of Tisco Secured Premium Notes		0	255274
Depreciation		52071	1700
Advertisement Exp.		226995	9000
Conference Exp.		10800	68756
Travelling Exp.		12950	24890
Sales Promotion Exp.		45636	206805
Preliminary and Public Issue Expenses W/Off		0	8317732
TOTAL		206805	297870
Profit/(-) Loss Before Taxation		8317732	502298
Provision for Taxation		297870	250000
Profit/(-) Loss After Taxation		200000	252298
Balance of Profit & Loss A/c Brought Forward		97870	306446
Balance Carried to Balance Sheet		558744	558744

As per our Report of even Date Attached herewith
For, Shailesh C. Parikh and Co.
Chartered Accountants
Shailesh C. Parikh
Proprietor
Place : Ahmedabad
Date : 31-07-99

For, Adinath Exim Resources Ltd.
Shri Shantilal M. Savla Chairman
Shri Paras Savla Managing Director
Shri Menoj S. Savla Director
Shri Mukesh M. Savla Director
Place : Ahmedabad
Date : 31-07-98

ADINATH EXIM RESOURCES LIMITED

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 1999

As On		As On				
31-3-99	Rs.	31-3-99	Rs.			
SCHEDULE 1 : SHARE CAPITAL						
A. AUTHORISED SHARE CAPITAL						
5500000 Equity Shares of Rs. 10/- Each	55000000	55000000	55000000			
(Previous Year 5500000 Equity Shares of Rs. 10/- Each)						
B. ISSUED & SUBSCRIBED SHARE CAPITAL						
50,00,400 Equity Shares of Rs. 10/- Each	50004000	50004000	50004000			
C. CALLED UP SHARE CAPITAL						
50,00,400 Equity Shares of Rs. 10/- Each	50004000	50004000	50004000			
D. PAID UP SHARE CAPITAL						
50,00,400 Equity Shares of Rs. 10/- Each	50004000	50004000	50004000			
Less : Calls in arrears		4481500	4481500			
From Others						
TOTAL	45522500	45522500	45522500			
SCHEDULE-2 : RESERVES AND SURPLUS						
A. PROFIT & LOSS ACCOUNT						
Balance as per Annexed Account	656614	538744	538744			
TOTAL	656614	558744	558744			
SCHEDULE-3 : SECURED LOANS						
Kalapur Commercial Co. Op. Bank O.D. Account	0	2601247	2601247			
(Secured against personal assets of the Directors)	0	2601247	2601247			
TOTAL	0	2601247	2601247			
SCHEDULE - 4 : FIXED ASSETS						
Particulars	GROSS BLOCK		DEPRECIATION		NET WORK	
	Op. Bal. as at 01-04-98 Rs.	Additional during the year Rs.	Deduction during the year Rs.	Total as at 31-03-98 Rs.	Op. Bal. as at 31-03-98 Rs.	As at 31-03-98 Rs.
A.C. Machine	96332	0	0	96332	68009	78999
Fax Machine	24625	0	0	24625	13254	15395
Refrigerator	6000	0	0	6000	3782	4393
Furniture	755175	0	0	755175	507814	620042
Pager	11495	0	0	11495	6582	7648
Car	435997	0	453997	0	0	181200
Computer	193815	0	0	193815	85318	142191
Water Cooler	17000	0	0	17000	10715	12444
EPABX	36000	0	0	36000	27036	31400
TOTAL	1594439	0	453997	1140442	722509	1093722
Previous Year	1246322	348117	0	1594439	1093722	1000879

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ADINATH EXIM RESOURCES LIMITED

As On
31-03-99
Rs.

SCHEDULE - 5 : INVESTMENTS
EQUITY SHARES (UNQUOTED) (NONTRADE) (AT COST)

A. 27500 Shares of Rs. 10/- Each Fully Paid Up Visat Oil Tech Ltd.	275000	275000
B. 1940000 Shares of Rs. 10/- Each Fully Paid Up of Deep Industries Ltd.	19400000	6400000
C. 2500 Snares [Previous Year Nil Shares] of Rs. 10/- Each Fully Paid Up of Saket Projects Ltd.	25000	25000
D. Yash Organics Ltd. Share Appli. A/c.	0	0
UNITS [Quoted] [At Cost]		
E. 1000 Tisco Secured Premium Notes [Previous Year 1000] of Rs. 75/- Each Fully Paid Up of Tata Iron & Steel Co. Ltd.	127072	254143
F. 220 Units [Previous Year 220] of Rs. 100/- Each Fully Paid Up of Magnum Tripple Plus [S. B. I. Mutual Fund]	45133	45133
G. 1720 Units [Previous Year 1720] of Rs. 100 Each Fully Paid Up of B. O. I. D. 2 + B [Bank of India]	391267	391267
TOTAL	20263472	7390543

SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES
A. INVENTORIES : Stock of Shares & Securities [Valued at Cost]
[Taken, Valued and Certified by Management]

B. DEBTORS : (Unsecured Considered Good)	0	2151300
(i) For More than Six Months		
(ii) For Less than Six Months	555000	0
C. CASH & BANK BALANCE :		
(a) Cash Balance	74927	64605
(b) Balance with Schedule Banks :		547451
In Current Accounts	673660	0
In Fixed Deposit Accounts	0	748587

D. LOANS AND ADVANCES : (Unsecured Considered Good)
(a) Advance Recoverable in Cash or in Kind or for value to be received
(b) Deposits
(c) Inter Corporate Deposits
(d) T. D. S. Receivables
TOTAL

4050000	4806221
1501183	1501183
17443075	29614021
703554	462290
23697812	36995771
25001399	

SCHEDULE - 7 : CURRENT LIABILITIES AND PROVISIONS
A. CURRENT LIABILITIES :
Sundry Creditors for Goods and Expenses
B. PROVISIONS :
Provision for Taxation Ass Year 1996-97
Provision for Taxation Ass Year 1997-98
Provision for Taxation A s. Year 1998-99
TOTAL

591727	139111
0	0
0	0
450000	250000
1041727	389111

SCHEDULE - 8 : MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED

A. PRELIMINARY EXPENSES	44220	44220
Less : Written off During the Year	36850	7370
B. PUBLIC ISSUE EXPENSES	1396046	1396046
Less : Written off During the Year	199435	199435
TOTAL	1196611	1396046

SCHEDULE - 9
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31-03-1999

1. SIGNIFICANT ACCOUNTING POLICIES :
[a] SYSTEM OF ACCOUNTING :
The company adopts the accrual basis in the preparation of the accounts.
[b] INCOME FROM OPERATIONS :
Income from operations which comprises sales and other Income are all accounted for on accrual Basis.
[c] EXPENSES :
The company provides for all expenses comprising of administrative and others on accrual basis.
[d] FIXED ASSETS :
Fixed Assets are capitalised at cost inclusive of expenses.
[e] DEPRECIATION :
Depreciation on Fixed assets is provided as per written down value method in terms of section 350 of the Companies Act 1956 at the rates prescribed under Schedule XIV of the said Act.

[f] INVESTMENTS :
The Company values the investment at cost.
[g] MISCELLANEOUS EXPENDITURE :
Preliminary and Public-Issue expenditure are written of over a period of 10 years.
[h] INVENTORIES :
Inventories are valued at cost.

2. NOTES ON ACCOUNTS :
[a] Figures have been rounded off upto the nearest Rupee.
[b] Balances are subject to confirmation.
[c] None of the employees have completed five years of service and hence liability of gratuity does not arise.
[d] In the opinion of the Board, the Current Assets Loans & Advances are approximately of the value stated if realised in the ordinary course of business. Provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.
[e] The previous years figures have been regrouped and rearranged wherever necessary.
[f] Managing Director's Remuneration.
Salaries
Rs.
2,40,000
[g] Details of Loans and Advances due by firms or private companies respectively in which any director is a partner or a director or other companies under the same management within the meaning of sub-section (1B) of section 370 is disclosed as under :

NAME OF COMPANY/FIRM	NATURE OF LOAN	AMOUNT RS.
Shree Saibaba Petroleum	Advances	3000000
Yash Industries	Advances	550000
Deep Industries Ltd.	I.C.D.	5050485
Visat Oil Tech Ltd.	I.C.D.	8356990
Yash Organics Ltd.	I.C.D.	4036000

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(h) Additional information pursuant to the provisions of paragraph 3 & 4 of Schedule VI of the Company Act, 1956 to the extent applicable is given as under.

PARTICULARS OF TRADING ACTIVITIES :

SR. DESCRIPTION	UNIT	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
		QTY.	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
1. POTATO	KG	—	—	—	—	—	—	—	—
2. GREY COTTON CLOTH	MTR	(—)	(—)	(199350)	(411233)	(199350)	(446570)	(—)	(—)
3. LAB [CHEMICAL] M.T.		—	—	128658	2084115	128658	2154742	—	—
MGG [CHEMICAL] KG		(—)	(—)	(128658)	(2084115)	(128658)	(2154742)	(—)	(—)
4. SHARES	NOS.	196000	2151300	—	—	196000	255500	—	—
5. CAUSTIC SODA M.T.		(—)	(—)	(334000)	(3658200)	(138000)	(338600)	(196000)	(2151300)
TOTAL...		196000	2151300	64.232	548332	64.232	552408	—	—
		—	—	—	4556524	—	4823499	—	—

- (i) Expenses in Foreign Currency Rs. Nil
- (j) Earning in Foreign Exchange Rs. Nil
- (k) In view of insufficient information from the suppliers regarding their status as SSI units, the amount due to small scale industrial undertaking cannot be ascertained.

As per our Report of even Date Attached herewith

For, Shailesh C. Parikh and Co.

Chartered Accountants

Shailesh C. Parikh

Proprietor

Place : Ahmedabad

Date : 31-07-99

For, Adinath Exim Resources Ltd.

Shri Shantilal M. Savla Chairman

Shri Paras Savla Managing Director

Shri Manoj S. Savla Director

Shri Mukesh M. Savla Director

Place : Ahmedabad

Date : 31-07-99

ADINATH EXIM RESOURCES LIMITED

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE :

I. REGISTRATION DETAILS :

Registration No. 24300

State Code 4

Balance Sheet Date 31st March 1999

II. CAPITAL RAISED DURING THE YEAR (AMT. IN RS. THOUSANDS)

Public Issue NIL

Rights Issue NIL

Bonus Issue NIL

Private Placement NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSANDS)

Total Liabilities 46179

Total Assets 46179

SOURCES OF FUNDS

Paid up Capital 45523

Call in Advance NIL

Share Capital Pending Issue & Allotment NIL

Reserves & Surplus 657

Secured Loans 0

Unsecured Loans 0

APPLICATION OF FUNDS

Net Fixed Assets 723

Investments 20263

Net Current Assets 23960

Misc. Expenditure 1233

Accumulated Losses NIL

IV. PERFORMANCE OF COMPANY (AMT. IN RS. IN THOUSANDS)

Sale and Other Income 8616

Total Expenditure 8318

Profit/Loss Before Tax +/- 298

Profit/Loss After Tax +/- 200

Earning Per Shares in Rs. 0

Dividend NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No.

Product Description

Investment Company

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CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 1999

	RS.	31-3-99	RS.	31-3-98	RS.
A. CASH FLOW FROM THE OPERATING ACTIVITIES					
Net Profit Before Tax and Extra-Ordinary items					
Add. : Adjustments For					
Depreciation	226995				252298
Misc. Expenses Written off	206805				
	433800				
Less : Profit on sale of Car	-5783				
		297870			
Operating Profit Before working Capital Changes		428017			462079
Add : Decrease in Working Capital		725887			714377
Sundry Debtors Realised	0				
Current Liabilities Increased	652616				2953397
Loans & Advances Reduced	12685903				0
Inventories decreased	2151300				0
Less : Increase in Working Capital	0				
Loans & Advances Given	0				-8345844
Debtors Increased	-555000				0
Inventories Increased	0				-2151300
Current Liabilities Decreased	0				-2828552
Cash Generated From Operations		14934819			10372299
Less : Misc. Expenses Incurred		15660706			-9657922
Net Cash Flow From Operating Activities	(A)	15660706			-9657922
B. CASH FLOW FROM INVESTING ACTIVITIES					
INFLOWS					
Sale of Fixed Assets	150000				0
Sale of Investments	0				3084457
Interest Received	0				0
OUT FLOWS					
Purchase of Fixed Assets	0				3084457
Purchase of Investments	12872929				-348117
Interest paid	0				0
Net Cash used in Investing Activities	(B)	12872929			-348117
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceed from Issue of Shares Capital	0				2736340
Increase in Secured Loans	0				
Less : Repayment of Secured Loans					4280747
Allotment to Application Money					0
Net Cash Used in Financing Activities	(C)	-2601247			0
Net Decrease/Increase in Cash & Cash Equivalents					4280747
Cash & Cash Equivalents (Opening Balance)	336530				-2640835
Cash & Cash Equivalents (Closing Balance)	612056				3252891
	948587				612056

Shri Shantilal M. Savla	Shri Paras Savla	Shri Manoj S. Savla	Shri Mukesh M. Savla
Chairman	Managing Director	Director	Director

AUDITORS' REPORT

We have Examined the Attached Cash Flow Statement of Adinath Exim Resources Ltd. For the year ended in 31st March, 1999. The Statement has been prepared by the Company in accordance with the requirements of the listing agreement with the stock exchange of Ahmedabad & Bombay and is based on and is in agreement with the corresponding profit and Loss Account and Balance Sheet of the Company Covered by our report of 1st day of June, 1999 to the members of the Company.

For, **Shailesh C. Parikh and Co.**
 Chartered Accountants
Shailesh C. Parikh
 Proprietor

Place : Ahmedabad
 Date : 31-07-99

ADINATH EXIM RESOURCES LIMITED

ADINATH EXIM RESOURCES LTD.

Regd. Office : 1, Super Bazar, Naranpura Cross Road Ahmedabad-380 013.

ATTENDANCE SLIP

Please fill Attendance Slip and hand a over at the entrance Of the Meeting Hall

Joint Shareholders may obtain addition Slip on request.

Name and Address of the Shareholder.

Master Folio No. : _____

No. of Shares held : _____

I hereby record my presence at the Fifth Annual General Meeting of the the Company held on Wednesday. the 30th Sep. at 11.00 a.m. Super Bazar, Naranpura Cross Road, Ahmedabad-380 013.

Signature of the Shareholder of Proxy

• Strike out whichever is not applicable

TEAR HERE

ADINATH EXIM RESOURCES LTD.

Regd. Office : 1, Super Bazar, Naranpura Cross Road, Ahmedabad-380 013.

PROXY FORM

Master Folio No. : _____

I/We _____

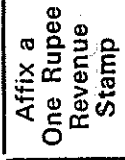
_____ being a member/

members of Adinath Exim Resources Limited hereby appoint _____

of _____

or falling him _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the Fifth Annual General Meeting to be held on Thursday the 30th Sep., 1999 at 11.00 a.m. at any adjournment thereof.



Signed this _____ day of _____ 1999

Note : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.