


ADINATH EXIM RESOURCES LIMITED

**13th Annual Report
2006-2007**

For, ADINATH EXIM RESOURCES LTD.


Director

NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the members of Adinath Exim Resources Limited will be held on Saturday, the 29th of September, 2007 at 10.00 A.M at 1, Super Bazar, Naranpura Cross Roads, Naranpura, Ahmedabad-380 013, for transacting the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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. Jigar Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Hitesh Vanvari who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Shailesh C. Parekh & 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 THE BOARD OF DIRECTORS

Place: Ahmedabad

Paras Savla

Date: 25.08.2007

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 25th September 2007 to 29th September 2007 (both day inclusive).
3. Members holding shares in physical form are requested to intimate Registrar and Share Transfer Agent of the company i.e. Magnum Limited, 3rd Floor, Smit Complex, Choice Lane, off. C.G Road, Navrangpura, Ahmedabad-380009 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. Members are requested to notify immediately the change, if any, in their registered address.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

Paras Savla

Date: 25.08.2007

Chairman

DIRECTORS REPORT

To,
The Members
Adinath Exim Resources Limited
Ahmedabad

Your Directors are pleased to present the 13th Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31st March, 2007.

FINANCIAL RESULTS

	2006-07 (Rs. in Lacs)	2005-2006 (Rs. in Lacs)
Total Income	196.22	96.61
Expenditure	167.71	6.41
Profit Before Interest and Depreciation	28.51	90.2
Less: Depreciation	0.57	0.40
Profit Before Interest	27.94	89.8
Less: Interest	0.007	0.004
Profit Before Tax	27.94	89.80
Less: Provision for: Current Taxation	3.63	8.84
Deferred Taxation	(0.00)	0.00
Profit after Taxation	24.31	80.96

PERFORMANCE

During the period under review the Company has earned Gross Income of Rs. 196.22 Lacs and earned Net Profit of Rs. 24.31 lacs compared to total income of Rs.96.60 Lacs and Net Profit of Rs. 80.96 Lacs in the previous year. The Company expects to perform better in the current year.

DIVIDEND

In the view of marginal profit during the year under review. Your Directors do not recommend any dividend on equity shares for the year ended 31st March, 2007.

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 Jiger Shah and Mr. Hitesh Vanvari retire by rotation and being eligible offers 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

- 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(1-B) 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.

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: 25.08.2007

Paras Savla
Chairman

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 31st March, 2007, the Board of Directors comprised of five Directors, the details of which are as follows:

Composition of 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	8	Yes	NIL	5
2.	Paras Savla	Non- Executive, Non- Independent	8	Yes	NIL	5
3.	Mukesh Savla	Non- Executive, Non- Independent	8	Yes	NIL	NIL
4.	Jigar Shah	Non- Executive, Independent	8	Yes	NIL	NIL
5.	Hitesh Vanvari	Non- Executive, Independent	8	Yes	NIL	NIL

Number of board meetings held and the date on which held

Eight Board meetings were held during the year and the gap between two Board meetings did not exceeded four months. These meetings were held on 28th April 2006, 20th June 2006, 31st July 2006, 25th August 2006, 13th October 2006, 25th November 2006, 17th January 2007 and 12th March 2007.

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 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 shall act as Secretary to the Committee.

Number of Meetings and attendance during the year :

Four Meetings were held during the Financial Year 2006-07 on 31/07/2006, 25/08/2006, 13/10/2006 and 17/01/2007.

Name of Director	Designation	Category	No. of Meetings Attended
Mr. Jigar Shah	Chairman curr Secretary	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
Mr. Hitesh Vanvari	Member	Non-Executive, 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:

Name	Designation	Catagory	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. Hitesh Vanvari	Member	Independent & Non-Executive	4
Mr. Mukesh Savla	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 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, acts as the Chairman of the committee.
- The Company did not received any complaint during the year under review.
- The name of the Compliance officer is Mr. Anoop Belani.
- There were no pending share transfers as on 25/08/2007 which were received more than one month prior to that date.

GENERAL BODY MEETING

The details of the location and time of the last three Annual General Meeting of the Company

Financial year	Date	Time	Venue
2005-06	30-09-2006	11.00 a.m.	1, Super Bazar, Naranpura, Cross Roads, Ahmedabad-13.
2004-05	29-09-2005	11.00 a.m.	1, Super Bazar, Naranpura, Cross Roads, Ahmedabad-13.
2003-04	29-09-2004	11.00 a.m.	1, Super Bazar, Naranpura, Cross Roads, Ahmedabad-13.

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interest of the Company.
- The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties /strictures have been imposed against the Company during the last three years.
- The Company has complied with all the mandatory requirements and the non- mandatory requirements.
- The Company has complied with all the mandatory requirement of Clause 49 of the Listing Agreement.

MEANS OF COMMUNICATION

- Management discussion and Analysis Report is a part of the Director Report.
- The Company does not have website.
- The Quarterly, Half Yearly and Annual Results are published in widely circulated national dailies in English and Gujarati. The same were sent to the Stock Exchange.

SHAREHOLDERS INFORMATION:**1. Annual General Meeting date, time & Venue :**

Date : 29th September, 2007.
 Time : 10.00 A.M
 Venue : 1, Super Bazar, Naranpura Cross Roads,
 Ahmedabad- 380013

Date of Book Closure : 25th September, 2007 to 29th September, 2007(Both days inclusive)

Financial calander :

Results for first quarter ending June 30, 2007. : On or before 31st July, 2007
 Results for second quarter ending September 30, 2007 : On or before 31st October, 2007
 Results for third quarter ending December 31, 2007 : On or before 31st January, 2008
 Results for forth quarter ending March 31, 2008 : On or before 30th April, 2008

Listing on Stock Exchange

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and Ahmedabad Stock Exchange. The Scrip Code is 532056.

The company has paid annual listing fees for the year 2007-08.

Registrar and Share Transfer Agents

For the lodgment of transfer deeds and other documents or for any grievances / complaints, investors may contact the Companies Registrar and Transfer Agent at the following address:

Magnum Limited

3rd Floor, Smit Complex, Choice Lane, Off. C.G Road, Navrangpura, Ahmedabad-380009

E-mail- magnumltd@gmail.com Phone: 26423080 Fax : 26425142.

Distribution of shareholding as on 31st March 2007.

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	2040	665900	88.08	16.22
501 to 1000	200	128800	8.64	3.14
1001 to 2000	25	43800	1.08	1.07
2001 to 3000	5	11900	0.22	0.29
3001 to 4000	4	15200	0.17	0.37
4001 to 5000	4	18000	0.17	0.44
5001 to 10000	10	77000	0.43	1.88
10001 and above.	28	3143500	1.21	76.59
Total	2316	4104100	100	100

Shareholding pattern

Sr. No.	Category	No. shares held	shareholding
01.	Promoters	2206800	53.77
02.	Mutual Fund	2,50,000	6.09
03.	Banks, Financial Institutions., Institutional Companies (Central State Govt. Institution, Non-Government Institution)	NIL	NIL
04.	Foreign Institutional Investors	NIL	NIL
05.	Private Corporate Bodies	98,900	2.41
06.	Indian Public	1548400	37.73
07.	NRIs/OCB	NIL	NIL
08.	GDR	NIL	NIL
09.	Clearing Member	NIL	NIL
TOTAL		41,04,100	100 %

Address for correspondence

The Shareholders may address their communication/ grievances at the following address.

The Compliance Officer

Adinath Exim Resources Limited

6th Floor, N.G Tower, Opposite Fun Republic Cinema, S.G Highway, Ahmedabad-380015.

For and on behalf of the Board
For Adinath Exim Resources Limited

Place: Ahmedabad
Date: 25.08.2007

Mr. Paras Savla
Chairman

Shailesh C. Parikh & Co.
Chartered Accountants

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Adinath Exim Resources Limited

We have examined the compliance of conditions of Corporate Governance by Adinath Exim Resources Ltd. For the year ended 31st March, 2007, as stipulated in clause 49 of the Listing agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of Management. Our Examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our Opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, Shailesh C. Parikh & Co.
Chartered Accountants

Place : Ahmedabad
Date : 25-08-2007

(Shailesh Parikh)
Proprietor

MANAGEMENT DISCUSSION AND ANALYSIS**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 NBFC's are facing strong competition from Banks and financial institutions as they are providing funds at lower cost. Hence, NBFC's are under pressure to cut cost and to focus on marketing approach by offering more personalized services.

OPPORTUNITY & THREATS

The economy is growing consistently this year which will provide excellent investment opportunity in the future.

However volatility in the capital market, can adversely affect the investment decision.

RISK AND CONCERNS

Company is exposed to specific risks 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.

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.

For Adinath Exim Resources Limited

Place: Ahmedabad

Date: 25.08.2007

Paras Savla
Chairman

Auditor's Report

To,
The Members,
Adinath Exim Resources Ltd.,
Ahmedabad

We have audited the attached Balance Sheet of Adinath Exim Resources Ltd. as at 31st March, 2007 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to above, we report that :

- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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 those books.
- (iii) The balance sheet, profit and loss account and cash flow dealt with by this report are in agreement with the books of account of the company;
- (iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the accounting standard referred to in section 211(3c) of the companies act, 1956 to the extent applicable.
- (v) On the basis of written representation received from directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956,
- (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon, give the information required by the companies act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2007 and,
 - (b) in the case of Profit and Loss Account of the Profit for the year ended on that date.
 - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For, Shailesh C. Parikh & Co.
Chartered Accountants

Place : Ahmedabad
Date : 25-08-2007

(Shailesh Parikh)
Proprietor

Annexure referred to in paragraph 3 of our Auditor's Report of even date on the accounts of Adinath Exim Resources Limited, for the year ended on 31st March, 2007

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The assets have been physically verified by the management during the year. According to the information and explanations given to us, no discrepancy was noticed on such physical verification as compared to the book records.
- c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
2. a) The company does not have inventories, so question of its physical verification and its frequency of verification does not arise.
- b) This clause is not applicable as the company does not have any inventories.
- c) This clause is not applicable as the company does not have any inventories.
3. a) The company has not taken any loans from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has given loans to the firms, companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The details pertaining to number of parties and amount granted is given below.

Name of the Party	Amount as on 31-03-2007	Maximum Balance
1. Visat Automobile	Rs. 1047454	Rs. 1047454
2. Shree Saibaba Petroleum	Rs. 3747879	Rs. 3791960
3. Prabhavati Properties Ltd.	Rs. 3733200	Rs. 5143658
4. Yash Organochem Pvt. Ltd.	Rs. 2721000	Rs. 6600000

- b) The rate of interest and other terms and conditions of loans given by the company are prima facie not prejudicial to the interest of the company.
- c) All to whom loans are granted by the company and covered in the register maintained under section 301 of the Act regular in interest payment and repayment of loan wherever stipulated.
- d) There is no overdue amount more than Rs. one lac, so question of taking reasonable steps for its recovery does not arise.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business before the purchase of inventory, fixed assets and for sale of goods. Further on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- 5 a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance to section 301 of the Companies Act, 1961 have been so entered.
- b) In our opinion and according to the information and explanations given to us, these transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time; transaction made in pursuance of contracts or arrangements under section 301 and exceeding the value of rupees five lacs in respect of any party during the year have been made.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposit within the meaning of the provisions of section 58A and 58AA of the companies Act, 1956 and the rules made there under.
- 7 In our opinion and as per the information and explanations given to us there is reasonable internal control procedure commensurate with the size and nature of its business.

8. In our opinion this company being finance company, the maintenance of cost records have been not prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income-Tax, Sales-Tax and other statutory dues applicable to it with the appropriate authorities. The provision of provided fund is not applicable to the Company.
b) According to the information and explanations given to us and the records of the Company examined by us we are of the opinion that there are no disputed dues of Income-Tax, Sales- Tax, Wealth-Tax, Custom Duty, Excise Duty and cess as at 31st March, 2007 which have not been deposited on account of such a dispute.
10. The Company has no accumulated losses as at 31st March, 2007 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given by the management, the Company has not taken any loans from financial institutions and banks so question of default in its repayment does not arise.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company has maintained proper records pertaining to its share trading transactions and contracts and timely entries have been made therein. The Company has held its investments in shares and securities in its own name.
15. As per the information and explanations given to us the provident fund scheme is not applicable hence the question of reporting on deduction and payment there of does not arise.
16. The company has regularly deposited statutory dues with appropriate authorities during the year wherever applicable.
17. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institution.
18. The company has not taken any loans, so question of its proper application for the purpose for which it was taken does not arise.
19. Based on information and explanations given to us and on an overall examination of Balance Sheet of the company, in our opinion, funds raised on a long-term basis have not been used for short-term investments.
20. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
21. The company has not issued any debenture, so question of creation of security for the same does not arise.
22. The company has not raised any money by public issues during the year.
23. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company notices or reported during the year, nor have we been informed of such case by the management.

For, Shailesh C. Parikh & Co.
Chartered Accountants

Place : Ahmedabad
Date : 25-08-2007

(Shailesh Parikh)
Proprietor

BALANCE SHEET AS AT 31ST MARCH, 2007					
Particulars	Schedule	Amount Rs.	31/3/2007 Amount Rs.	Amount Rs.	31/3/2006 Amount Rs.
SOURCES OF FUND :					
1 Share holder's funds					
A. Share Capital	1	45522500		45522500	
B. Reserves & Surplus	2	17086517		14655307	
			62609017		60177807
2 Loan Funds					
A. Secured Loans		0		0	
B. Unsecured Loans		0		0	
			0		0
TOTAL			62609017		60177807
B. Application of Funds					
1. Fixed Assets	3				
A. Gross Block		1635685		1201442	
B. Less : Depreciation		1069343		1012535	
			566342		18907
2. Investment	4		36655219		4004651
3. Current Assets, Loans and Advances :	5				
A. Inventories		0		0	
B. Cash & Bank Balances		91087		172580	
C. Loans & Advances		25938915		20713683	
		26030002		20886263	
Less : Current Liabilities & Provisions	6	674912		994000	
Net Current Assets			25355090		19892263
4. Net Deferred Tax Assets/Liability			32366		31946
5. Miscellaneous Expenditure to the extent not written off	7		0		0
TOTAL			62609017		60177807
Significant Accounting policies and Notes on Accounts	9				
For, Shailesh C. Parikh & CO., Chartered Accountant			For and on behalf of the Board Paras Savla Chairman		
(Shailesh Parikh) Proprietor			Manoj Savla Director		
Date : 25-08-2007 Place : Ahmedabad					

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

Particulars	Schedule	31/3/2007	31/3/2006
A. Income			
Sales		16652834	0
Interest from Bank, Bills Discounting, Deposits (Gross)		2193422	1076033
Other Income	8	768119	8584392
Excess Income Tax Provision w/off		7580	158
TOTAL		19621955	9660583
B. Expenditure			
Purchase		16012295	0
Freight & Transport Charges		19600	0
Advertisement Exps		10560	3060
Loss on Sale of Mutual Fund		226830	0
Professional tax		1000	1000
Payment to and Provision for Employees		252000	193000
Electricity & Electrical Exp.		56584	288422
Insurance		707	695
Stationery and Printing		6148	28083
Postage and Telephone Exp.		3026	1167
Filing Fees		1000	2000
Office Lease Rent		92945	47006
DMAT/Share Transfer Expenses		31482	9387
Office & Other Repairs Exp.		6006	11206
SEBI and Stock Exchange Fees		30000	30000
Bank Charges & Interest		743	384
Auditor's Remuneration		14000	10100
Depreciation		56808	39519
Office & Misc. Expenses		6431	0
Conveyance & Travelling Expenses		0	12880
Fringe Benefit Tax		0	2695
TOTAL		16828165	680604
Profit/(-)Loss Before Taxation		2793790	8979980
Less : Prior Period Expenses		0	308031
		2793790	8671949
Provision for Taxation		363000	575000
Provision for Deferred Tax Credit		420	638
Provision for Fringe Benefit Tax		0	900
Profit/(-)Loss After Taxation		2431210	8095410
Balance profit/(Loss) brought forward		11729230	5252902
Profit/(-)Loss Available for Appropriation		14160440	13348312
APPROPRIATIONS			
Profit Transferred to Reserve Fund		486242	1619082
Balance carried to Balance Sheet		13674198	11729230
Basic and Diluted Earning Per Share for Rs 10 (in Rs.)		0.59	1.97

As per our report of even date attached herewith

For and on behalf of the Board

For, Shailesh C. Parikh & CO.,

Paras Savla

Chartered Accountant

Chairman

(Shailesh Parikh)

Manoj Savla

Proprietor

Director

Date : 25-08-2007

Place : Ahmedabad

SCHEDULE ATTACHED TO & FORMING PART OF BALANCE-SHEET											
Particulars		31/3/2007				31/3/2006					
SCHEDULE : 1: SHARE CAPITAL											
A. Authorised :											
55,00,000 Equity Shares each of Rs. 10/-		55000000				55000000					
B. Issued & Subscribed :											
50,00,400 Equity Shares of Each of Rs. 10/-		50004000				50000000					
C. Called up Share Capital :											
50,00,400 Equity Shares of Each of Rs. 10/-		50004000				50000000					
D. Paid up Share Capital:											
41,04,100 Equity Shares of Each of Rs. 10/- Each		41041000				41041000					
		41041000				0					
Add : Forefeited shares (Originally paid up)		4481500				4481500					
Total		45522500				45522500					
SCHEDULE : 2: Reserve & Surplus											
A. RESERVE FUND											
Opening Balance (Provision for Previous years)		2926077				1306995					
Add : Appropriated from Profit & Loss		486242				3412319					
						1619082					
B. Profit & Loss Account											
As per account		13674198				11729230					
Total		17086517				14655307					
SCHEDULE : 3:											
Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Op. Bal 1-4-06	Add. d.yr	Ded. d.yr	Total 31-3-07	Op. Bal. 1-4-06	Forthe yr.	Ded. d.yr	Total 31-3-07	As at 31-3-07	As at 31-3-06
1	A.C. machine	96332	0	0	96332	72487	3314	0	75801	20531	23845
2.	Fax machine	24625	0	0	24625	19977	646	0	20623	4002	4648
3.	Refrigerator	6000	0	0	6000	4670	185	0	4855	1145	1330
4.	Furniture	755175	426222	0	1181397	629661	42004	0	671665	509732	125514
5.	Pager	11495	0	0	11495	9188	2307	0	11495	0	2307
6.	Motorcycle	0	0	0	0	0	0	0	0	0	0
7.	Computer	215315	8021	0	223336	212254	4432	0	216686	6650	3061
8.	Water Cooler	17000	0	0	17000	13243	522	0	13765	3235	3757
9.	EPABX	75500	0	0	75500	51055	3398	0	54453	21047	24445
	TOTAL	1201442	434243	0	1635685	1012535	56808	0	1069343	566342	188907
	Previous Year	1201442	0	0	1201442	973015	39519	0	1012535	188907	228427

SCHEDULE ATTACHED TO & FORMING PART OF BALANCE-SHEET		
Particulars	31/3/2007	31/3/2006
SCHEDULE : 4 : Investment		
Equity Shares Unquoted Shares (Not Trade) (At Cost)		
A. 760000 Shares of Rs.10/- Each Fully Paid Up of Visat Oil Tech Ltd.	12160000	12160000
B. 21750 Fully Paid Up of Savla Electronic pvt.ltd. of Rs. 100/- Each (P.Y. 51750 Shares)	2175000	2175000
Equity Shares (Quoted & At Cost)		
D. 1228000 Shares of Rs.10/- Each Fully Paid Up of Deep Industries Ltd.	16005000	16005000
E. 2500 Shares of Rs.10/- each fully paid up of Saket Projects Ltd.	25000	25000
F. Investment in Mutual Funds (Quoted) (Market Value of Quoted Investments as on 31-03-2007 is Rs. 58323131)	6290219	9699691
TOTAL	36655219	40064691
SCHEDULE : 5 : Current Assets, Loan & Advances:		
A. Cash & Bank Balance:		A.(a)
(a) Cash Balance	52964	68667
(b) Balance with Scheduled Banks :		
In Current Accounrs	38123	103913
In Fixed Deposit	0	0
	91087	
B. Loans and Advances : (Unsecured Considered Good)		
(a) Advances Recoverable in Cash or in Kind or for value to be received	24183630	18173788
(b) Deposits	1014704	1858704
(c) T.D.S. Receivables	740581	681191
	25938915	
TOTAL	26030002	20886263
SCHEDULE : 6		
CURRENT LIABILITIES & PROVISIONS :		
A. Current Liabilities :		
Sundry Creditors for Goods & Expenses	51912	11600
B. Provision :		
Provision for Taxation Acco. Year 2001-02	260000	260000
Provision for Taxation Acco. Year 2004-05	0	146500
Provision for Taxation Acco. Year 2005-06	0	575000
Provision for Taxation Acct Year 2006-07	363000	0
Provision for Fringe Benefit Tax	0	900
TOTAL	674912	994000
SCHEDULE : 7 : Other Income		
Profit on sale of shares (Unquoted LTC)	0	6229000
Dividend Income	764790	2350885
Kasar	353	4507
Income Tax Refund Interest	2976	0
	768119	8584392

Schedule : 9

Significant accounting policies and notes on accounts for the year ended on 31-03-2007

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. The company adopts FIFO method for its investments.
- (g) **Miscellaneous Expenditure:**
Preliminary and Public-Issue expenditure are written off over a period of 10 years.
- (h) **Inventories :** Inventories are valued at cost.
- (i) **Taxes on Income :**
Tax on income for the current period is determined on the basis of the income tax act, 1961.

Deferred tax is recognised on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 year's figures have been regrouped and rearranged wherever necessary.
- (f) 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	3747879
Vjsat Automobiles	Loan	1047454
Prabhavati Properties Ltd	Loan	3733200
Yash Organochem P Ltd.	Loan	2721000

- (g) Additional information pursuant to the provisions of paragraph 3 & 4 of Schedule VI of the Company Act, 1956 is enclosed as annexure A.
- (h) Expenses in Foreign Currency Rs. Nil
- (i) Earning in Foreign Exchange Rs. Nil

- (j) The significant component and classification of Deferred Tax Assets and Liabilities on account of Timing Differences are :

	AS AT 31ST MARCH, 2007 RS.	AS AT 31ST MARCH, 2006 RS.
A. DEFERRED TAX ASSETS :		
Diff. between Books & Tax Dep.	32366	31946
B. DEFERRED TAX LIABILITIES :		
NET DEFERRED TAX ASSETS/LIABILITY	NIL 32366	NIL 31946
NET DEFERRED TAX CREDIT	420	

- (K) The market value of investments in mutual fund as on 31-03-2007 is as under :

Name	Book Value Cost	Units Nos.	NAV as on 31-03-2007	Market value as on 31-03-2006
DSP Merrill Lynch	25000	2702.70	52.17	140995
Grindley's Cash	3245308	309765	10.58	3277907
HDFC Equity Growth	50000	1936	142.60	276146
HDFC Long Term Equity	10000	1266	10.75	13611
ICICI Prudential Dynamic Plan	965000	52331	19.71	1031533
Reliance Monthly Interval Fund	994911	99000	10.04	993712
Sunderam BNP	1000000	66949	14.76	988227
Deep Industries Ltd	16005000	1228000	42.00	51576000
Saket Projects	25000	2500	10.00	25000
Total	22320219			58323131

- (L) Earning per Share:

	31.03.2007	(Amount in Rs.) 31.03.2006
Profit/(Loss) after Tax [A]	2431210	8095410
Number of Equity Shares [B]	4104100	4104100
Earning per Share [A/B] (Face Value of Rs. 10 each)	0.59	1.97

- (M) Provision for taxation has been reduced to the extent of brought forward Tax credit u/s 115JA of the Income Tax Act, 1961.

- (N) Segment Reporting :

The company is engaged in the finance activity having mainly the interest income and trading income so there are no separate reportable segment as per Accounting Standard 17 - "Segment Reporting" issued by the Council of the Institute of Chartered Accountants of India.

- (O) Related Party Disclosures

As per the Accounting Standard on "Related Party Disclosures" (AS 18) issued by the Institute of Chartered Accountants of India, the related parties and the details of transaction with them are as follows:

Name of Party	Nature of Payment	Amount Rs.
Paras Savla	Office Rent	28640
Manoj Savla	Office Rent	37976
Prabhaben S. Savla	Office Rent	9336
Chetnaben M. Savla	Office Rent	5336
Manoj Savla	Office Deposit	670000

As per our report of even date attached herewith

For and on behalf of the Board

For, Shailesh C. Parikh & CO.,
Chartered Accountant

Paras Savla
Chairman

(Shailesh Parikh)
Proprietor

Manoj Savla
Director

Date : 25-08-2007

Place : Ahmedabad

CASH FLOW				
	31-03-2007		31-03-2006	
	RS.		RS.	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit After Tax and without Deferred Tax		2430790		8096048
Add : Adjustments For :				
Depreciation	56808		39519	
Misc. Expenses Written Off	0		0	
	56808		39519	
Less: Profit on Sale of Motor Cycle	0		0	
		56808		39519
Operating Profit Before working Capital Changes		2487598		8135567
Add: Decrease in Working Capital				
Sundry Debtors Realised	0		0	
Current Liabilities Increased	0		0	
Loans & Advances Reduced	0		0	
Less: Increase in Working Capital				
Loans & Advances Given	5225232		3491271	
Debtors Increased	0		0	
Current Liabilities Decreased	319088		-316743	
		-5544320		-3174528
Cash Generated From Operations		-3056722		4961039
Less : Misc. Expenses Incurred		0		0
Net Cash Flow From Operating Activities (A)		-3056722		4961039
B Cash Flow From Investing Activities				
<u>Inflows</u>				
Sale of Fixed Assets	0		0	
Sale of Investments	3409472		0	
Interest Received	0		0	
		3409472		0
<u>Out Flows</u>				
Purchase of Fixed Assets	434243		0	
Purchase of Investments	0		4846660	
Interest paid	0		0	
		434243		4846660
Net Cash used in Investing Activities (B)		2975229		-4846660
C Cash Flow From Financing Activities				
Proceed from issue of Shares Capital	0		0	
Increase in Secured Loans	0		0	
		0		0
Less:				
Repayment of Secured Loan		0		0
Allotment to Application Money		0		0
Net Cash Used in Financing Activities (C)		0		0
Net Decrease / Increase in Cash & Cash Equivalents		-81493		114379
Cash & Cash Equivalents (Opening Balance)		172580		58201
Cash & Cash Equivalents (Closing Balance)		91087		172580
As per our report of even date attached herewith For and on behalf of the Board				
For, Shailesh C. Parikh & CO.,			Paras Savla	
Chartered Accountant			Chairman	
(Shailesh Parikh)			Manoj Savla	
Proprietor			Director	
Date : 25-08-2007				
Place : Ahmedabad				

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. : 24300 State Code : 04
 Balance sheet Date : 31.03.2007

2. Capital raised during the year (amount in Rs.Thousands)

Public Issue Nil Bonus Issue Nil
 Private Placement Nil Rights issue Nil

3. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities 62609 Total Assets 62609

Source of Funds

Paid-up Capital 45523
 Calls in Advance Nil
 Share Capital pending issue and allotment NIL
 Secured Loans Nil
 Reserves & Surplus 17087
 Unsecured Loans Nil

Application of Funds

Net Fixed assets 566
 Investment 36655
 Net Current Assets 25355
 Deferred Tax Assets 32
 Miscellaneous Expenditure Nil
 Accumulated Losses NIL

4. Performance of Company (Amount in Rs.Thousands)

Sale and other Income 19622 Total Expenditure 16828
 Profit / Loss before tax(+/-) 2794 Profit / Loss after tax(+/-) 2431
 Earning Per Share in Rs. 1 Dividend % Nil

5. Generic Names of three principal Products / Services of Company

Item Code : Product Description : Investment Company

As per our report of even date attached herewith

For and on behalf of the Board

For, Shallesh C. Parikh & CO.,
 Chartered Accountant

Paras Savla
 Director

(Shallesh Parikh)
 Proprietor

Manoj Savla
 Director

Date : 25-08-2007

Place : Ahmedabad

ADINATH EXIM RESOURCES LIMITED

PROXY FORM

Members Folio No. _____

DP ID _____

Client ID _____

I/We _____ of _____
being a Member/Members of ADINATH EXIM RESOURCES LIMITED, hereby appoint _____ or failing him _____ of _____ or failing him _____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 29th day of September 2007 at any adjournment there of.

Signed this _____ Day of _____ 2007.

Signed by the said _____

of _____

Affix
Rs. 1/-
Revenue
Stampe

Note : If a member is unable to attend the Meeting, he may sign this form and send it to the Company's Registered Office at : 6th Floor, N. G. Tower, Opp. Funrepublic Cinema, Nr. ISCON Temple, S. G. Highway, Ahmedabad-380 015, so as to reach them not less than 48 hours before the Meeting

-----TERE HERE-----

ADINATH EXIM RESOURCES LIMITED

6th Floor, N. G. Tower, Opp. Funrepublic Cinema, Nr. ISCON Temple, S. G. Highway,
Ahmedabad-380 015

ATTENDANCE SLIP

I hereby record my presence at the 13th Annual General Meeting convened at 1, Super Bazar, Naranpura Cross Road, Ahmedabad-380013, on 29th September'2007.

Members Folio No. _____

DP ID _____

Client ID _____

Name of the Member attending the Meeting

In case of proxy, Name of Proxy

(Signature of Member/Proxy)
(To be signed at the time of
handing over this slip)

Note : Members/Joint members are requested to bring the attendance slip with them.

Book Post

To, _____

If undelivered Please return to :
ADINATH EXIM RESOURCES LIMITED
6th Floor, N. G. Tower,
Opp. Funrepublic Cinema, Nr. ISCON Temple,
S. G. Highway, Ahmedabad-380 015