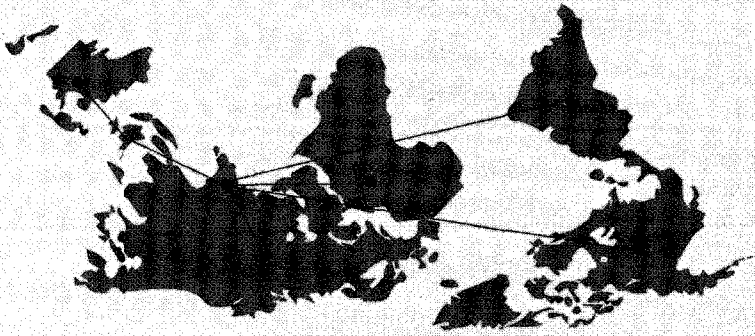
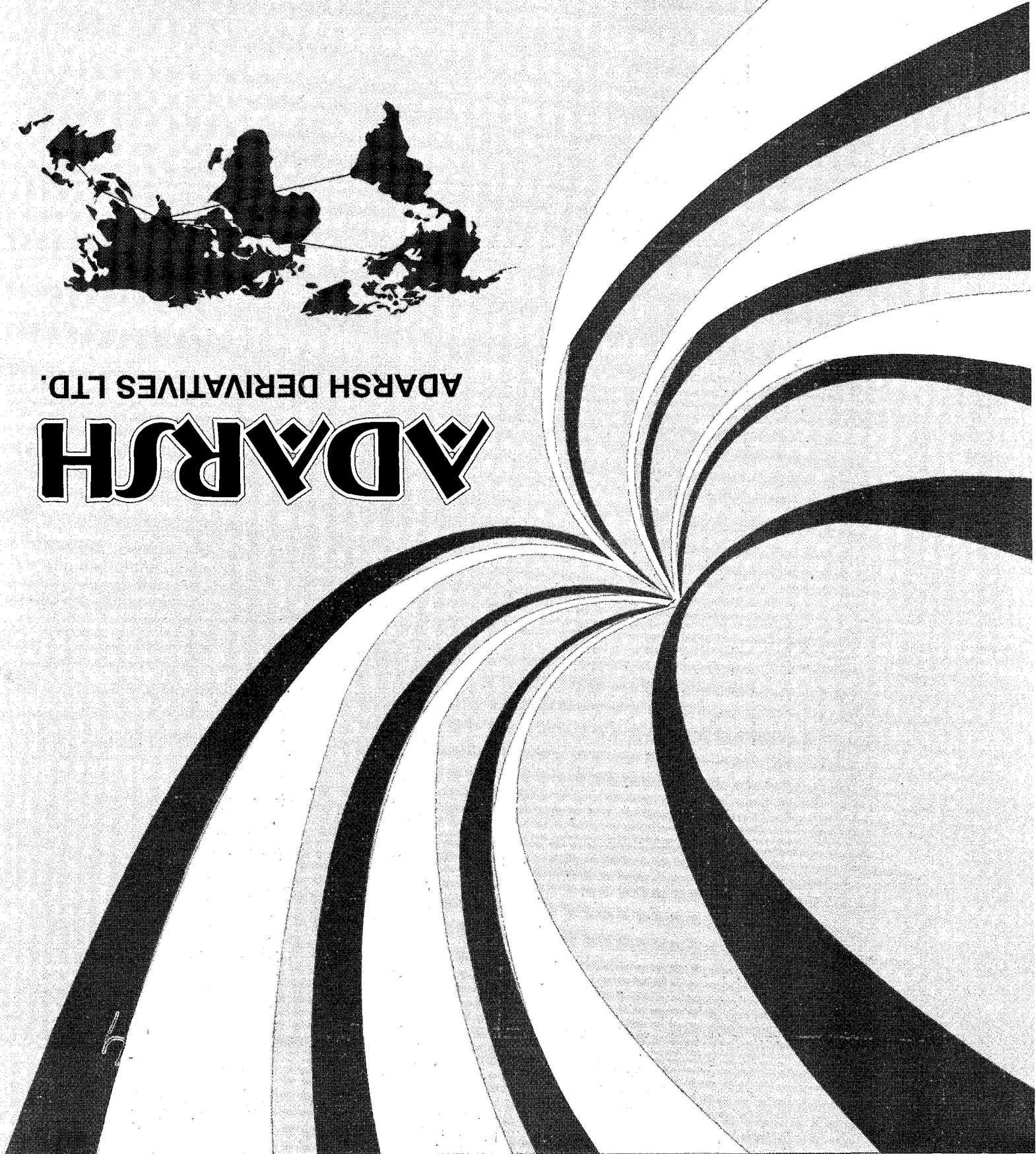


13TH ANNUAL REPORT
2006-07



ADARSH
ADARSH DERIVATIVES LTD.



BOARD OF DIRECTORS

Bimla Devi Jindal
B.D. Agarwal
Megh Raj Jindal
Ravi Sharma
Mahesh Batra
Rakesh Jindal

Managing Director
Director
Director
Independent Director
Independent Director
Independent Director

Company Secretary

Shailesh Jain

AUDITORS

S. Prakash Aggarwal & Co.
4-A-6, Jawahar Nagar
Sri Ganganagar (Raj.)
Pin. 335001

BANKERS

UTI Bank Ltd.

REGISTERED OFFICE

Hisar Raod, Siwani
127046 (Haryana)

PLANT

229, G.I.D.C. Industrial Estate,
Chandisar – 385510. (B.K.)
Gujrat.

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 13th Annual General Meeting of the Shareholders of Adarsh Derivatives Limited will be held at the registered office of the Company on Thursday, the 27th September, 2007 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007, Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors.
2. To appoint a Director in place of Sh. Ravi Sharma who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sh. Mahesh Batra, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. **To consider and if thought fit, pass the following resolution, as an Ordinary Resolution, with or without Modification (s)**

“RESOLVED THAT Smt. Bimla Devi Jindal who was appointed by the Board of Directors of the Company as an Additional Director w.e.f. 21.08.2007 and who holds office under section 260 of the Companies Act, 1956, upto this Annual General meeting and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notice in writing from member proposing his candidature for the office of director and signifying his intention, be and is hereby appointed as a Director of the company and she is not liable to retire by rotation.”

6. **To consider and if thought fit, pass the following resolution, as an Ordinary Resolution, with or without Modification (s)**

“RESOLVED THAT pursuant to provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mrs. Bimla Devi Jindal as Managing Director of the company for a period of five years with effect from 21st August 2007 upon the terms and conditions including remuneration as set out in the draft agreement submitted to the meeting and initialled by the Chairman, for the purpose of

identification, which draft agreement is hereby specifically approved and sanction with liberty to the Board of directors to alter and vary the terms and conditions of the said appointment and/ or the Agreement so as not to exceed the limits specified in schedule X111 to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Mrs. Bimla Devi Jindal.”

7. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the provisions of the Articles of Association of the Company, the Authorised Share Capital of the company be and is hereby increased from Rs. 70000000 (Rupees Seven Crores) divided into 7000000 (Seventy Lacs) Equity Shares of Re. 10/- (Rupees Ten) each to Rs. 17,00,00,000 (Rupees Seventeen Crore) divided into 17000000 (One Crore Seventy Lacs) Equity shares of Re. 10/- (Rupees Ten) each.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things including the filing of such forms and returns, as may be deemed necessary, to give effect to the above resolution.”

8. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:**

“RESOLVED that pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company dealing with Capital Clause be and is hereby amended by substituting therefor the following clause:

Clause V

The Authorised Share Capital of the Company is Rs. 17,00,00,000 (Rupees Seventeen Crore) divided into 17000000 (One Crore Seventy Lacs) Equity shares of Re. 10/- (Rupees Ten) each.

9. **To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :-**

“RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby amended in the following manner:

The existing Article No. 3 of the Articles of Association of the Company dealing with Authorised Share Capital be and is hereby amended by substituting therefor the following Article:

Article No. 3

The Authorised Share Capital of the Company is Rs. 17,00,00,000 (Rupees Seventeen Crore) divided into 17000000 (One Crore Seventy Lacs) Equity shares of Re. 10/- (Rupees Ten) each with power to sub-divide, consolidate and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

By Order of the Board

Sd/-

Date : 21.08.2007
Place : Siwani

Bimla Devi Jindal
Managing Director

NOTES:

- i A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.
- ii The Directors' Report, Auditors' Report, Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date and Cash flow Statement are enclosed.
- iii Members are requested to notify change in their address, if any, quoting their Folio number.
- iv The Register of Members and Share Transfer Books in respect of the equity shares of the Company shall remain closed from 21st September 2007 to 24th September, 2007 (both days inclusive.)
- v Members who have multiple accounts in identical names or joint accounts in same order are requested to sent all their relevant share certificate (s) at the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better services.

- vi Members are requested to bring the copy of their Annual Report and the Attendance slip at the Annual General Meeting.
- vii Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to address their questions to the Company so as to reach atleast seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.
- viii Under Section 205A read with Section 205C of the Companies Act, 1956, the Amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date for payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The Board of Directors of your Company in accordance with Section 260 of the Companies Act, 1956 & Articles of Association of the Company had appointed Mrs. Bimla Devi Jindal, as an Additional Director w.e.f. 21.08.2007 to strengthen the Board and to have benefits of his vast experience. Mrs. Bimla Devi Jindal will hold the office as such upto this Annual General Meeting and is eligible for appointment since the company had received notice as required under section 257 of the Companies Act, 1956, from member proposing his candidature for the office of director of the company subject to without retire by rotation.

Mrs. Bimla Devi Jindal is a graduate in Commerce. Keeping in view his long experience in the Guar Gum Industry, your Director recommend to appoint Mrs. Bimla Devi Jindal as Director of the Company.

None of the directors of the Company are interested in above resolution.

ITEM NO. 6

Consequent to the resignation of Mr. Ramesh Chand Jindal as director of the company, The Board of Directors at their meeting held on 21-08-2007 appoint to Mrs. Bimla Devi Jindal as Managing Director of the company for a period of five years w.e.f. 21st August, 2007. Mrs. Bimla Devi Jindal holds a bachelor's degree in commerce from the university of Haryana. Keeping in view his long experience in the guar gum industry, your directors recommend to appoint her as Managing Director of the Company.

The Agreement between the Company And Mrs. Bimla Devi Jindal contains following main terms and conditions : -

1. Period: 5 years with effect from 21st August, 2007
2. Salary: Nil
3. Perquisites: No Perquisites shall be allowed.

None of the Director is interested in above resolution except B.D.Agrawal and Sh. Megh Raj Jindal.

ITEM NOS. 7, 8 & 9

Presently the Authorised Share Capital of the Company is Rs. 70000000 (Rupees Seven Crores) divided into 7000000 (Seventy Lacs) Equity Shares of Re. 10/- (Rupees Ten) each. The Company is proposing to raise additional resources to meet the business needs of the Company. In order to facilitate the issue of equity shares (by way of private placement on preferential basis or any other wise) it is proposed to increase the Authorised Share Capital to Rs. 17,00,00,000 (Rupees Seventeen Crore)

divided into 17000000 (One Crore Seventy Lacs) Equity shares of Re. 10/- (Rupees Ten) each.

The proposed change in the Authorised Share capital of the Company requires approval of the members in general meeting. Consequently upon the change in the Authorised Share Capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the changed Authorised Share Capital which also requires approval of the members in general meeting.

Hence the Board of Directors recommends the resolutions at item no. 7 and 8 as ordinary resolutions and at item no. 9 as a special resolution for your approval.

None of the directors is concerned or interested in the said resolutions

By Order of the Board

Sd/-

Date : 21st August, 2007
Place : Siwani

Bimla Devi Jindal
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 13th Annual Report along with the Audited Accounts for the year ended on 31st March, 2007, of your company.

FINANCIAL RESULTS :

(Rs. In Lakhs)

ITEM	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
1. Net Sales	261.71	919.55
2. Other Income	0.00	95.50
3. Total Expenditure	229.09	1017.72
4. Interest	0.89	12.72
5. Gross Profit/(loss) after Interest But before depreciation	31.73	(15.39)
6. Depreciation	28.78	28.78
7. Net profit/(loss) before tax	2.95	(44.17)
8. Net profit/(loss) after tax	2.95	(44.17)

MANAGEMENT DISCUSSION AND ANALYSIS :

General scenario of country's exports is quite promising but market of guar gum powder, which is highly influenced and dominated by the overseas demand, is highly price sensitive, with availability of alternatives at more competitive prices.

OPERATION

During the current year under review your company has achieved a total turnover of Rs. 2.61 Crores as Compare to Rs. 9.19 Cr. in the previous year. During the year under review the Company have a net profit Rs. 2.95 Lakhs as compare to net lost of Rs. 44.17 Lakhs in the Previous Year.

DIVIDEND :

There being no allocable profit as dividend in the year under review, your Board does not recommend any dividend for the year ended on 31st march, 2007.

DEPOSITS :

The Company has not accepted any deposits to which the provisions of section 58A of the Companies Act 1956 become applicable.

MANAGING DIRECTOR AND DIRECTORS

Smt. Bimla Devi Jindal Appointed as Additional Director and Managing Director of the Company with effect from 21st August, 2007 and Mr. Ravi Sharma and Mr. Mahesh Batra, who retire by rotation in accordance with the provisions of the companies Act, 1956, and being eligible, offer themselves for re-appointment.

AUDITORS :

Your Auditors' report being self explanatory, and therefore does not call for any further comments or explanations by the Board of directors.

M/s. S.Prakash Aggarwal & Co., Sriganaganagar, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. A certificate from the Auditors to the effect that their reappointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956, has been received.

EMPLOYEES :

There is no employee in the Company who is in receipt of remuneration in excess of the limit specified under section 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO :

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of particulars in the report of Board of Directors) rule, 1988 is given in the Annexure forming part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Your Directors state that the Audited Accounts containing financial statement for 2006-07 are in full conformity with the requirements of the Companies Act and are audited by its statutory Auditors. Your Directors further state that:-

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed:
- b. The appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at March 31, 2007.
- c. The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act.1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities: and
- d. the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance thereto is set out in the Annexure forming part of this report.

Your management has taken appropriate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended listing Agreement with the Stock Exchanges are complied with.

APPRECIATION

Your Board appreciates the commitment and contribution made by all its employees and support given by its shareholders, distributors, suppliers, bankers and all other business associates during the year.

Your involvement as shareholders is greatly valued. Your Directors look forward to your continuing support.

By Order of the Board

Sd/-

Date : 21st August 2007
Place : Siwani

Bimla Devi Jindal
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY

Energy conservation continues to receive priority in the Company. Energy being key factor to the cost, continuous supervision of the consumption pattern is carried out to ensure the optimum use of power, resulting in overall reduction in cost.

TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

Company's own in house development and analytical lab continuously works on upgradation and modification of the present products to meet the requirements of the international market. Apart from this, no new technology was absorbed or adopted by the company during the year.

FOREIGN EXCHANGE EARNING AND OUT GO

The information on foreign exchange earning and outgo is given in notes on accounts.

By Order of the Board

Sd/-

Dated : 21st August, 2007
Place : Siwani

Bimla Devi Jindal
Managing Director

CORPORATE GOVERNANCE**Company's philosophy on code of Corporate Governance**

The Company's Philosophy on Code of Corporate Governance as adopted by the Company is as under:

- Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the board members in control of the company affairs.
- Ensure that the Board exercise its fiduciary responsibilities towards shareholders and creditors, thereby ensuring high accountability.
- Ensure that decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof.
- The board, the employees and all concerned are fully committed towards maximizing long-term value to the shareholders and the company.
- Ensure that the core values of the company are protected.
- Ensure that the company upgrades itself from time to time to be at par with any other world class company in Guar Gum Polymers (GGP) Sector.

1. Board of Directors :-**a. Composition :**

As on the year ended 31st March 2007, the Board of Director consists of 6 members including 3 independent Directors.

b. Attendance :

Attendance of each Director upto 31st March, 2007 at the Board meetings and at last Annual General Meeting:

Name of the Director	Category	Attendance Particulars	
		Board meetings in the year	Last AGM
Mr. R.C.Jindal*	Managing Director	8	Yes
Mrs. Bimla Devi Jindal**	Managing Director	-	-
Mr.B.D.Agarwal	Director	7	Yes
Mr. Megh Raj Jindal	Director	5	Yes
Mr. Ravi Sharma	Independent Director	6	Yes
Mr. Mahesh Batra	Independent Director	6	Yes
Mr. Rakesh Jindal	Independent Director	5	Yes

* Resigned from Managing directorship of the Company w.e.f. 21.08.2007 due to family liabilities and preoccupations.

** Appointed as additional director and Managing Director of the Company w.e.f. 21.08.2007.

- b. None of the directors of the company holds membership of more than 10 board committees or hold chairmanship of more than 5 board committees.
- c. The company has held 8 Board Meetings during the year. The meetings were held on 15.06.2006, 30.06.2006, 28.07.2006, 31.10.2006, 26.12.2006, 31.01.2007, 02.03.2007 and 31.03.2007.
- d. No payments were made during the year to Non Executive Directors towards sitting fees.

2. Share transfer and Investors Grievance Committee :-

The Company has re-constituted the Share transfer and Investors grievance committee comprising of Shri Mahesh Batra, Smt. Bimla Devi Jindal & Ravi Sharma.

- (a) Name of the Non-Executive Director heading the Committee: Sh. Mahesh Batra
- (b) Name and Designation of Compliance officer : Sh. Shailesh Jain (Company Secretary)

- 3. The company's shares are traded in dematerialised form at all Stock Exchanges where it is listed. To expedite the transfer in physical mode, share transfer committee has been delegated with necessary powers.

4. Audit Committee :-

The Audit committee comprises of three directors viz. Sh. Ravi Sharma, Mahesh Batra and Smt. Bimla Devi Jindal.

The constitution of Audit committee also meets with the requirements under Section 292 A of the companies Act, 1956.

The terms of reference stipulated by the Board to the Audit committee are, as contained under Clause 49 of the listing Agreement, as follows:

- (a) To investigate any activity within its terms of reference.
- (b) To seek information from any employee.
- (c) To obtain outside legal or other professional advice.
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (e) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- (f) Recommending the appointment and removal of external auditor and fixation of audit fee.
- (g) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 1. Any change in accounting policies and practices.
 2. Major accounting entries based on exercise of prudence judgment by Management.

- (c) Website: www. Adarshderivatives.com
- (d) Shareholder's information section forms part of the Annual Report.
- (e) There is no separate annexure in addition to Directors' report on Management's discussion and Analysis except incorporated in the Directors report itself.

8. No banker or Financial Institutions have direct role in appointment of the Directors of the Company.

9. Disclosures

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. - None
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital markets, during the last three years: - None

During the year, the Committee has met four times. The meetings were held on 29th June, 2006, 27th July, 2006, 30th October, 2006 and 30th January, 2007. All the committee members were present at all the meetings.

5. Remuneration Committee

The Remuneration of the directors is decided by the board of directors subject to the shareholders' approval, therefore the company has not constituted remuneration committee.

The remuneration given to Managing Director and Executive director in the f.y.2006-07 is as under:

Name	Designation	Total Remuneration
Mr. R.C.Jindal	Managing Director	NIL

6. General Body Meetings

The last three Annual General Meetings of the company were held as under:

Year	Location	Date	Time
2003-2004	229, GIDC, Chandisar	25th Sept, 2004	10.00 a.m
2004-2005	229, GIDC, Chandisar	05th Sept, 2005	10.00 a.m
2005-2006	Hisar Road, Siwani	28th Sept, 2006	10.00 a.m

During the year four resolution was passed by the Company's shareholders by postal ballot.

7. Means of Communication

- (a) Half-Yearly results: As the results of the company are published in the Newspapers and on the website of the company, half yearly reports are not sent to each household of shareholders.
- (b) Quarterly results: Quarterly results are published in Western Times, English and Gujarati edition.

10. A separated section on Corporate Governance forms part of the Annual Report and a Certificate from Statutory Auditors confirming the compliance of the conditions, forms the part of this report.

11. General Share holders' Information

- 1. Annual General Meeting
 - Date And Time : 27th September, 2007 at 10.00 a.m
 - Venue : Hisar Road, Siwani (Harayana)
- 2. Book closure date : 21st September, 2007 to 24th Sept., 2007.
- 3. Dividend payment date : N.A
- 4. Registered Office : Hisar Road, Siwani (Harayana)
- 5. a. Equity shares Listed on stock Exchanges at : 1. The Stock exchange, Mumbai, (code No.31518)
: 2. The Jaipur Stock Exchange, Jaipur, (code No. 767)
- b. Demat ISIN Numbers in NSDL & CDSL : ISIN 767BO1014
- 6. Stock Market Rate on BSE (in Rs. / per Share):

	Apr.06	May06	Jun06	Jul06	Aug06	Sep.06	Oct.06	Nov.06	Dec.06	Jan.07	Feb.07	Mar.07
High	14.62	15.20	12.90	10.72	10.40	9.76	10.08	9.60	9.11	12.00	11.00	9.80
Low	12.10	12.66	9.72	9.62	9.25	8.24	8.50	8.00	7.29	8.20	8.20	7.98

- 7. Registrar and Transfer Agents. : Pinnacle Share Registry Pvt. Limited. Near Ashok Mill, Naroda Road Ahmedabad-25

8. Distribution of shareholding Pattern as on 31st March, 2007

No. of equity shares held	No. of folios	%	No. of Shares	%
Upto 500	4619	77.73	907691	15.21
501-1000	599	10.08	504712	8.46
1001-2000	349	5.87	559522	9.38
2001-3000	134	2.26	343247	5.75
3001-4000	50	0.84	180144	3.02
4001-5000	57	0.96	273545	4.58
5001-10000	67	1.13	499419	8.37
10001 and above	67	1.13	26,99,220	45.23
Total	5942	100.00	59,67,500	100.00

9. Dematerialisation of Share : Approximately 85.24% of the equity shares have been dematerialized upto 31st March, 2007.

10. Outstanding GDRs/ ADRs/ Warrants or any convertible : The company has not issued any GDRs/ ADRs/ Warrants instruments, conversion date and likely impact on equity of any convertible instrument.

11. Buy Back of shares : The Company has no plan to buy back its equity shares.

12. Plant location : 229, G.I.D.C., Chandisar (B.K.) 385510. Gujarat

13. Address for Correspondence : Hisar Road, Siwani (Harayana)

AUDITOR'S CERTIFICATE

To The Members of Adarsh Derivatives Limited

We have examined the report of Corporate Governance presented by the Board of Directors of Adarsh Derivatives Limited for the year ended on 31st March, 2007 as stipulated in clause 49 of the listing agreement of the company with the Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In our opinion and according to the information and explanations given to us, the Company has complied with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the Shareholders' Grievance Committee.

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

For **S. Prakash Aggarwal & Co.**
Chartered Accountants

Place : Sriganganagar
Date : 21.08.2007

Sd/-
Proprietor

AUDITOR'S REPORT

TO THE MEMBERS OF ADARSH DERIVATIVES LIMITED

We have audited the attached Balance Sheet of ADARSH DERIVATIVES LIMITED as at 31st March 2007 and also the annexed 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 conduct our audit in accordance with accounting 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 test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the 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, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by Central Government of India in terms of Sub Section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the annexure - A statement on the matters specified in paragraph 4 & 5 of the said order.
- Further to our comments in the annexure referred to above, We report that:
 - We have obtained all the information's and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- (ii) In our opinion, proper books as required by law have been kept by the company so far as it appears for our examination of such books.
- (iii) The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in the agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and profit & loss account dealt with by this report comply with accounting standards referred to in Sub Section (3C) of section 211 of the companies Act, 1956.
- (v) On the basis of written representation received from the director's as on 31st March, 2007 and taken on record by the Board of Director's we report that none of the director 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 to companies Act, 1956.
- (vi) In our opinion and to the best of our information's and according to the explanations given to us, the said accounts read with the notes thereon, give the prescribed manner the information's required by the Companies Act, 1956, in the manner so required and give a true and fair view in co firmly 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 the Profit and Loss account, of the Loss for the year ended on that date.
- (c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.
- such checks we consider appropriate, we further report that:
1. (a) The company is maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) A Major Portion of fixed assets have been physically verified by the management during the year. In Our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the books and physical inventory have been noticed.
 - (c) Fixed assets disposed off during the year were not substantial and therefore not effecting the going concern status of the company.
 2. (a) The Inventory have been physically verified by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of Inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
 3. (a) During the year, the company has not taken any unsecured loan from Parties covered in the registered maintained under Section 301 of the Companies Act, 1956. The company has not granted any unsecured loan to the parties covered in the registered maintained under section 301 of the Companies Act, 1956.
 - (b) The company has not given any interest to the parties against loan taken from him and never taken any interest from the parties to whom he gives unsecured loans.
 4. In our opinion and according to the informations and explanation provided to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weakness in internal control during the course of audit.

For S. Prakash Aggarwal & Co.
Chartered Accountants

Sd/-

Place : Sri Ganganagar
Date : 30.06.2007

(S.P. AGGARWAL)
Prop. (M. No. 74813)

ANNEXURE - A (FORMING PART OF AUDIT REPORT)

As required by the Companies (Auditor's Report) order 2003 issued by the Company Law Board under section 227 (4A) of the Companies Act, 1956 and on the basis of

5. (a) According to information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions entered in the registers maintained under section 301, and exceeding during the year by Rupees Five Lakhs in respect of each party have been made a price which are reasonable having regard to prevailing market prices at the relevant time except in respect of certain items which are of special nature for which no comparative prices are available.
6. In our opinion and according to the informations and explanations given to us, the directive issued by the Reserve Bank of India and the provisions of section 58 A and 58 AA of the Companies Act, 1956 and Companies (Acceptance of deposits) Rules, 1975 with regard to deposit accepted from the public, We are informed by the management that no such Deposit taken or accepted by the company.
7. The company has an adequate internal audit system commensurate with its size and nature of its business.
8. The central government of India has not prescribed the maintenance of cost records by the company under clause (d) of sub section (1) of section 209 of the Companies Act.
9. According to the records, information and explanations provided to us, the company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, Employee's state insurance, income tax, sales Tax, wealth tax, Customs Duty, Excise duty, FBT, cess and other materials, Statutory dues as applicable to it and no undisputed amounts payable were outstanding as at 31st march, 2007 for a period of more than six months from the date they became payable.
10. The Company has accumulated losses of Rs. 233.00 Lakhs as at 31st March, 2007 and it has net profit of Rs. 2.95 Lakhs during the financial year ended on that date and net loss of Rs. 44.17 Lakhs in the immediately preceding financial year.
11. As per examination of record and according to information & explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a nidhi / mutual benefit fund/ society, therefore, Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
14. The company not dealt in Shares, Securities, debentures and other investments.
15. On the basis of the information and explanations given to us the Company has not given any guarantee for Loans taken by others from bank or financial institutions.
16. Company has not taken any working capital loan.
17. As per books of accounts the company has not raised any shot term and long term funds.
18. The company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Act.
19. The company did not issued any debentures, Therefore, clause 4 (xix) of Companies (Auditor's Report) order, 2003 is not applicable.
20. The company has not raised any money by public issues during the year, therefore clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
21. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the scourse of our audit.

For S. Prakash Aggarwal & Co
Chartered Accountants

Sd/-

Place : Sri Ganganagar
Date : 30.06.2007

(S.P. AGGARWAL)
Prop. (M. No. 74813)

ADARSH DERIVATIVES LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2007

PARTICULARS	SCHEDULE NO.		AS ON 31-03-2007		AS ON 31-03-2006
SOURCE OF FUNDS					
<i>Shareholder's Fund:</i>			59854844.00		59854844.00
Share Capital	A	59675000.00		59675000.00	
Reserve & Surplus	B	179844.00		179844.00	
Secured Loan					703008.00
Working Capital Loan from Bank	C	0.00	0.00	703008.00	
TOTAL:			59854844.00		60557852.00
APPLICATIONS OF FUNDS					
<i>Fixed Assets:</i>			18494073.00		21371895.00
Gross Block	D	47225879.00		47225879.00	
Less: Depreciation		-28731806.00		-25853984.00	
Net Block		18494073.00		21371895.00	
Investments (NSC):	E		13384.00		13384.00
<i>Current Assets Loans & Advances:</i>			18047533.60		15577766.00
Inventories	F	16269560.00		13442435.00	
Sundry Debtors	G	7858283.00		6115168.00	
Cash & Bank Balances	H	491942.60		812566.00	
Other Current Assets	I	769996.00		4873246.00	
		25389781.60		25243415.00	
Less: Current Liabilities & Provisions					
Liabilities	J	7171632.00		9330044.00	
Provisions	J	170616.00		335605.00	
		7342248.00		9665649.00	
Profit and Loss Account	K		23299853.40		23594807.00
TOTAL			59854844.00		60557852.00

Sd/-
Ramesh Jindal
Managing Director

Sd/-
B.D. Agarwal
Director

Sd/-
Megh Raj Jindal
Director

Sd/-
Shailesh Jain
Company Secretary

Schedule A to K referred to above form an integral part of the Profit of the Balance Sheet in terms of our attached report or even date.

Sri Ganganagar
Dated : 30.06.2007

For S. Prakash Aggarwal & Co.
Chartered Accountants
Sd/-
(S.P. Aggarwal)
Prop. M. No. 74813

ADARSH DERIVATIVES LIMITED**PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2007**

	SCHEDULE NO.	AS ON 31-03-2007	AS ON 31-03-2006
INCOME			
Sales	L	26171430.00	91954724.00
Other Income	M	0.00	9549829.00
Increase / (Decrease In Stock)	N	803810.00	-17325700.00
TOTAL : (A)		26975240.00	84178853.00
EXPENDITURE:			
Material Consumed	O	18289125.00	69353859.00
Manufacturing, Administrative & Selling Expenses	P	5424712.40	15051812.00
Financial Expenses	Q	88627.00	1272283.00
Depreciation		2877822.00	2877724.00
Miscellaneous Exp. W/Off		0.00	40213.00
TOTAL : (B)		26680286.40	88595891.00
Net Profit Before Tax		294953.60	-4417038.00
Provision For Tax		0.00	0.00
Net Profit After Tax		294953.60	-4417038.00
Add: Profit Brought Forward		-23594807.00	-19177769.00
Balance Carried forward		-23299853.40	-23594807.00
Notes Forming part of Accounts	R		

Sd/-
Ramesh Jindal
Managing Director

Sd/-
B.D.Agarwal
Director

Sd/-
Megh Raj Jindal
Director

Sd/-
Shailesh Jain
Company Secretary

Schedule L to R referred to above form an integral part of the Profit and Loss Account in terms of our attached report of even date.

Sri Ganganagar
Dated : 30.06.2007

For S. Prakash Aggarwal & Co.
Chartered Accountants
Sd/-
(S.P. Aggarwal)
Prop. M. No. 74813

SCHEDULES (Forming part of Balance Sheet and profit and loss account for the year 2006-07)

	Current Year 2006-07	Previous Year 2005-06
SCHEDULE : (A)		
Authorised Capital		
7000000 Equity shares of Rs. 10/- Each	<u>70000000.00</u>	<u>70000000.00</u>
Issued , Subscribed & Paid Up capital		
5967500 Equity Shares of Rs.10/- Each	<u>59675000.00</u>	<u>59675000.00</u>
(Fully Paid Up)	<u>59675000.00</u>	<u>59675000.00</u>
SCHEDULE (B)		
Reserve & Surplus		
Subsidy	<u>179844.00</u>	<u>179844.00</u>
	<u>179844.00</u>	<u>179844.00</u>
SCHEDULE : (C)		
Secured Loan		
Punjab National Bank (Working Capital)	<u>0.00</u>	<u>703008.00</u>
	<u>0.00</u>	<u>703008.00</u>
SCHEDULE : (E)		
Investments		
NSC	<u>13384.00</u>	<u>13384.00</u>
	<u>13384.00</u>	<u>13384.00</u>
SCHEDULE : (F)		
Inventories: (Taken, Valued , & Certified by Management)		
Guar Gum Powder	8671010.00	7867200.00
Guar Split & Other Raw Material	7246800.00	5083525.00
Fuel, Store & Spares	0.00	9000.00
Packing Material	351750.00	397156.00
Chemical	0.00	85554.00
	<u>16269560.00</u>	<u>13442435.00</u>
SCHEDULE : (G)		
S. Debtors : (Unsecured , considered good, unless stated otherwise)		
Outstanding For a period exceeding 6 Months	938522.00	938931.00
Outstanding Less than 6 Months	6919761.00	5176237.00
	<u>7858283.00</u>	<u>6115168.00</u>
SCHEDULE : (H)		
Cash and Bank Balances		
Cash In Hand	18067.00	355822.00
Foreign Exchange in Hand	131400.00	131400.00
Bank Balance as per List	342475.60	325344.00
	<u>491942.60</u>	<u>812566.00</u>
SCHEDULE : (I)		
Other Current Assets		
Vishesh Krishi Upaj Yojna/DEBP	0.00	4050000.00
TDS Receivable	8081.00	8081.00
Other Current Assets	3615.00	56865.00
Security With GSEB	758300.00	758300.00
	<u>769996.00</u>	<u>4873246.00</u>

	Current Year 2006-07	Previous Year 2005-06
SCHEDULE : (J)		
Current Liabilities		
Sundry Creditors	7171632.00	9274984.00
TDS Payable	0.00	6191.00
Sales Tax Payable	7450.00	0.00
Provision for Exp.	128166.00	335605.00
Salary Payable	35000.00	48869.00
	<u>7342248.00</u>	<u>9665649.00</u>
SCHEDULE : (K)		
Profit & Loss A/c		
Pfofit & Loss A/c	-23299853.40	-23594807.00
	<u>-23299853.40</u>	<u>-23594807.00</u>
SCHEDULE : (L)		
Sales		
Guar Gum Powder & Splits	26171430.00	91954724.00
	<u>26171430.00</u>	<u>91954724.00</u>
SCHEDULE : (M)		
Other Income		
Vishesh Krishi Upaj Yojna/DEBP	0.00	9549829.00
	<u>0.00</u>	<u>9549829.00</u>
SCHEDULE : (N)		
Increase / Decrease in stock		
Closing Stock	8671010.00	7867200.00
Less : Opening Stock	-7867200.00	-25192900.00
	<u>803810.00</u>	<u>-17325700.00</u>
SCHEDULE : (O)		
Raw Material Consumed		
Opening Stock	5083525.00	3003120.00
Raw Material Purchase	20452400.00	71434264.00
Less : Closing Stock	-7246800.00	-5083525.00
	<u>18289125.00</u>	<u>69353859.00</u>
SCHEDULE : (P)		
Manufacturing and Other Exp.		
Packing Material	290531.00	2057585.00
Power & Fuel	2117912.00	4264805.00
Freight Inward	167618.00	91536.00
Procuotion Exp.	474619.00	361136.00
Water Charges	0.00	27445.00
Wages, Salaries & allowances	818306.00	367001.00
Repair & Maint.	45326.00	134977.00
Chemicals Consumed	85554.00	229695.00
Brokerage	36208.00	0.00
Travelling Exp.	40111.00	34586.00
Telephone, Postage & Stationary	74192.00	423173.00
Stores & Spares Consumed	43255.00	822218.00
Freight Outward Exp.	126230.00	2648984.00
Bank Charges	13856.40	457876.00
Insurance Exp.	212769.00	240754.00
Remuneration to Auditors	18000.00	20000.00
Director's remuneration	0.00	499509.00
ISO Certification Changers	0.00	9899.00
Motor Car Exp.	61230.00	74912.00

	Current Year 2006-07	Previous Year 2005-06
Administrative Exp.	140913.00	136986.00
Corporate Exp.	383930.00	0.00
Export Exp.	15750.00	1279113.00
Legal & Professional Charges	39950.00	122400.00
Advertisement Exp.	16754.00	24808.00
Rates & Taxes	88273.00	239946.00
Repair to Building	0.00	9350.00
Share Transfer Exp.	0.00	48452.00
Foreign Travelling Exp.	0.00	38000.00
Staff Welfare Exp.,	0.00	59255.00
Licence Fee/Exp.	53752.00	0.00
FBT A/c	59673.00	0.00
Watch & Ward Exp.	0.00	49946.00
Receivable Written Off.	0.00	239160.00
Loss on sale of Fixed Assets	0.00	38305.00
	5424712.40	15051812.00
SCHEDULE : (Q)		
Financial Charges		
Interest	88627.00	1272283.00
	88627.00	1272283.00

SCHEDULE : (D)

Fixed Assets and Depreciation

Description of assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		Rate Of Dep.
	31.03.2006	Addition	Sales/Tfd.	31.03.2007	Up To	During The	Sales /Tfd.	Up to	As On	As On	
					31.03.2006	Year		31.03.2007	31.03.2006	31.03.2007	
Vehicles	1884911.00	0.00	0.00	1884911.00	789443.00	179066.00	0.00	968509.00	1320429.00	916402.00	9.50%
Furniture	577668.00	0.00	0.00	577668.00	338678.00	36566.00	0.00	375244.00	275556.00	202424.00	6.33%
Office Equipment	785748.00	0.00	0.00	785748.00	226402.00	37323.00	0.00	263725.00	542680.00	522023.00	4.75%
Plant & Machinery	29628402.00	0.00	0.00	29628402.00	20373989.00	2198427.00	0.00	22572416.00	11452840.00	7055986.00	7.42%
Land	1455377.00	0.00	0.00	1455377.00	0.00	0.00	0.00	0.00	1455377.00	1455377.00	0.00%
Office Building	246300.00	0.00	0.00	246300.00	41150.00	4015.00	0.00	45165.00	209165.00	201135.00	1.63%
Building	12647473.00	0.00	0.00	12647473.00	4084322.00	422425.00	0.00	4506747.00	8985577.00	8140726.00	3.34%
Grand Total	47225879.00	0.00	0.00	47225879.00	25853984.00	2877822.00	0.00	28731806.00	24241624.00	18494073.00	-

Schedule : (R)**NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES:****(a) Accounting Convention:**

- (i) The accounts are prepared on the historical cost basis in accordance with the applicable accounting standards and relevant provisions of the Companies Act 1956.
- (ii) The accounting policies not specifically referred to the otherwise are consistent and in consonance with generally accepted accounting principles.

(b) Revenue Recognition :

The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

(c) Fixed Assets :

- (i) Fixed Assets are stated at cost of acquisition or construction less depreciation.

(d) Inventories :

- (i) Raw material and stores & spares are valued at Cost. Cost includes the purchases price as well as incidental expenses.
- (ii) Work in progress is valued at estimated cost.
- (iii) Finished goods are valued at cost or at net realizable value, which is lower.
- (iv) Value & quantity of inventories taken & valued as certified by the management.

(e) Depreciation:

Depreciation on all assets of the company has been provided on straight line method basis at the rates specified in Schedule XIV to the Companies Act 1956.

(f) Retirement Benefit:

The employee's of the company has not yet completed the qualifying period of service as per payment of Gratuity Act, 1972. Hence there is no accounting liability for payment of gratuity and no provision made for leave encashment. The company's contribution to provident fund is charged to profit and loss account in accordance with the Provident Fund Act, 1952.

(g) Taxes On Income :

There being unabsorbed depreciation and carried forward business losses, recording of timing difference into books, as required under Accounting Standards (AS-22) of the ICAI, shall be made as and when a reasonable certainty of future income would be available to realize such tax assets, within the time frame allowed under the Income Tax Act, 1961.

(i) Events occurring after the Balance Sheet date :

Events occurring after the balance sheet date have been considered in the preparation of financial statement.

(j) Contingent Liabilities :

Contingent liabilities not provided in the accounts are separately disclosed as under :

CONTINGENT LIABILITIES	CURRENT YEAR AS ON 31.03.2007 (Rs. In Lacs)	PREVIOUS YEARAS ON 31.03.2006 (Rs. In Lacs)
a) Counter Guarantee given to Company's bankers for the guarantee given by them on behalf of the company.	Nil	Nil
b) Letter of Credit Outstanding.	Nil	Nil
c) Bills/ Cheques purchased by Bank under FDBP/ FUDBP Limits	Nil	Nil
d) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	Nil	Nil
e) Claims against the company not acknowledged as debt.	Nil	Nil

(k) Foreign Exchange Transactions:

1. Transactions in foreign currency are recorded at the exchange rate prevalent at the time of negotiation of export bills.
2. Internal salary & wages incurred during the year on repair & maintenance have been charged directed to salary & wages account, the amount of which is not ascertainable.
3. Figures for the previous year have been regrouped / re arranged wherever considered necessary.
4. Where confirmations have not been received from the parties, the books balances have been considered. Debit and Credit balance on whatever account are subject to confirmation.
5. Schedule A to R form an integral part of the Balance Sheet and Profit & Loss account and have been duly authenticated.
6. Informations pursuant to paragraph 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

QUANTITATIVE DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	QTY. (In MT)	AMOUNT (Rs. in Lacs)	QTY. (In MT)	AMOUNT (Rs. In Lacs)
a) Licensed/Installed Capacity Guar Gum Splits Guar Gum Powder Cattle Feed (As certified by management and relied upon by the Auditors, being a technical matter.)	6000 4050 13900	N.A. N.A. N.A.	6000 4050 13900	N.A. N.A. N.A.
b) Sales - Guar Gum Splits - Guar Gum Powder - Cattle Feed - Other Products	0.00 453.00 0.00 0.00	0.00 261.71 0.00 0.00	40.00 1684.36 0.00 53.62	20.41 885.10 0.00 14.04
c) Raw Material Consumed - Guar Splits - Guar Gum Powder	463.80 0.00	182.89 0.00	1180.15 0.00	693.54 0.00
d) Actual Production - Guar Gum Powder - Guar Gum Splits - Cattle feed	463.80 0.00 0.00	N.A. N.A. N.A.	1112.85 0.00 0.00	N.A. N.A. N.A.
e) Closing Stock - Guar Gum Powder	208.94	86.71	198.14	78.67

l) Net Value of Imported and Indigenous Material Consumed and Percentage thereof :

	Percentage	Value Rs.	Percentage	Value Rs.
i) Raw Material Indigenous Imported		Rs. 182.89 Lakh Nil	100 % Nil	Rs. 693.54 Lakh Nil
ii) Store & Spare Parts Indigenous Imported		Rs. 0.42 Lakh USD. Equal to Nil	100% -	Rs. 8.22 Lakh USD. Equal to Nil

m) Expenditure in Foreign Currency

	USD. Equal to		USD. Equal to
Travelling	Nil	0.00%	Nil
Others	Nil	0.00%	Nil

m) CIF Value of Imports

Raw Materials	Nil	Nil	Nil	Nil
Packing Material & Spare Parts	Nil	Nil	Nil	Nil
HSD/SKO	Nil	Nil	Nil	Nil
Chemicals	Nil	Nil	Nil	Nil
Capital Goods	Nil	Nil	Nil	Nil

ADARSH DERIVATIVES LTD
CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH, 2007
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	Year Ended 31st March 2007	Year Ended 31st March 2006
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extra ordinary adjustments	294954.00	-4417038.00
Adjustment for:		
Depreciation	2877822.00	2877724.00
Loss on Sale of Fixed Assets	0.00	38305.00
Misc. Exp. Written Off	0.00	40213.00
Interest Paid	88627.00	1272283.00
	2966449.00	4228525.00
Operating profit before working capital changes	3261403.00	-188513.00
Adjustment for:		
Trade and other receivables	-1743115.00	9112819.00.00
Inventories	-2827125.00	17047122.00
Trade Payable	-2323401.00	1758628.00
Other Current Assets	4103250.00	-2822399.00
	-2790391.00	25096170.00
Cash generated from operations	471012.00	24907657.00
Interest Paid	-88627.00	-1272283.00
Cash Flow before extra-ordinary adjustments	382385.00	23635374.00
Extra ordinary items	0.00	0.00
NET CASH OPERATING ACTIVITIES Total [A]	382385.00	23635374.00
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0.00	-76300.00
Sale of Fixed Assets	0.00	30000.00
NET CASH USED IN INVESTING ACTIVITIES Total [B]	0.00	-46300.00
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from Long Term Sources	-703008.00	-28559207.00
NET CASH USED IN FINANCING ACTIVITIES Total [C]	-703008.00	28559207.00
NET INCREASE IN CASH AND EQUIVALENTS Total (A+B+C)	-320623.00	-4970133.00
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH (Opening Balance)	812566.00	5782699.00
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH (Closing Balance)	491943.00	812566.00
	-320623.00	-4970133.00

As per reprot of even date attached
For S Prakash Aggarwal & Co.
Chartered Accountants
Sd/-
S. P. Aggarwal
Proprietor

Place : Sriganaganagar
Date : 30.06.2007

For Adarsh Derivatives Ltd.

Sd/-
R.C. Jindal
Managing Director

Place : Siwani
Date : 30.06.2007

AUDITORS CERTIFICATE

The Board of Directors,
Adarsh Derivatives Limited, Siwani.

We have examined the attached Cash Flow Statement of Adarsh Derivatives Limited, for the year ended 31st March, 2007. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with various Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 30th June 2007 of the members of the company.

For S. Prakash Aggarwal & Co.
Chartered Accountants

Date : 30.06.07
Place : Sri Ganganagar

Sd/-
(S. P. Aggarwal)
Prop. (M. No. 74813)

PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	36433	State Code	05
Balance Sheet	31	03	2007
Date	Date	Month	Year

II. Capital Raised during the Year (Amount in Rs. Thousand)

Public Issue	- NIL -	Rights Issue	- NIL -
Bonus Issue	- NIL -	Private Placement	- NIL -

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

Total Liabilities	59855	Total Assets	59855
Source of Funds			
Paid-up Capital	5 9 6 7 5	Reserves & Surplus	1 8 0
Secured Loans	Nil		
Application of Funds			
Net Fixed Assets	18494	Investment	1 3
Net Current Assets	18048	Misc. Expenditure	N I L
Accumulated Losses	23300		

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

Turnover [Including Other Income]	26171	Total Expenditure	25876
Profit/Loss Before Tax	295	Profit/Loss After Tax	295
Earning Per Share in Rs.	0.05	Dividend rate %	N I L

V. Generic Names of Principal Product of the Company

Product	Item Code No.(ITC Code)
GUAR GUM TREATED & PULVERISED	13023203
GUAR GUM REFINED SPLIT	13023202
CATTLEFEED	23099009

Sd/-
Ramesh Jindal
Managing Director

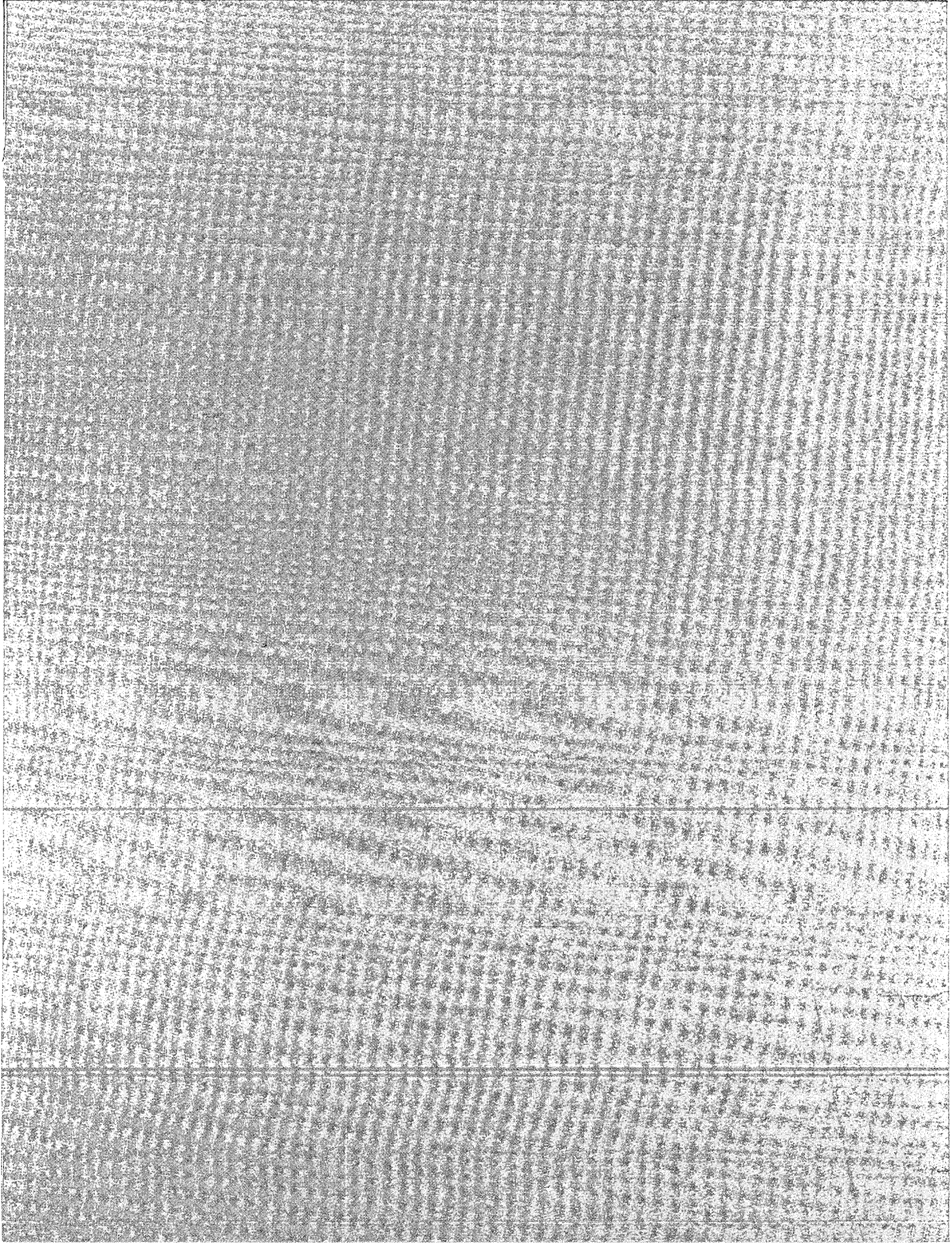
Sd/-
B.D. Agarwal
Director

Sd/-
Megh Raj Jindal
Director

Sd/-
Shailesh Jain
Company Secretary

Sri Ganganagar
Dated : 30.06.2007

For S. Prakash Aggarwal & Co.
Chartered Accountants
Sd/-
(S.P. Aggarwal)
Prop. M No. 74813



ADARSH

ADARSH DERIVATIVES LTD.

Registered Office : Hisar Road, Siwani-127046, Distt. Bhiwani
Plant : 219, G.I.D.C., Industrial Estate, Chandisar-385510 (B.K.) Gujrat