

**INDEX**

1	COMPANY INFO .....	..2..
2	CHAIRMAN LETTER TO THE SHAREHOLDER .....	..3..
3	NOTICE .....	..4..
4	EXPLANATORY STATEMENT .....	..6..
5	DIRECTOR'S REPORT .....	..7..
6	MANAGEMENT DISCUSSION & ANALYSIS REPORT .....	..9..
7	CORPORATE GOVERNANCE REPORT .....	..11..
8	AUDITORS REPORT .....	..17..
9	BALANCE SHEET .....	..19..
10	PROFIT & LOSS A/C. ....	..20..
11	SCHEDULES.....	..21..
12	NOTES .....	..24..
13	CEO/CFO CERTIFICATION .....	..25..



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

### **BOARD OF DIRECTORS:**

Prof. Laxminarayan Rathi	:	Chairman & Managing Director
Mr. Paresh Rathi	:	Whole Time Director.
Mr. Venkatrao Karri	:	Independent Non-Ex. Director.
Mr. Hemendra Shah	:	Independent Non-Ex. Director ( <i>upto 23.04.2010</i> )
Mr. Gaurang Shah	:	Independent Non-Ex. Director
Mr. Nilesh M. Bhaiyya	:	Independent Non-Ex. Director
Mrs. Yasmin Khan	:	Independent Non-Ex. Director ( <i>w.e.f. 23.04.2010</i> )

### **AUDITORS:**

B. M. Gattani & Co.,  
Chartered Accountants,  
801, Cotton Exchange,  
Kalbadevi Road,  
Mumbai – 400 002

### **BANKERS:**

Punjab National Bank  
Oriental Bank of Commerce  
Central Bank of India  
Royal Bank of Scotland.  
State Bank of India

### **REGISTRARS & SHARE TRANSFER AGENTS:**

Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate  
J.R. Boricha Marg, Lower Parel,  
Mumbai – 400 011

### **REGISTERED OFFICE:**

2nd Floor, Vinayak Sankul,  
Tapdia Nagar,  
Akola, Maharashtra – 444 005

### **SHARES LISTED AT:**

The Stock Exchange-Mumbai  
Luxembourg Stock Exchange

### **22<sup>nd</sup> ANNUAL GENERAL MEETING**

**Date:** 30<sup>th</sup> September, 2010.  
**Day:** Thursday  
**Time:** 11.00 a.m.  
**Place:** Vidharbha Chamber of Commerce  
Industries, Shravagi Towers, Tilak  
Road, Akola 444 001.

### CHAIRMAN'S LETTER TO THE SHAREHOLDERS

#### Dear Shareholders,

I take pleasure in presenting the 22nd Annual Report of our company.

Before I run through the hallmark achievements of our company for the year under review, it is always best to channelise the energy in to the positive aspects. firming up on the medium term strategy and without losing sight of long term growth needs of the economy. The company is committed and privileged to contribute to this nation building process in its own measure and capacity.

#### BUSINESS DEVELOPMENT:

Housing is one of basic requirements for human survival. For a shelter less person, possession of a house brings about a profound social change in his existence, endowing him with an identity, thus integrating him with his immediate social milieu.

The typical demographic setting of India particularly gets highlighted when we look into the trend over the years. A steep rise in population is a major reason for the increase in demand for residential units, affordable homes and basic infrastructural facilities. India is the second most populous country in the world and at this point the foremost interest is developing the infrastructural facilities of lodging the primary need of housing for the population. Most of the economists across the world opine that a sharp increase in the real estate and property prices in India in the coming years. Our consistent efforts therefore have been to make first hand insight into the pressing problems of housing development.

The company is in the business of building low cost affordable houses and operating infrastructure projects and due to rapid urban growth, housing plays a crucial role. The company has already initiated steps to extend operations in more and more cities in the state.

The company has been supplying labors/man power to various contractors, engaged in various projects. In addition, Construction of Housing units as well as infrastructure business is capital intensive and having adequate capital on hand gives competitive advantage.

#### The company is also making arrays into the following new segments:

1. To acquire a mini cement plant of 150 tonnes per day expandable to 750 tonnes per day in the state of Maharashtra with the capital outlay of approx. Rs.18crs.
2. To manufacture & market the precast ferro-cement building components on large scale.
3. Venturing in to undertake State Highways Projects under PPP and PWD registration process started with in 'No Limit Class' from Govt. of Maharashtra, Rajasthan, Chhattisgarh.
4. Planning to set up Power Project unit for 3-5 Mega Watts as per MEDA's guidelines.

#### ORGANISATION DEVELOPMENT:

**Organizational development depends on Human resources and its management** - because they are the most valued assets and the company believes that people do make a lot of difference as human resources individually and collectively contribute to the achievement of the objectives of the business. The company employs people, develops their capacities, skills, attitude, utilizing, maintaining and compensating their services in tune with the job and organizational requirement. Therefore the company continues to give prime attention to them and build the team as demand for housing activity is growing exponentially, and to meet the new challenges.

The company's major focus continues to be 'Dedicated to slum development and service to poor class people and it Endeavors to create and nurture a long lasting relationship during the entire period of our association.

#### Acknowledgements:

I express my sincere gratitude to our shareholders, investors, joint venture partners, lenders, bankers, SEBI, BSE, MHADA, HUDCO, the Central & State Govt. and other agencies for providing continuous support. I wish to express my appreciation to my colleagues on the Board and our employees for their thoughtful leadership, dedication & commitment. I am grateful to you for your co-operation and the trust that you have reposed in us.

Best Regards.

**Prof. L. J. Rathi**

*(Chairman & Managing Director)*



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

NOTICE IS HEREBY GIVEN THAT THE 22<sup>ND</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF ASAHI INFRASTRUCTURE & PROJECTS LIMITED WILL BE HELD ON THURSDAY THE 30<sup>TH</sup> SEPTEMBER, 2010 AT 11.00 A.M. AT VIDHARBHA CHAMBERS OF COMMERCE INDUSTRIES, SHRAVAGI TOWERS, TILAK ROAD, AKOLA-444001 TO TRANSACT THE FOLLOWING BUSINESS.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March 2010 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon
2. To declare dividend on Equity Shares.
3. To re-appoint Mr. Venkatrao Karri, as a director who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Nilesh M. Bhaiyya, as a director who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and if thought fit to pass, with or without modification, the following resolution as an **ordinary resolution**:

"RESOLVED THAT Mrs. Yasmin Khan, who was appointed as an additional Director pursuant to Section 260 of the Companies Act, 1956 during the year w.e.f. 23<sup>rd</sup> April, 2010 to hold the office upto the date of the forthcoming Annual General Meeting, and in respect of whom formalities under Section 257 of the Companies Act 1956 has been complied with proposing her candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modification, the following resolution as an **ordinary resolution**:

"RESOLVED that pursuant to the provisions of Section 94 (1) (b) of the Companies Act, 1956 and other applicable provisions thereof, if any, consent of the Company be and is hereby accorded to the consolidation of the equity share capital of the Company by increasing the nominal value of equity shares from Rs.1/-(One) each to Rs.10/-(Ten) each so that every 10 (Ten) equity shares with a nominal value of Rs.1/- each held by a shareholder are consolidated into 1 (One) equity share with a nominal value of Rs.10/-

and such consolidation shall take effect from the date to be decided by the Board of Directors of the Company or of a Committee thereof.

RESOLVED FURTHER that on consolidation of Equity Shares as aforesaid, the Board shall not issue fractional shares if they arise out of such consolidation. All fractional entitlements resulting from the consolidation shall be aggregated into whole shares and such numbers of whole shares so arising shall be held by such person or persons or trust as may be nominated in this behalf by the Board, and the said person or persons or Trustee be and is hereby authorised to sell the shares held by him on such terms and conditions (including the timing of the sale) as he/they/ it deem( s) fit, and the net proceeds of such sale

shall be distributed in due proportion, amongst such shareholders who would otherwise be entitled to such fractional entitlements."

RESOLVED FURTHER that the Board be and is hereby entitled from time to time to remove the person(s) so nominated and nominate any other person(s) in their place."

RESOLVED FURTHER that an approval of the consolidation of shares as above, the Board of Directors (including committee thereof) be and is hereby authorized to issue fresh share certificates in accordance with Companies (Issue of Share Certificates) Rules, 1960 to the members entitled to and all the existing share certificates of the Company shall stand cancelled upon issue of such shares and in respect of the shares held in Demat form with the Depositories Credit will be given to the members entitled in the place of the Shares of Re.1/- each held by them"

RESOLVED FURTHER that the Board be and is hereby authorized to settle any question or difficulty pertaining to the consolidation of equity shares in such manner as it may think fit and agree to any condition which may be imposed or any modification, which may be proposed by regulatory authorities."

RESOLVED FURTHER that for the purpose of giving effect to the consolidation, the Board of Directors (including committee thereof) of the Company or any person authorized by the Board be and are hereby authorized to take all actions pursuant to this Resolution and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for the purpose of giving effect to the said resolution including fixation of Record date as per the requirement of the Listing Agreement, execution of all necessary documents with Stock Exchanges, Depository Companies i.e. NSDL, CDSL or any other relevant statutory authority, if any."

8. To pass with or without modification the following resolution as a Special resolution

" RESOLVED THAT pursuant to the provisions of Section 16 of the Companies Act, 1956 and consequent upon consolidation of Equity Shares of the Company as aforesaid, the Capital Clause as contained in clause V of the Memorandum of Association of the Company be and is hereby altered by the substituting with the following clause V:

"V The Authorized Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Cores Only) divided into 50,000,000 (Five Cores) Equity Shares of Re. 10/- (Rupees Ten only) each."

## 22<sup>nd</sup> ANNUAL REPORT

"RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign, severally, necessary deeds, documents, papers and forms and do such other acts, deeds and things as may be necessary to give effect to the resolution".

9. To pass with or without modification the following resolution as a Special resolution

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, and consequent upon consolidation of Equity Shares of the Company as aforesaid, the Article No. 4 of the Articles of Association of the Company be and is hereby altered and to be read as reproduced below"

"4. The Authorized Share Capital of the Company is Rs. 50, 00, 00,000/- (Rupees Fifty Cores Only) divided into 50,000,000 (Five Cores) Equity Shares of Re. 10/- (Rupees Ten only) each. The Company has power from time to time to increase or reduce its Capital and to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential deferred qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such manner as may for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

"RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign, severally, necessary deeds, documents, papers and forms and do such other acts, deeds and things as may be necessary to give effect to the resolution".

DATE: 31<sup>st</sup> July, 2010  
PLACE: AKOLA

BY ORDER OF THE BOARD  
ASAHI INFRASTRUCTURE & PROJECTS LIMITED  
Sd/-  
Prof. L. J. RATHI  
(CHAIRMAN & MANAGING DIRECTOR)

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from Thursday the 23<sup>rd</sup> September, 2010 to Thursday the 30<sup>th</sup> September, 2010 (both days inclusive).
4. If dividend on Equity Shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend will be made on and after 05<sup>th</sup> October 2010 to those members whose names are on the Company's Register of Members on Thursday, 23<sup>rd</sup> September 2010. In respect of Equity Shares held in electronic form the dividend will be payable to the beneficial owners of shares as the end of the business hours on 22<sup>nd</sup> September 2010 as per details furnished by the Depositories for this purpose.
5. The Securities and Exchanges Board of India has made it mandatory for all companies to use the Bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) and Bank details are available. In the absence of the ECS facilities, the Company will print the Bank account details, if available, on the payment instrument for distribution of dividend.
6. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
7. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed hereto. The relevant details of directors seeking appointment/re-appointment under item 3, 4 & 6 above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges is provided in the Corporate Governance Report.
8. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
9. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.
10. Any member requiring further information on accounts at the meeting is requested to send their queries in writing to the Managing Director of the Company at least 7 days before AGM.

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# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

### **EXPLANATORY STATEMENT** **As required by section 173(2) of the Companies Act, 1956**

#### **ITEM NO.6**

Mrs. Yasmin Khan was appointed as an Additional Director w.e.f. 23<sup>rd</sup> April, 2010 by the Board of Directors of the Company in terms of section 260 of the Companies Act, 1956 and in pursuance of provision of Articles of Association of the Company. Mrs. Yasmin Khan holds office as a Director Up to the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Information about Mrs. Yasmin Khan is as follows:-

Name of the Director	Mrs. Yasmin Khan
Age	34
Qualification	LLB
Expertise in specific functional areas	She is a Law Graduate with Professional management degree and has done specialization in the Marketing. She has got rich experience in the Liaisoning activities with Government /Semi Govt. organization/ Banks/ Private Institutions. Also experienced in Housing Industry with infrastructure projects and has expertise in preparation of allied project reports and legal matters
Directorship in other Indian Public Limited Company & other firms as on 31.03.2010	NIL
Shareholding	NIL

The Company has received a notice, under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/-, from a member proposing her candidature as Director of the Company.

The Board considers that her association as Director will be beneficial and in the interest of the Company. Further, brief details regarding the Directors getting appointed / re-appointed, their expertise in specific functional areas and the names of the Companies in which they hold Directorship / Committee membership are furnished in the 'Report on Corporate Governance' forming part of the Annual Report for the year ended 31<sup>st</sup> March, 2010.

The Board recommends the said resolution for approval of members.  
Except Mrs. Yasmin Khan, none of the Directors of the Company are concerned or interested in the said resolution.

#### **ITEM NO.7,8 & 9:**

To reflect the true value of the shares and fulfill the expectations of the shareholders, it is felt desirable to consolidate the Equity Shares of Re.1 each of the company into equity shares of Rs. 10 each (consolidating 10 equity shares of Re.1 each into 1 equity share of Rs. 10 each).It is expected that the said consolidation shall be advantageous both to the Shareholders and the Company as a whole. It is also proposed to make consequential changes in the Memorandum and Articles of Association of the Company. The resolutions are elaborately set out in Item no.7, 8 & 9.

Accordingly, your directors recommend the said resolutions for your approval.  
None of the directors are concerned or interested in this resolution except to the extent of their shareholding.

DATE: 31<sup>st</sup> July, 2010  
PLACE: AKOLA

BY ORDER OF THE BOARD  
ASAHI INFRASTRUCTURE & PROJECTS LIMITED  
Sd/-  
Prof. L. J. RATHI  
(CHAIRMAN & MANAGING DIRECTOR)

## 22<sup>nd</sup> ANNUAL REPORT

### DIRECTORS' REPORT

To,  
The Members,  
**ASAHI INFRASTRUCTURE & PROJECTS LIMITED,**  
Akola.

Your Directors have great pleasure in submitting their 22<sup>nd</sup> ANNUAL REPORT on the business & operations of the Company along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31<sup>st</sup> March, 2010.

#### 1. FINANCIAL RESULTS:

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

PARTICULARS	(Amount. in Rs.)	
	Year ended	
	2010	2009
<b>Total Income</b>	366,13,40,704	45,50,45,762
Depreciation	17,36,482	17,00,048
Profit before taxation	34,98,56,386	17,11,361
Provision for taxation	21,38,239	35,473
Deferred Tax Liabilities	44,06,770	44,06,770
<b>Appropriations</b>		
Profit after Tax	34,77,18,147	16,75,888
Amount available for appropriations		

#### 2. OPERATIONS:

The market environment in financial year 2010 was challenging, but recovery signs made themselves felt in the second half of the financial year. A healthy sign was that the average selling price (ASP), which had remained an area of concern for three quarters, began to firm up from November onwards, notching up an increase of nearly 20% by the end of the fiscal year. Your Company continued to strengthen its position in this rapidly-growing market.

The business has performed well, with productivity gains, growth in volumes and sustained margins notwithstanding rise in input costs. The ABC Ltd. business continues to be successful despite of several environmental constraints. The Company's ability to neutralize cost increase and improve margins together with purchasing efficiencies, improvement in manufacturing yield/usage and expenses control helped in increasing the profitability. The performance had established a new milestone for the Company.

During the year Companies performance was satisfactory in comparison to previous year as net profit before tax is increased from Rs. 17,11,361 to Rs. 34,98,56,386 in spite of same sales.

#### 3. EXPANSION PROGRAMMERS:

The Board has approved the installation of the manufacturing of Fly Ash gypsum Brick plant at Three sites on at Partur Dist, Jalna and Two more to be identified. It has also approved to manufacture and market the precast ferro-cement building components on large scale. The Board has considered toget PWD registration in "Class -1 No Limit" from Govt. of Maharashtra, Rajasthan, Chhattisgarh to undertake State highways project under PPP and authorised Mr. L.J.Rathi, Managing Director to take the necessary steps for the same.

#### 4. ALLOTMENT OF WARRANTS:

As members are aware, your Company allotted warrants amounting to 8,45,00,000 convertible warrants carrying right to subscribe for equity shares of Rs.1/- each at a price of Rs.1.35 per shares to the concerned allottees after taking in principal approval from Bombay Stock Exchange Limited dt.07<sup>th</sup> June, 2010.

#### 5. SHARE CAPITAL

In the EGM held on 17<sup>th</sup> May 2010, the company has resolved to increase the existing Authorised Share Capital of the Company from Rs. 35,00,00,000 (Rupees Thirty Five Crores only) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of Re.1/- (Rupee One only) each to 50,00,00,000/- (Rupees Fifty Crores Only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of Re.1/- (Rupee One only) each.

The Board of Directors has proposed to consolidate the authorised capital by reclassifying the existing paid up value of shares from Re.1/- to Rs.10/- .

Your approval for the same is being sought at the ensuing Annual General Meeting

#### 6. DIVIDEND

The Board recommended 5% final dividend for the year ended on 31<sup>st</sup> March 2010 subject to approval of Shareholders in the ensuing Annual General Meeting.

#### 7. FIXED DEPOSITS:

During the year your company has not accepted any deposits from the public.

#### 8. SUBSIDIARIES:

The company has set up a Subsidiary unit in Dubai for general trading activities where profit margin and bottom-line is good.

#### 9. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Yasmin Khan was appointed as an Additional Director of the Company, w.e.f 23<sup>rd</sup> April, 2010. Pursuant to Section 260 of the



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

Companies Act, 1956, the Additional Director of the Company holds office upto the forthcoming Annual General Meeting of the Company; hence members are requested to re-appoint her in the forthcoming Annual General Meeting of the Company.

Mr. Hemendra Shah has resigned from the office of the director w.e.f. 23<sup>rd</sup> April, 2010. Your directors place on record their appreciation for the valuable services rendered by him in the capacity of director of the Company.

During the year Mr. Venkatrao Karri and Mr. Nilesh Bhaiyya Directors, retire by rotation and being eligible has offered themselves for re-appointment. The members are requested to re-appoint them in the forthcoming Annual General Meeting.

#### 10. DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956 the Board of Directors hereby confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

#### 11. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis , Corporate Governance Report, CEO,CFO and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

#### 12. STOCK EXCHANGE REQUIREMENTS:

Being listed at The Bombay Stock Exchange Limited, Mumbai, your company has paid listing fees till March, 2011.

#### 13. AUDITORS:

M/s. B. M. Gattani & Co., Chartered Accountants, Mumbai, Statutory Auditors of your company holds office until the conclusion of the forthcoming Annual General Meeting and have signified their willingness to be re-appointment and have further confirmed that their appointment if made shall be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

#### 14. AUDITORS' REPORT

The notes to Auditors Reports are self explanatory and hence no explanation is required from the Board as such.

#### 15. CONSERVATION OF ENERGY:

Even though, the major activity of your company does not involve high consumption of energy, your company is making all efforts to optimize usage of energy.

#### 16. TECHNOLOGY ABSORPTION:

Your Company has not imported any technology, hence no details are given.

The company has designed and developed mechanical RC piling machine which will reduce the piling labour cost by 60% with improved quality of construction and will help the reduction the in project completion time.

#### 17. PARTICULARS OF EMPLOYEES:

In accordance with the provision of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules 1999 as amended up to date, there were no employees during the whole or part of the year who were in receipt of remuneration in excess of limits as mentioned in the said section and hence no details are given as such.

#### 18. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record, gratitude for corporation and support received from their Banker, various departments and agencies of Central and State Government and dedication and commitment of the staff at all levels, without which the all-round growth and prosperity of the Company would not have been possible. Your Directors also appreciate the support provided by the several overseas and local customers to the Company's marketing efforts and to the esteemed shareholders who have maintained confidence in the Company.

DATE: 31<sup>st</sup> July, 2010  
PLACE: AKOLA

BY ORDER OF THE BOARD  
ASAHI INFRASTRUCTURE & PROJECTS LIMITED  
Sd/-  
Prof. L. J. RATHI  
(CHAIRMAN & MANAGING DIRECTOR)



### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Quality

The company though engaged in the construction of Low cost and affordable housing, it always maintains a high degree of quality in terms of material and also workmanship. There is an internal quality control mechanism in place which ensures that right from the designing stage till the execution is complete quality parameter is adhered to and no compromise in any manner. This quality service and product is reflected in the repeat work orders the company keeps receiving from the government and private agencies.

#### Research and Development

Your company has set up a R & D facility at AASRA Building Centre, Badnera, Dist.Amaravati for planning and designing of eco-friendly building technology for producing low cost housing components like fly-ash interlocking hollow bricks, pre-cast ferro-cement items like Door Frames, , water tanks, septic tanks with inspection chambers, lintel-cum-sajja for cost effectiveness and construction time.

#### Energy Conservation

Even though, the major activity of your company does not involve high consumption of energy, your company is making all efforts to optimize usage of energy.

#### Company's Philosophy on Code of Governance

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement and subsequently amended w.e.f. 1<sup>st</sup> January, 2006 has implemented by the Company.

The company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good corporate policy and enhanced its value in the eyes of shareholders, Bankers, Customers and Employees

#### Directors' Responsibility Statement

The Board of Directors hereby confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 financial year and of the Profit or Loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

#### Corporate Governance

The Board had implemented Corporate Governance Code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from Statutory Auditors of the Company on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

#### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

India has grown by leaps and bounds and Affordable housing in India is the greatest challenge.. Since India is developing rapidly in all sectors, this has led to better infrastructure. The government has estimated that the country needs investment to the tune of Rs 361,000 crore (Rs 3,610 billion) to meet the shortage of nearly 25 million housing units.

There was approximately housing shortage of 24.7 million dwelling units at the beginning of the 11th Five year plan. As per the ministry of urban Development, the investment requirements would be to the tune of Rs 361,000 crore for overcoming this massive housing shortage. Of the total housing requirement, about 99 per cent is constituted by the economically weaker section and the low income groups.

The massive urbanization in the past few decades has led to severe housing shortage for the urban poor and providing affordable housing is one of the most formidable challenges that our country faces today. The Ministry of Urban Development also remarked that availability of land at cheap rates is the greatest challenge in providing affordable housing in the country. Measures like increasing density by hiking the floor-area ratio and encouraging public-private partnership should be considered in fulfilling the housing need of the country.

The government has sought to create an enabling and supportive environment for expanding credit flow to the housing sector and increasing home ownership in the country and several policies, reforms and initiatives like fiscal incentives have been taken to facilitate private sector participation in supply of affordable housing.

#### **URBAN INFRASTRUCTURE:**

Rapid urbanization has increased the demand for housing and basic services. The Steering Committee on Urban Development for Eleventh Five Year Plan of India has estimated that total fund requirement for implementation of the Plan target in respect to urban water supply, sewerage and sanitation, drainage and solid waste management is Rs. 12,702 billion infrastructure investments. The broad sectors of improvement are environmental sanitation comprising of water supply, sewerage systems, storm water drains, solid waste management, road improvements, poverty alleviation providing basic infrastructure needs in the select slums, residential sites and industrial sites.



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

Despite an approved expenditure of Rs.50 billion by various state governments and municipalities under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), the urban sanitation systems, water supply and waste management in the cities are in deplorable condition.

Today our local/state authorities are finding that their existing water, sanitation, energy and other urban infrastructures are unable to service the rapidly expanding urban population. In addition, governments realize that their limited financial resources are not sufficient to cover the needed expansion of these services. Even, where governments do find the resources to subsidize public utilities, service is often poor and sectors of the population largely are unerved. It is becoming increasingly clear that governments cannot meet the continually growing demand for water, waste, energy and other urban services acting alone

In the backdrop of the present scenario, it is expected that all the cities/towns be provided with the minimum infrastructure facilities, with the help of PPP and BOT basis from the private sector.

### **B) OPPORTUNITIES/THREATS:**

The real estate sector in the country is one of great importance. According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity.

India leads the pack of top real estate investment markets in Asia for 2010, Further, real estate companies are coming up with various residential and commercial projects to fulfill the demand for residential and office properties in Tier-II and Tier-III cities. The growth in real estate in Tier-II and Tier-III cities is mainly due to increase in demand for organized realty and availability of land at affordable prices in these cities.

According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth US\$ 8.4 billion from April 2000 to April 2010 wherein the sector witnessed FDI amounting US\$ 2.8 billion in the fiscal year 2009-10

Rising income levels of a growing middle class along with the increase in nuclear families low interest rates, modern attitudes to home ownerships have all combined to boost housing demand. In terms of value, the residential property market constitutes almost 75% of the real estate market of India.

A number of global investors/developers are now keen on real estate investment opportunities in India.

### **C) CHALLENGES AND RISKS:**

Real estate owners, managers and developers operate in an industry in which every day "bricks and mortar" risks such as natural hazards co-exist with more complex challenges. With continuous industry changes and increased competition, there are new risks that need to be identified, quantified, managed and either maintained or transferred. Such risks include-Natural exposures e.g. earthquakes, cyclones, floods, environmental liabilities, contractual obligations, professional liability exposures and insurer security.

One should not forget that "real estate and housing" is a multiplier industry. The impact of the growing crisis in this segment affects a wide range of industries and workers. Steel, cement, lumber, wood, furnishings, banks & housing finance companies such 22 industries are dependant of real estate are closely linked to this sector, wherein asset prices have been moving too fast.

In pursuance of the expected growth that this sector will take, the future is full of challenges. in spite of the huge demand, the developers may have to face heat from the ups and down of other sectors since this segment, in particular, is highly dependent on the performance of the Indian IT/ITES. Any unforeseen downturn in the business prospect of IT/ITES industry and world economy meltdown/ recession would have a significant impact on the real estate business in the country

Comprehensive strategies are to be specifically designed to reduce risks, so as to look beyond codes and standards to channel solutions that effectively enhance property safety, while also being practical and economical from a business standpoint. Knowledge and information have emerged as the true assets upon which the value of a business is based. The paradigm shift has produced a gush of intellectual property exposures. Property Risk Management, which is generally protected by patents, copyrights, trademarks or trade secrets, represents noteworthy risk management issues for organizations attempting to maintain market share and competitive advantage

### **D) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

A comprehensive system of internal controls exist in the company to safeguard the assets against loss from any unauthorized use or disposition, and to ensure proper authorization of transactions are recorded and reported suitably. The company maintains a system of Internal control designed to provide a high degree of effectiveness and efficiency of operations, accuracy and promptness of financial reporting and observance with laws & regulations.

### **E) HUMAN RESOURCES POLICIES:**

As the construction industry is expanding rapidly, the demand for talented and experienced manpower is also going up rapidly. Our company has well qualified and experienced staff. There was no industrial unrest during the year.

## CORPORATE GOVERNANCE REPORT

**Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:**

**1. Company's philosophy:**

The Company's philosophy of corporate governance stems out from its belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in preserving shareholders trust while maximizing long term corporate values.

Keeping in view the Company's size and complexity in operations, the company's corporate governance framework is based on the following main principles:

- a. Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- b. Timely and accurate disclosure of all material operational and financial information to the stakeholders.

The Securities and Exchange Board of India (SEBI) through clause 49 of the Listing Agreement with the stock exchanges regulates corporate governance for listed companies. Asahi Infrastructure & Project Limited is in compliance with clause 49.

**2. Board of Directors:**

The Board of the Company as on 31<sup>st</sup> March 2010 comprises of Six Directors out of which one is Chairman cum Managing Director, one is Whole Time Director and the remaining four Directors are Non Executive Independent Directors. There is no Nominee or Institutional Directors in the Company.

None of Directors have pecuniary or Business relationship with the Company other than as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he/she is Director.

**Non Executive Directors:**

As per revised code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the company shall have an optimum combination of executive and non-executive Directors with not less than fifty percent of the Board of Directors comprising of Non Executive Directors. The composition of the Board is in compliance with clause 49 of the listing agreement.

Sr. No.	Name of Director	Category	No. of Board meetings Held during 2009-10	No. of Board meetings Attended during 2009-10	Whether attended Last Annual General Meeting	No. Of Other Directorship *	Committee Positions	
							Chairman	Member
1.	Mr. L. J. Rathi	Chairman & Managing Director	8	8	YES	YES	NIL	NIL
2.	Mr. Paresh Rathi	Whole Time Director	8	8	YES	NIL	NIL	NIL
3.	Mr. Venkatrao Karri	Independent Non – Ex-Director	8	8	YES	NIL	NIL	NIL
4.	*** Mr. Hemendra Shah	Independent Non – Ex-Director	8	8	YES	NIL	NIL	NIL
5.	Mr. Gaurang Shah	Independent Non – Ex-Director	8	8	YES	NIL	NIL	NIL
6.	Mr. Nilesh Bhaiyya.	Independent Non-Ex-Director	8	8	YES	NIL	NIL	NIL
7.	** Mrs. Yasmin Khan	Independent Non – Ex-Director	N.A	NIL	NO	NIL	NIL	NIL

\*Directorship in Companies registered under the Companies Act, 1956, excluding Directorship in Private Companies & Alternate Directorship.

\*\* Appointed w.e.f. 23/04/2010.

\*\*\* Resigned w.e.f 23/04/2010.

During the year 8 Board Meetings were held i.e. on 28/04/2009, 29/04/2009, 30/04/2009, 28/05/2009, 30/07/2009, 24/08/2009, 31/10/2009, 30/01/2010. The time gap between any two consecutive meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Details of Directors Seeking Appointment / Reappointment at the Forthcoming Annual general meeting (pursuant to clause 49 (IV)(G)(i) of the Listing Agreement)



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

Name of the Directors	Mr. Venkatrao Karri	Mr. Nilesh Bhaiyya	Mrs. Yasmin Khan
Age	38	33	34
Qualification	B.A, LLB	M.Com	LLB
Expertise in specific functional areas			
Directorship in other Indian Public Limited Companies			NIL
Membership/Chairmanship of Committees of other public companies (includes only Audit Committee and Shareholders'/Investor Grievance Committee)			NIL
Shareholding in the Company.			NIL

#### Code of conduct for Directors and Senior Management:

Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Chairman and CEO.

#### 3. Audit Committee

Pursuant to the provisions of clause 49 of the Listing Agreement, an Audit Committee shall have minimum three directors as members; two-thirds of the members of the audit committee shall be independent directors. The committee met 4 times during the year under review on 30/04/2009, 30/07/2009, 31/10/2009 and 30/01/2010.

The Attendance at the Audit Committee Meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Paresh Rathi - Chairman and Whole Time Director	4	4
Mr. Hemendra Shah – Member and Independent Non Executive Director. (Up to 23 <sup>rd</sup> April, 2010)	4	4
Mrs. Yasmin Khan – Member and Independent Non Executive Director. (w.e.f 23 <sup>rd</sup> April, 2010)	NIL	NIL
Mr. Gaurang Shah – Independent Non Executive Director.	4	4

#### Brief terms of reference of the Audit Committee are as follows:

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit reports of statutory auditors with auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- 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.
- Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and fixation of audit fees.
- Appointment of statutory auditor and fixing their remuneration
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory auditors and adequacy of the internal control systems.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Disclosure of Related Party transactions.
- Reviewing accounting treatment and confirmation of the fact that financial statement are giving true and fair view.

#### 4. Remuneration Committee

As on date of report the Remuneration Committee comprises of 3 Independent Non Executive Directors. Asahi Infrastructure & Project Limited remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

The Company's Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Managing Director & Whole-Time Directors and to deal with all the elements of remuneration package of all such Directors.

The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments, rents), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the company's Executive/Whole time Director (ED/WTD) and to finalize the perquisites and allowances package within the overall ceiling fixed by the Board.

The Remuneration committee met once during the year on 2010.

The Attendance at the Committee Meeting was as under:

## 22<sup>nd</sup> ANNUAL REPORT

Director	No. of Committee meetings held	No. of Committee meetings attend
Mr. Venkatrao Karri – Chairman and Independent Non Ex. Director.	1	1
Mrs. Yasmin Khan - Member and Independent Non Ex. Director. (w.e.f. 23 <sup>rd</sup> April, 2010)	1	NIL
Mr. Hemendra Shah – Member and Whole Time Director. (Up to 23 <sup>rd</sup> April, 2010)	1	1
Mr. Gaurang Shah – Member and Independent Non Ex. Director	1	1

### Disclosure on Remuneration of Directors

- All elements of remuneration package of individual Directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. – All these managerial persons are drawing only remuneration, the details of the same are mentioned elsewhere in this report in detail.
- Details of fixed component and performance linked incentives, along with the performance criteria - NIL
- Service contracts, notice period, severance fees – NIL
- Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

Details of remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2010.

### Executive Directors

Name	Salary	Commission	Perquisites	Retirement Benefits
<b>Mr. L. J. Rathi</b> (Managing Director)	4,00,000	N.A.	N.A.	N.A.
<b>Mr. Paresh Rathi</b> (Whole Time Director)	1,50,000	N.A.	N.A.	N.A.

Following is the list of Non-Executive Directors and their Shareholdings in the Company.

Sr. No.	Name of the Non-Executive Directors	Number of Equity Shares	Sitting fees	Non convertible Instruments
1.	Mr. Hemendra Shah (upto 23 <sup>rd</sup> April, 2010)	Nil		Nil
2.	Mr. Gaurang shah	Nil		Nil
3.	Mrs. Yasmin Khan (w.e.f 23 <sup>rd</sup> April, 2010)	Nil		Nil
4.	Mr. Venkatrao Karri	Nil		Nil
5.	Mr. Nilesh Bhaiyya	Nil		Nil

### 5. Shareholders'/Investors' Grievance Committee

The Shareholder'/Investors' Grievance Committee has been constituted. The committee consists of three Non Ex. & Independent Directors. The Committee was chaired by Mr. Gaurang shah. The committee looks into the shareholder and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

Following are the members of the Committee.

Mr. Gaurang Shah	:	Chairman and Independent non Executive Director.
Mrs. Yasmin Khan (w.e.f 23 <sup>rd</sup> April, 2010)	:	Independent Non Executive Director.
Mr. Venkatrao Karri	:	Independent Non Executive Director.
Mr. Hemendra Shah (upto 23 <sup>rd</sup> April, 2010)	:	Independent Non Executive Director

The committee met 4 times during the year under review on 30/04/2009, 30/07/2009, 31/10/2009 and 30/01/2010. The attendance of the same is as under:

Director	No. of Committee meetings held	No. of Committee meetings attend
Mr. Gaurang Shah - Chairman and Independent non Executive Director	4	4
Mr. Hemendra Shah – Member and Independent Non Executive Director. (up to 23 <sup>rd</sup> April, 2010)	4	4
Mr. Venkatrao Karri– Independent Non Executive Director.	4	4
Mrs. Yasmin Khan - Member and Independent Non Ex. Director. (w.e.f. 23 <sup>rd</sup> April, 2010)	N.A	NIL

The company received zero complaints from the shareholders during the year, out of which none remained pending at the end of the year. Further, during the year, requests for transfer of **shares in physical form were received and processed for transfer.**

The Compliance Officer of the Company is Mr. Venkatrao Karri, his details are as follows:-

#### The Compliance Officer,

Mr. Venkatrao S. Karri  
Add: 2<sup>nd</sup> Floor, Vinayak Sankul, Tapdia Nagar, Akola – 444 005.  
Email: [ajpl\\_567@in.com](mailto:ajpl_567@in.com)



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

### 6. General Body Meetings:

Details of last Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2006-2007	29/09/2007	11.00 a.m	Vinayak Sankul Tapadia Nagar Akola - 2	-- N.A--
2007-2008	30/09/2008	11.00 a.m	Vinayak Sankul Tapadia Nagar Akola - 2	1. Appointment of Mr. Gaurang Shah 2. Appointment of Mr. Nilesh M. Bhalyya 3. Appointment of Mr. L.J. Rathi , As a Managing Director 4. Authority to Borrow Up to Sum of Rs. 50,00,00,000 (Rs. Fifty Crores)
2008-2009	30/09/2009	11.00 a.m	Vinayak Sankul Tapadia Nagar Akola - 2	1. Appointment of Mr. Paresh Rathi , as a Whole Time Director

Details of last Extra Ordinary General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2007-08	28/01/2008	11. a.m.	Shubh Mangal Karyalaya, Birla Road, Tapadia Nagar, Akola – 444 005.	1. Issue of GDR 2. Alteration of MOA 3. Alteration of AOA
2008-09	NIL	NIL	NIL	NIL
2009-10	23/05/2009	11.a.m	Vinayak Sankul Tapadia Nagar Akola – 444 002	1. Increase in Authorised Capital.
2010-11	17/05/2010	11.a.m	Shubh Mangal Karyalaya, Birla Road, Tapadia Nagar, Akola – 444 005.	1. Increased in Authorized Capital 2. Allotment of warrants.

No special resolutions were put through postal ballot as all the above special resolutions were voted unanimously by show of hands.

### 7. Disclosures:

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the Promoters, Directors, the management or their subsidiaries or relatives that may have potential conflict with the interest of the company at large.

There were no instances of Non-compliance on any matter related to the capital market during the past three years and no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

The Company has complied with all the mandatory provisions of corporate governance from non – mandatory item the Company has not adopted the Whistle Blower Policy but is in the process of adopting the same.

### 8. Means of Communication:

The company's registered office is situated at Akola and the Quarterly/ yearly results are normally sent to Stock Exchange after approval of the Board. Also the Quarterly and Yearly results are generally published in The Indian Express and Loksatta (Marathi) newspapers. The company is in the having its own Web site; [www.asahinfra.com](http://www.asahinfra.com) the un-audited results are published on the same.

No presentation was made during the year either Institutional Investors or to the analysts.

Management discussion & Analysis Report is attached herewith forming part of the Annual Report.

### 9. General Shareholders Information:

- The 22<sup>nd</sup> Annual General Meeting is scheduled to be held on Thursday the 30<sup>th</sup> September, 2010 at 11.00 a.m. at Vidharbha Chambers Of Commerce Industries, Shrivagi Towers, Tilak Road, Akola-444001
- The Financial year of the company is from April to March.

The financial calendar is as per following.

Mailing of Annual Reports	First week of September 2010
Annual General Meeting	30 <sup>th</sup> September 2010
Payment of Dividend	5 <sup>th</sup> October 2010
Second quarter results (30 <sup>th</sup> September)	Mid of November
Third quarter results (31 <sup>st</sup> December)	Mid of February
Fourth quarter / Annual Results	Mid of May

- Book Closure dates are from **Thursday the 23<sup>rd</sup> September, 2010 to Thursday the 30<sup>th</sup> September, 2010 (both days inclusive).**
- The Dividend warrants will be posted on or after 30<sup>th</sup> September 2010.
- The company's shares are listed at Mumbai, Stock Exchanges out of which Mumbai is a Regional Stock Exchange. The Listing Fees for the year 2010-11 for all these Stock Exchanges have been paid.

## 22<sup>nd</sup> ANNUAL REPORT

Global Depository Receipts (GDRs) issued by the Company in 2009 in the International Market have been listed on the Luxembourg Stock Exchange

**vi. Stock Code:**

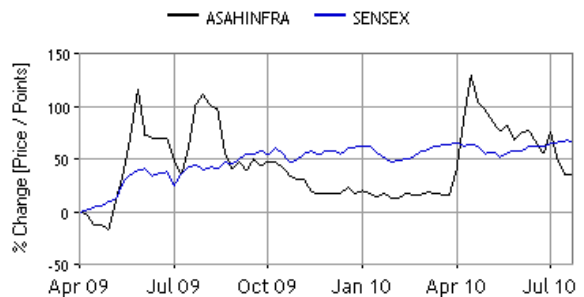
BSE: 512535  
Demat – ISIN No. Of NSDL & CDSL: INE 933C01028  
Luxembourg Stock Exchange: ISIN -US0433961002

**vii. Market Price Data.**

**Market Price Data: High, Low (based on the closing prices) and volume during each month in last financial year.**

Months	Price			Volume
	High	Low		
April-09	0.91	0.70		104057
May-09	1.47	0.67		633096
June-09	1.93	1.32		1433429
July-09	1.72	1.08		714822
August-09	2.07	1.27		1280937
September-09	1.38	1.10		4835544
October-09	1.34	1.09		3975799
November-09	1.21	1.00		5713914
December-09	1.10	1.00		56527735
January-10	1.08	0.91		29768471
February-10	1.14	0.86		5254922
March-10	1.36	0.97		12764920

### Index Comparison



**viii. Registrar and Transfer Agent.**

The name and address of Company's Transfer Agent is as per following:

**Purva Sharegistry (India) Private Limited**

9, Shiv Shakti Industrial Estate, J.R. Bhoricha Road, Lower Parel,  
Mumbai. – 400 011. Phone - (022) 23018261/2301676, E-mail : busicomp@Vsnl.co

**ix. Share Transfer System:**

After consideration by the Shareholders'/Investors' Grievance Committee, the Share transfer in Physical form are registered and returned within a period of 30 days from the date of receipt in case the documents are complete in all respects. The particulars of movement of shares in the dematerialized mode are also placed before the Shareholders'/Investors' Grievance Committee. The shares in de-materialized form are normally processed and transferred within 21 days from receipt of dematerialization requests.

**x. Distribution of Shareholding as on 31<sup>st</sup> March, 2010.**

Share holding of Rs.	Nominal Value of Rs.	Shareholders No.	% of Total	Share Amt.	% of Total
				Rs.	
1	5000	5888	82.02	8886220	2.64
5001	10000	612	8.52	5241884	1.56
10001	20000	265	3.69	4117737	1.22
20001	30000	120	1.67	3072846	0.91
30001	40000	46	0.64	1664673	0.50
40001	50000	53	0.74	2523867	0.75
50001	100000	94	1.31	6972310	2.07
100001	****	101	1.41	303816463	90.34
<b>TOTAL</b>		<b>7179</b>	<b>100.00</b>	<b>336296000</b>	<b>100.00</b>



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

**xi. Dematerialization of shareholding:**

The company's shares were dematerialized w.e.f. 3<sup>rd</sup> April, 2001 vide a Tripartite agreement executed between NSDL, CDSL and the Company as on 31<sup>st</sup> March, 2010, 33,56,85,167 Equity Shares representing 99.82 % were held in Demat form & the balance 6,10,833 Equity Shares representing 0.18 % were in physical form.

**xii. GDR/ADR/WARRANTS**

The Company has allotted 8,45,00,000 Crore Warrants at the Price of 1.35/- out of that 1,45,00,000 warrants are converted into equity shares on 20<sup>th</sup> July 2010, in accordance with the provision of chapter VI of SEBI (ICDR) Regulations 2009.

**xiii. Plant Locations.**

The Company executes infrastructure Projects and do not have manufacturing plants as such.

**xiv. Address for correspondence:**

Shareholders of the company can send correspondence at company's registered office of the company situated at following address:

**2<sup>nd</sup> Floor, Vinayak Sankul, Tapadia Nagar, Akola – 444 005.**

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**A REPORT ON CORPORATE GOVERNANCE BY STATUTORY AUDITOR OF THE COMPANY**

To,  
The Board of Directors,  
**ASAHI INFRASTRUCTURE & PROJECTS LIMITED**  
2<sup>ND</sup> FLOOR, VINAYAK SANKUL,  
TAPDIA NAGAR,  
AKOLA-444 005.

We have reviewed the implementation of Corporate Governance produced by the company during the year ended **31<sup>st</sup> March, 2010**, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in the Clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of such compliance is neither an 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 B.M. Gattani & Co.,**  
(Chartered Accountants )

**B.M. Gattani.**  
Proprietor  
Membership No. 47066

Date :

Place : MUMBAI



**AUDITOR'S REPORT**

The Members of Asahi Infrastructure & Projects Limited.

1. We have audited the attached balance sheet of Asahi Infrastructure & Projects Limited as at 31<sup>st</sup> March 2010, the profit and loss account 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.
2. We conduct our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 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.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far, as appears from our examination of those books.
  - (iii) The balance sheets, profit and loss account dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the balance sheet, profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, they said accounts 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 31<sup>st</sup> March 2010.
  - b) In the case of the profit and loss account, of the Loss for the period ended on that date.
  - c) In the case of the Cash flow statement of the cash flows of the Company for the year ended on that date.

**For B. M. GATTANI & CO.**  
**CHARTERED ACCOUNTANTS**

**B. M. GATTANI**  
**PROPRIETOR**

Place: Mumbai  
Date:



**ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS**

Referred to in paragraph 3 of our report of even date, we state that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) We are informed that fixed assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off a major part of fixed assets which has affected the going concern status of the company.
- (ii) (a) The stock of finished goods held as stock –in-trade have been physically verified by the management at reasonable intervals during the year. In our opinion, frequency of the verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us the company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification between physical stock and book records.
- (iii) (a) The Company has not granted any loans, secured or unsecured to from companies, firms or other parties Covered in register maintained under section 301 of the Companies Act, 1956 and as such clauses (iii)(a) to (iii)(d) are not applicable.
- (b) The Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 and as such clauses (iii)(e) to (iii)(g) are not applicable.
- (iv) 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits during the year & consequently the provision of section 58A and 58AA of the companies Act 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the company has reasonable internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanation given to us the maintenance of Cost Record has not been prescribed by the central Government u/s 209(1)(d) of the Companies Act, 1956 for any of the activities of the company.
- (ix) (a) According to the information and explanation given to us the company is generally regular in depositing with appropriate authorities an undisputed statutory dues including income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable.
- (b) According to the information and explanation given to us, no undisputed amount payable in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable .
- (x) The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the current and immediately preceding year.
- (xi) According to the information and explanations provided to us the company does not have any outstanding dues to financial institutions.
- (xii) In our opinion and according to the information and explanations provided 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.
- (xiii) In our opinion and according to the information and explanations provided to us the nature of activities of the company does not attract any special statute applicable to Chit Fund And Nidhi/ Mutual Benefit Fund / Society
- (xiv) The company has maintained proper records for dealing in shares & debentures and timely entries have been made therein. All shares, debentures and other securities have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Companies Act,1956, and save for certain shares which are either lodged for transfer or held with transfer forms.
- (xv) In our opinion and according to the information and explanations provided to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has taken term loan for vehicle during the year
- (xvii) According to the information and explanations provided to us and cash flow statement and other records of the company examined by us, we report that the company has not raised funds, short term or long term during the year
- (xviii) During the year the company has not made any preferential allotment of shares to parties or companies covered in the register maintained u/s 301 of the Companies Act 1956.
- (xix) The company has not issued any debentures till date.
- (xx) The company has raised money through public issue during the year.
- (xxi) According to the information given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For B. M. GATTANI & CO.**  
**CHARTERED ACCOUNTANTS**

**B. M. GATTANI**  
**PROPRIETOR**

Place: Mumbai  
Date

## 22<sup>nd</sup> ANNUAL REPORT

### Balance Sheet As At 31<sup>st</sup> March, 2010

	Schedule	As on 31-03-2010	As on 31-03-2009
<b><u>SOURCE OF FUNDS :</u></b>			
<b><u>Shareholder's Funds</u></b>			
Share Capital	A	336,296,000	37,196,000
Reserve & Surplus	B	342,214,054	12,511,755
<b><u>Loan Funds</u></b>			
<b><u>Secured Loan</u></b>			
		3,528,103	-
Unsecured Loans	C	13,452,932	3,375,998
Deferred Tax Liabilities		4,406,770	4,406,770
<b>Total</b>		<b>699,897,858</b>	<b>57,490,523</b>
<b><u>APPLICATION OF FUNDS :</u></b>			
<b><u>Fixed Assets</u></b>			
	D		
Gross Block		40,880,926	34,862,589
Less : Accumulated Depreciation		11,937,044	10,534,193
Net Block		<b>28,943,882</b>	<b>24,328,396</b>
<b><u>INVESTMENT</u></b>			
	E	<b>19,269,345</b>	<b>2,514,550</b>
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES :</u></b>			
Inventories	F	20,176,878	15,440,500
Sundry Debtors	G	589,788,006	88,386,674
Cash & Bank Balance	H	11,610,615	787,839
Loans , Deposits & Advances	I	386,907,043	21,900,953
TDS-Deducted		-	1,824,569
Work In Progress		2,238,000	-
		<b>1,010,720,542</b>	<b>128,340,535</b>
<b><u>LESS : CURRENT LIABILITIES &amp; PROVISIONS :</u></b>			
Current Liabilities	J	350,952,221	97,629,425
Provisions	K	21,809,874	63,533
		<b>372,762,095</b>	<b>97,692,958</b>
<b>Net Current Assets</b>		<b>637,958,447</b>	<b>30,647,577</b>
MISCELLEANOUS EXPENDITURE	M	13,726,185	-
<b>Total</b>		<b>699,897,859</b>	<b>57,490,523</b>

#### Significant Accounting Policies and Notes to Accounts

As per our Report of even date

For **B. M. Gattani & Co.**  
Chartered Accountant

**B. M. Gattani**  
Proprietor  
Membership No. 47066  
Date :  
Place : MUMBAI

For and on behalf of the Board

**Prof. L.J. Rathi**  
Managing Director

**Mr. Paresh L Rathi**  
Director



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

### Profit & Loss Account Up To 31<sup>st</sup> March, 2010

	Schedule	As on 31-03-2010	As on 31-03-2009
<b><u>INCOME :</u></b>			
<b>Sales</b>			
Contract Sales		64,227,655	455,045,762
Trading sales		3,603,493,345	-
Other Income	N	8,306,885	-
		<b>3,676,027,885</b>	<b>455,045,762</b>
<b><u>EXPENDITURE</u></b>			
Cost of Sales		3,279,832,049	445,188,164
Work in progress		-2,238,000	-
Labour Wages		25,072,245	2,715,671
Fuel for Site Work		1,198,132	-
Hire Charges of machineries at Site		642,277	-
Transport		703,452	-
Staff Cost		4,036,645	1,667,090
Administrative Expenses	L	12,785,210	2,063,428
Depreciation		1,736,482	1,700,048
Foreign Exchange Loss		747,220	-
	<b>Total</b>	<b>3,324,515,713</b>	<b>453,334,401</b>
<b><u>NET PROFIT FOR THE YEAR BEFORE TAXATION</u></b>			
		351,512,172	1,711,361
Provision For Taxation		-2,138,239	17,730
Provision For FBT		-	17,743
<b>Profit After Tax for the year</b>		<b>349,373,933</b>	<b>1,675,888</b>
<b>Balance Carried to Balance Sheet</b>	<b>Total</b>	<b>349,373,933</b>	<b>1,675,888</b>

#### Significant Accounting Policies and Notes to Accounts

As per our Report of even date

**For B. M. Gattani & Co.**  
Chartered Accountant

**B. M. Gattani**  
Proprietor  
Membership No. 47066  
Date :  
Place : MUMBAI

For and on behalf of the Board

**Prof. L.J. Rathi**  
Managing Director

**Mr. Paresh L. Rathi**  
Director

## 22<sup>nd</sup> ANNUAL REPORT

### Schedule To And Forming The Part Of Balance Sheet As At 31<sup>st</sup> March, 2010

	As on 31-03-2010	As on 31-03-2009
<b>SCHEDULE - A :</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
35,00,00,000 Equity Shares of Rs. 1/- each	350,000,000	200,000,000
Increased to 500000000 as on 30-6-10	350,000,000	
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
336,296,000 Equity Shares of Rs. 1/- each	336,296,000	37,196,000
100000000 Preferential Warrants were issued after 31-3-10		
Owners Current Equity		
	<b>336,296,000</b>	<b>37,196,000</b>
<b>SCHEDULE - B :</b>		
<b>RESERVES AND SURPLUS</b>		
Balance in Profit & Loss Account		
Opening Balance	12,465,755	
Add : CURRENT YEAR PROFIT	9,973,756	339,400,177
Less Provision for dividend & DDT	<u>-19,671,635</u>	2,767,876
Capital Reserve	40,000	40,000
Investment Allowance Reserves	6,000	6,000
	<b>342,214,054</b>	<b>12,511,755</b>
<b>SCHEDULE - C :</b>		
<b>SECURED LOAN</b>		
Bajaj Finance	14,000	-
OD from IDBI against FDR	3,514,103	-
<b>UNSECURED LOANS</b>		
Vehicle Loan (HP)	2,435,818	2,089,686
Loans from Directors	5,619,539	-
Other Loan	5,397,575	1,286,312
	<b>13,452,932</b>	<b>3,375,998</b>
<b>SCHEDULE - D :</b>		
<b>Fixed Assets and Depreciation</b>	<b>28,943,882</b>	<b>24,328,396</b>
<b>SCHEDULE - E :</b>		
<b>Investment</b>		
Washim Urban Co.Op.Bank	14,550	14,550
Zitura Investment Finance Pvt. Ltd.	2,500,000	2,500,000
Jayshree Reality Pvt. Ltd.	5,000,000	-
Buteo Finance & Invest Pvt. Ltd.	4,500,000	-
German Finance Pvt. Ltd.	2,000,000	-
Glint Infra	5,000,000	-
FDR SBI	254,795	-
	<b>19,269,345</b>	<b>2,514,550</b>



# ASAHI

## INFRASTRUCTURE & PROJECTS LIMITED

### **SCHEDULE - F :**

#### **Raw Material Consumed**

(As Taken, Valued & Certified by Management)

Opening Stock	15,440,500	15,430,153
Purchase	3,284,566,000	445,198,511
Less : Closing Stock	20,174,451	15,440,500
Material Consumed	<b>3,279,832,049</b>	<b>445,188,164</b>

### **SCHEDULE - G :**

#### **SUNDRY DEBTORS**

Less than 6 months	506,364,171	64,979,439
More than 6 months	83,423,835	23,407,235
	<b>589,788,006</b>	<b>88,386,674</b>

### **SCHEDULE - H :**

#### **CASH AND BANK BALANCE**

Cash in Hand	2,132,149	424,777
Cash Balance with Banks in India	212,426	363,062
Balance in Euram Bank	3,256,470	-
Balance held in AED in ADCB Bank (Dubai)	6,000,660	-
USD A/C in Dubai	8,910	-
	<b>11,610,615</b>	<b>787,839</b>

### **SCHEDULE - I :**

#### **LOANS & ADVANCES**

Loans and Advance	377,396,668	21,396,357
Deposits	8,168,914	298,795
VAT 07 -08	205,810	205,801
Tax Deducted	1,135,651	1,785,189
	<b>386,907,043</b>	<b>23,686,142</b>

### **SCHEDULE - J :**

#### **CURRENT LIABILITIES**

S CREDITORS	313,161,264	97,606,940
Other Liabilities	27,100,583	-
TDS Payable	16,773	22,485
Out Standing Liabilities	10,673,601	-
	<b>350,952,221</b>	<b>97,629,425</b>

### **SCHEDULE - K :**

#### **PROVISION**

Provision for Taxation	2,138,239	17,730
Provision for FBT	-	17,743
Provision for Dividend	16,814,800	-
Provision for Dividend Distribution Tax	2,856,835	-
	-	28,060
	<b>21,809,874</b>	<b>63,533</b>

## 22<sup>nd</sup> ANNUAL REPORT

### SCHEDULE M

#### MISCELLANEOUS EXPENDITURE

Preliminary Expenses	13,276,935	-
Training Expenses	449,250	-
	<u>13,726,185</u>	-

### SCHEDULE N

#### Other Income

Interest on foreign Currency	8,191,185	-
Interest on IT Refund	80,700	-
Other Income	35,000	-
	<u>8,306,885</u>	-

### Schedule To And Forming Part Of Profit & Loss Account As At 31<sup>st</sup> March, 2010

#### SCHEDULE - L :

##### ADMINISTRATIVE EXPENSES

	31-03-2010	31-03-2009
Advertisement & Business Promotion	686,448	65,590
Annual meeting expenses	58,550	3,050
Audit committee fees	28,000	-
Audit fees	50,000	28,060
Bank commission & charges	129,162	44,271
Book & Periodical	1,430	9,467
Interest paid	246,155	210,086
Communication expenses	116,027	63,644
Directors sitting fees	104,000	32,000
Directors remuneration	975,000	574,000
Electrical expenses	71,772	47,570
Legal & professional expenses	408,055	190,599
Listing & Filling Fees	351,070	40,662
Miscellaneous & office expenses	348,225	68,239
Petrol & fuel (vehicle exp.)	224,115	55,791
Postage, telegram & courier	51,867	14,905
Printing & stationery	170,601	76,410
Rent, rates warehousing & Co.	233,535	179,500
R & T Expenses	25,235	29,361
Repairs & maintenance	122,933	69,069
Travelling Expenses	444,944	261,154
Insurance	148,171	-
ROC	5,000	-
Income tax expenses	35,918	-
Staff welfare	287,436	-
Donation	7,461,561	-
	<u>12,785,210</u>	<u>2,063,428</u>



**Notes to the Balance Sheet**

1. Foreign exchange loss is recognized to the extent of amount repatriated to India.
2. Miscellaneous & preliminary expense arising of account of GDR issued and training expense amounting to Rs. 1,31,26,185 for current year have not been amortized for the year and would be amortized from Financial year 2010-2011 on words.
3. Capital raised through GDR was held in Euraam Bank till December 2009 and after repatriating \$ 3 lacs to India. The vest of the amount has been invested in a subsidiary in Dubai (FIZ) only the in interact accrued on the said amount is held in balance.
4. Dubai figure are converted at the average rate for all revenue items and at closing rate for assets and liabilities or assets is taken.
5. group financial statements are consolidate as per AS 21
6. DTL has been calculated as per AS 22



## 22<sup>nd</sup> ANNUAL REPORT

### CEO/CFO CERTIFICATION

To,  
The Board of Directors,  
**ASAHI INFRASTRUCTURE & PROJECTS LIMITED**  
2nd Floor, Vinayak Sankul,  
Tapadia Nagar,  
Akola – 444 005.

We hereby certify that for the financial year, ending 31<sup>st</sup> March, 2010 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
  - a. There have been no significant changes in internal control during the year;
  - b. There have been no significant changes in accounting policies during the year.
  - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Asahi Infrastructure & Projects Ltd.  
Sd/-

**Prof. L.J. RATHI**  
(CEO)

For Asahi Infrastructure & Projects Ltd.  
Sd/-

**MR. PARESH L. RATHI**  
(CFO)

Date: 31<sup>st</sup> July, 2010  
Place: Akola

### **To The Members of**

**Asahi Infrastructure & Project Limited.**

**Sub: Declaration under Clause 49 of the Listing Agreement**

I, Mr. L. J. Rathi, CEO of the Company hereby declare that all Board members and senior management personnel have affirmed compliance with the code for the financial year ended 31<sup>st</sup> March, 2010.

DATE: 31<sup>st</sup> July, 2010  
PLACE: AKOLA

For, ASAHI INFRASTRUCTURE & PROJECTS LIMITED  
Sd/-

**L. J. RATHI**  
(CEO)



# ASAHI

INFRASTRUCTURE & PROJECTS LIMITED

## ASAHI INFRASTRUCTURE & PROJECTS LIMITED

2<sup>nd</sup> Floor, Vinayak Sankul, Tapdia Nagar, Akola – 444 005

### ATTENDANCE SLIP

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company at Vidharbha Chambers Of Commerce Industries, Shravagi Towers, Tilak Road, AKOLA-444001 on Thursday the 30<sup>th</sup> September, 2010 at 11.00 a.m.

\_\_\_\_\_  
Name of the Shareholder

\_\_\_\_\_  
Signature

Folio No. \_\_\_\_\_

\_\_\_\_\_  
(Full name of Proxy)

**Note:** No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

## ASAHI INFRASTRUCTURE & PROJECTS LIMITED

2<sup>nd</sup> Floor, Vinayak Sankul, Tapdia Nagar, Akola – 444 005

### PROXY FORM

I/We.....of.....  
..... in the district of ..... being a member/members of the above named  
Company hereby appoint .....of .....in the district  
of..... or failing him .....of.....In  
the district of ..... as my / our proxy to vote for me/us on my our behalf at the  
**22<sup>nd</sup> ANNUAL GENERAL MEETING** of the Company to be held at **Vidharbha Chambers of Commerce Industries, Shravagi Towers,  
Tilak Road, AKOLA-444001** , on Thursday, the **30<sup>th</sup> September, 2010**, and at any adjournment thereof.

Signed this..... day of ....., 2010.

Reg. Folio No.....

No. of Shares .....

REVENUE  
STAMP

**Note:** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.