

**ASHRAM ONLINE.COM LIMITED**

**ANNUAL REPORT 2009 - 2010**

Board of Directors	:	1
Notice of the Annual General Meeting	:	2
Report of the Board of Directors	:	4
Report on Corporate Governance	:	8
Report of the Auditors	:	20
Balance Sheet	:	23
Profit and Loss Account	:	24
Schedules forming part of Accounts	:	25
Cash Flow Statement	:	29
Balance Sheet Abstract	:	32
Attendance Slip / Proxy Form	:	33

## Board of Directors

- Chairman cum  
Executive Director : Shri. S. Pannalal Tatia
- Directors : Shri. S.P. Bharat Jain Tatia  
Shri. E. Subbarayan  
Shri. Gopal B Ahuja  
Ms. D. Ruby (Resigned w.e.f.31.03.2010)  
D. Hemamalini (Appointed w.e.f.31.03.2010)
- Auditors : M/s. K. Subramanyam & Co.  
Chartered Accountants  
No.252, Mugappair ERI Scheme  
Third Main Road, Chennai - 600 037.
- Registered Office : 'Prince Tatia Info Park'  
No.81 B, Second Main Road,  
Ambattur Industrial Estate,  
Chennai - 600 058, email : tatia@vsnl.com
- Bankers : State Bank of Travancore  
Commercial Branch  
Teynampet, Chennai - 600 018.  
  
HDFC Bank Ltd.,  
Anna Nagar West, Chennai - 600 040.
- Share Transfer Agents  
(For Demat Mode) : Cameo Corporate Services Ltd.,  
No.1, Club House Road,  
Subramanian Building, Chennai - 600 002.
- Share Transfer System  
(For Physical Mode) : Inhouse

**ASHRAM ONLINE.COM LIMITED**

**NOTICE OF NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Shareholders of Ashram online .com Limited will be held at SOMUGHANALA KUDAM, VALLANUR, AMABATUR, CHENNAI – 600 062 on Thursday 30th September 2010, at 9.00 a.m., to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2010, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. Pannalal Tatia Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Gopal B Ahuja, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint M/s K. Subramanyam & Co., Chartered Accountants, Chennai as the Auditor of the Company and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and if though fit to pass with or without modification(s) the following resolution as ordinary resolution.

"RESOLVED THAT Mr. D. Hemamalini, who was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 31-03-2010 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation"

**By order of the Board of Directors  
For ASHRAM ONLINE.COM LIMITED**

**-SD/-  
S.PANNALAL TATIA  
Chairman.**

**Place : Chennai  
Date : 2<sup>nd</sup> September 2010**

**NOTES:-**

- i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself, and a proxy need not be a member of the company.
- ii) The Proxy form duly completed must reach the Registered Office of the Company not later than forty eight hours before the time appointed for holding the meeting.
- iii) The Register of Members and the Share Transfer books shall remain closed from 23.09.2010 to 30.09.2010 (both days inclusive)
- iv) Members are requested to notify immediately any change in the address
  - To the respective Depository Participants (DP's) in respect of their electronic share accounts.
  - To the registered office at No. 81 B, 2<sup>nd</sup> Main Road Amabattur Industrial Estate, Chennai - 600 058 in respect to their physical share folios.
- v) For the convenience of the shareholders attendance slip is annexed to the proxy form the members are requested to bring the attendance slips duly filled in along with their copies of the annual reports to the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
- vi) The Securities and Exchange Board of India notified your company's equity shares for compulsory trading in dematerialized form. Shareholders may avail such facility.
- vii) The equity shares of the Company are listed on Bombay Stock Exchange Limited and Madras Stock Exchange Limited.
- viii) Members have any specific query on the financial statements of the company are requested to mail their queries directly to the company.
- ix) Shareholders are requested to furnish the email ID's to enable the company forward information in relation to the company.
- x) The Company has designated an email ID called [tatia@vsnl.com](mailto:tatia@vsnl.com) for redressal of shareholder's complaints/ grievances. In case you have any queries/ complaints or grievance, then please write to us at our mail ID provided above.
- xi) Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Transfer agent, M/s Cameo Corporate Services Ltd, for consolidation in to single folio.
- xii) The shares of the Company are tradable compulsorily in electronic form and your company has established connectivity with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Securities Depositories Limited (CSDL). In view of the enormous advantages offered by the Depository Systems, Members are requested to avail the facilities of dematerialization of the Company's Shares on either of the depositories as aforesaid.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item no. 5

Ms. D. Hemamalini was appointed by the Board of Directors as Additional Directors on 31-03-2010. According to section 260 of the Companies Act, 1956 she shall hold office until ensuing Annual General Meeting. The Company has received notices in writing from members proposing the candidature of the above person as directors in terms of section 257 of the Companies Act, 1956. Hence the resolution in item no 5 is now been placed before share holders for approval.

None of the other Directors except Ms. D. Hemamalini interested in respect of her appointment.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 19<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March 2010.

**OPERATIONS**

The financial results of the Company for the year ended 31<sup>st</sup> March 2010 is summarized below:

(Rs in Lacs)

Particulars	Year ended 31 <sup>st</sup> March 2010	Year ended 31 <sup>st</sup> March 2009
Income from Operations	-	-
Non-operating Income	13.54	10.23
Total Income	13.54	10.23
Total Expenditure	26.09	28.11
Profit before Depreciation, Interest and Taxation	-12.55	-17.88
Interest & Finance Charges	0.00	0.00
Depreciation	0.23	0.29
Profit before Tax	-12.78	-18.17
Provision for Current Taxes	0	0
Provision for Deferred Taxes	0	0.03
Profit after Tax	-12.78	-18.13
Balance in Profit & Loss Account	29.21	47.33
Balance carried to Balance Sheet	16.42	29.20

Your Company has incurred a loss of Rs. (-12.78) lacs for the financial year 2009-10 as compared to loss of in the previous year 2008-09.

**DIVIDEND**

Since the company incurred Loss no dividend is recommended for the current financial year by the Board of Directors

**FIXED DEPOSITS**

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposit was out standing as on date of balance sheet.

**DIRECTORS**

Mr. S. Pannalal Tatia and Mr. Gopal B Ahuja , Directors retire by rotation and being eligible offer themselves for reappointment.

During the year Ms. D. Ruby has resigned her directorship. The Board places on record its appreciation of the invaluable contribution made by her during her tenure as a Director of the company.

Mr. Bharat Jain Tatia explained his inability to continue as Managing Director due to his personal reason. The Board accepted the resignation and expressed its sincere thanks for the services rendered by him. On considering his rich caliber and contribution to the Company, it was decided by the Board to avail his service by continuing his service as Non-Executive Director in the Board.

**Appointment of Additional Director**

During the year Ms. D. Hemamalini is appointed as the Additional Director on 31.03.2010 according to Section 260 of the Company Act, 1956.

**Change in Designation:-**

Mr. S. Pannalal Tatia , Director is re-designated as Executive Director cum Compliance officer of Company.

**RESIGNATION**

During the year Ms. D. Ruby has ceased to be Director due to resignation. The Board places on record its appreciation of the invaluable contribution made by her during her tenure as a Director of the company.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- i) In the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2010 the applicable Accounting Standards have been followed and there are no material departures;
- ii) they 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 and loss account of the company for that period;
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared annual accounts on a going concern basis.

**AUDIT COMMITTEE**

The Audit Committee that was constituted pursuant to Section 292 A of the Companies Act , 1956 has Mr. Gopal B Ahuja ( Chairmen ), Mr S. Pannalal Tatia and Ms. D. Hemamalini as its Members.

**AUDITOR'S**

M/s K Subramanyam & Co. Chartered Accountants, Auditors of the Company, retire at ensuing Annual General Meeting and have furnished a certificate under Section 224(1B) regarding their eligibility for reappointment as the Company's Auditors for the year 2010 - 11.

**PARTICULARS OF EMPLOYEE'S**

Particulars of the employees of the Company who were in receipt of remuneration, which in aggregate exceeded the limits fixed under Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules 1975 is not applicable to the company for the year.

**PARTICULARS AS REQUIRED UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

**Conservation of Energy**

The Company had taken steps to conserve energy in its office use, consequent to which energy consumption has been minimized. No additional Proposals/Investments were made to conserve energy. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

**Technology Absorption:-**

The company has not adopted / intends to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

**Foreign Exchange Inflow & Outgo:-**

Foreign Exchange inflow during the year :- Nil

Foreign Exchange outgo during the year :- Nil

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreements is presented in a separate section forming part of the Directors Report.

**CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out by the Securities Exchange Board of India's, Corporate Governance Practices and have implemented all the stipulations prescribed. Report on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is presented in a separate section forming part of the Directors' Report.

**EXPLANATION TO AUDITORS OBSERVATION**

As regards the qualification given by the auditor in Point No. ix Annexure to Auditors Report. The company has filed a writ petition and obtained stay order from the Honorable High Court of Madras.

**ACKNOWLEDGEMENT**

Your Directors would like to express their grateful appreciation for assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers and Members during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for committed and dedicated services of the workers, staff, and officers of the Company.

**BY THE ORDER OF THE BOARD  
FOR ASHRAM ONLINE .COM LIMITED**

Sd/-

**S. PANNALAL TATIA  
CHAIRMAN**

PLACE: CHENNAI

DATE : 2<sup>nd</sup> September 2010



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Global Economic recession has affected growth in the economic activity in various sectors of the economy and accordingly has compelled company to survive alongside the dwindling economic activity. Barring unforeseen circumstances, the company would be able to achieve its financial objectives without much of constraints.

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

There exists abundant opportunities for growth. However, slow down of market activity and cut throat competition coupled with changes in the policies of the government are the areas of concern. However with the experience and expertise of the management, the company would withstand competition and convert threats in to opportunities.

**SEGMENTWISE / PRODUCTWISE PERFORMANCE**

The Company has currently only one segment in line with the Accounting Standard on Segment Reporting (AS-17). Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

**INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has adequate system of internal control in place. This is to ensure that assets are safeguarded and all transactions are authorized, recorded and correctly reported. The internal audit function is empowered to examine the adequacy, relevance and effective control system, compliance with policies, plans and statutory requirements. The top management and the Audit Committee of the Board review the findings and recommend to the Board improvement on the same.

**CAUTIONARY STATEMENT**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE**A. MANDATORY REQUIREMENTS****1. Philosophy on Code of Governance**

The Company right from its inception has been committed to the highest standards of Corporate Governance Practices and to attain the highest levels of transparency, accountability and equity in all facets of its operations and in its all interactions with its Stakeholders including Shareholders, Employees, Lenders, Customers and the Government.

Your Company believes that all its actions must serve the underlying goal of enhancing overall Stakeholders' wealth over a period of time. It has adopted the best practice of Industry for Corporate Governance.

This section, along with section on 'Management Discussion and Analysis Report' and 'General Shareholders Information constitute Company's compliance with the Clause 49 of the Listing Agreement.

The Board is comprised of appropriate mix of Executive, Non-Executive and Independent Directors maintaining the Independence of the Board. The Board presently consists of five members comprising of the Executive Director, and four Non-Executive Directors out of which three are Independent Directors and more than half of the board comprises of independent directors.

Composition of the Board and directorship held during the year are as follows:

Sl. No	Name(s) of Director (s)	Executive/ Non- executive/ Independent	Other directorships (Excluding Private Limited Companies)	Number of Committee membership in other Companies*	no of Committee Chairmanship in other Companies*
1	Sri. S. Pannalal Tatia -Chairman cum Executive Director	PD & ED	2	2	NIL
2	Sri. S.P. Bharat Jain Tatia - Director	PD & NED	2	Nil	NIL
3	Sri. E. Subbarayan -Director	NED & ID	2	2	NIL
4	Sri. Gopal B Ahuja - Director	NED & ID	NIL	NIL	NIL
5	Ms. D. Ruby - Director Resigned w.e.f. 31.03.2010	NED & ID	1	1	NIL
6	Ms. D. Hemamalini - Director Appointed w.e.f. 31.03.2010	NED & ID	1	1	NIL

PD - Promoter Director; ED - Executive Director; NED - Non Executive Director; ID - Independent Director

In accordance with clause 49 of listing agreement, membership/ chairmanship of only Audit and Shareholders and Investors Grievance Committee has been considered.

**2. Directors' Profile****BRIEF PARTICULARS OF THE DIRECTORS SEEKING RE-APPOINTMENT**

Name of the Director : Shri. S. Pannalal Tatia  
 Age : 60 years  
 Date of Appointment : 09.05.1991  
 Experience in Specific Area : Accounts & Finance  
 Qualification : B.Com , F.C.A  
 List of Outside directorship held : Private - 14 Public -3  
 Chairman and member of : Chairman of the Board  
 Committee of Board of Director : Member of Audit Committee  
 of the Company

Chairman and Member of  
Committee of Board of Director  
of the other Companies( listed) : Chairman of the Board  
Member of Audit committee  
of Kreon Financial Services Ltd.,  
& Tatia Global Vennture Limited

**Name of the Director** : **Shri Gopal B Ahuja**  
Age : 34 years  
Date of Appointment : 29.03.2002  
Experience in Specific Area : Accounts & Finance  
Qualification : B.Com  
List of Outside directorship held : Private: Nil Public: Nil  
Chairman and member of  
Committee of Board of Director : Chairman of Audit Committee  
of the Company  
Chairman and Member of  
Committee of Board of Director : NIL  
of the other Companies( listed)

**Brief Resume of all the Directors are given below:**

Mr S Pannalal Tatia, Chairman cum Executive Director - A Fellow Chartered Accountant, He started his career in 1974 with Chartered Accountancy as profession and later cultivated his professionalism to get moulded in to corporate expert by being in to manufacturing industry, merchant banking industry and gained rich experience in advising and structuring financial closures. Later in 1993, he moved to the Corporate Sector and was instrumental in promoting Ashram Online.Com Ltd, Kreon Finnanacial Services Limited, Tatia Global Vennture Limited all three were public limited listed corporates. He has been advisor to all kind of Capital Market financial instruments and is an expert on taxation and finance.

Mr. S P Bharat Jain Tatia, Director – He is a B.Com., in qualification. He has over 17 years of experience in the areas of Export Industry, Investment Consultancy, and Capital Market Operations.

Mr. E Subbarayan, Director - A B.Com Graduate from Madras University has vast experience in to operational exercise in to turnkey projects.

Ms D Ruby, Director - B.A. Corporate, with over 7 years of experience in Finance and Accounts.

Mr. Gopal , Director – B.com., Graduate with rich experience in finance and accounts for over 10 years.

Ms.D. Hemamalini – B.com with 4 year experience in Account & Finance.

Following were the attendances of directors in the Board Meeting and AGM:

Sl. No	Name(s) of Director (s)	No. of Board Meetings held	Board Meetings attended	Attendance at Previous AGM
1	Sri. S. Pannalal Tatia	11	11	Yes
2	Sri. S.P. Bharat Jain Tatia	11	11	Yes
3	Sri. E. Subbarayan	11	11	Yes
4	Sri. Gopal B Ahuja	11	11	Yes
5	Ms. D. Ruby	11	11	Yes
6	Ms. D. Hemamalini	- 1	1	No

During the financial year 2009 - 10, Eleven meetings of Board of Directors were held on 21st April 2009, 2nd June 2010, 30th June 2009, 31st July 2009, 11th August 2010, 31st August 2009, 30th September 2009, 31st October 2009, 30th November 2009, 31st January 2010 and 31st March 2010

### 3. Committee of Directors

Board had constituted several committees to deal with specific matters and delegated powers for different functional areas. Presently three Committees are functional, few committees have been constituted as per the statutory requirements, and others have been constituted to enable the Board to take the decision faster.

Following are the Committees of Board:

- I. Audit Committee
- II. Share transfer cum Investor Relation Committee

#### I. Audit Committee

Pursuant to provisions of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement, Board has Reconstituted the Audit Committee on consequent of Ms. Ruby resignation, in its Board meeting dated 31st March 2010. Presently, Committee comprise of 2 Non-Executive Directors out of which 2 Directors are Independent. All the members of the Committee are financially literate, Sri. Gopal B Ahuja, Independent Director is Chairman of the Committee.

Composition of the Audit Committee and Attendance of each member of the Committee are given below:

Sl. No	Name	Category / Status	Meetings Held	Meetings Attended
1	Sri Gopal B Ahuja	Non Executive & Independent - Director / Chairman	5	5
2	Shri S. Pannalal Tatia	Executive Director / Member	5	5
3	Ms. D. Ruby (Resigned as on 31.3.2010)	Non Executive & Independent Director	5	5
4	Ms. D. Hemamalini (Appointed w.e.f 31.3.2010)	Non Executive & Independent Director	1	1

During the year four meetings of Audit Committee were held on 30.06.2009, 31.07.2009, 31.10.2009, 31.01.2010 and 31.03.2010

#### Terms of reference

Following are the main terms of reference given by Board of Directors to Audit Committee:

- a) To review the quarterly, half-yearly and annual financial statements before submission to the Board, focusing particularly on:
  - \* Any changes in accounting policies.
  - \* Significant adjustments made in the financial statements arising out of audit findings.
  - \* Compliance with listing and other legal requirements relating to financial statements.
  - \* Limited Review Report of Auditors.
  - \* Compliance with applicable accounting standards.
  - \* Director's Responsibility Statement in terms of section 217 (2A) of the Companies Act, 1956
  - \* Major accounting entries involving estimates based on the exercise of judgment by management.
  - \* Disclosure of any related party transactions
  - \* Qualifications in the draft audit report

b) to review the adequacy of internal audit programme and the major findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

b) To review the functioning of the Whistle Blower mechanism

c) to consider other matters, as may be referred to by the Board of Directors from time to time.

## II. Share transfer cum Investor Relation Committee

Presently, Committee consists of two Non-Executive Directors out of which both are Independent Directors. Committee oversees and reviews all matters connected with transfer of securities, non-receipt of balance sheet and attending the grievances of the shareholders. The Committee has delegated the authority for share transfers to Executive Director so that it can be taken up at regular interval. The Committee oversees performance of Registrars and Transfer Agents of the Company and recommends measures for overall improvements in the quality of investor services.

During the year Twelve meetings has been held on. The composition of the Committee and attendance of each Committee member is given under:

Sl. No	Name(s) of Director (s)	Chairman/ Member	Meetings Held	Meetings Attended
1	Sri. E. Subbarayan	Chairman	12	12
2	Sri. Gopal B Ahuja	Member	12	12

### Compliance Officer

Sri. S. Pannalal Tatia of the Company has been appointed as Compliance Officer and is responsible for the Compliance. Further he has been authorized to deal with all correspondence and complaints from the investors. He informs the Committee about status of Complaints.

### Investors' Grievance Redressal

During the year total 19 complaints were received. All the complaints has been resolved to the satisfaction of shareholders. There was no outstanding complaint as on 31<sup>st</sup> March 2010.

## 4. General Body Meeting

Date, time and location for the Annual General Meetings of the Company held in last three years:

Year	Date	Time	Venue	No. of Special Resolution passed	Type of Meeting
2008-09	30.09.2009	9.00 A. M	SOMUGHANALA KUDAM, VALLANUR, AMBATTUR, CHENNAI - 600 062	One	AGM
2007-08	30.09.2008	9.00 A. M	SOMUGHANALA KUDAM, VALLANUR, AMBATTUR, CHENNAI - 600 062	One	AGM
2006-07	27.09.2007	9.00 A. M	SOMUGHANALA KUDAM, VALLANUR, AMBATTUR, CHENNAI - 600 062	Two	AGM

## 5. Disclosures

I. There are no materially significant transactions with the related parties viz., Promoters, Directors or the Senior Management, No Subsidiaries or relatives conflicting with Company's interest. Suitable disclosures as required by the Accounting Standard (AS 18) relating to "Related Party Transactions" have been made separately in the Annual Report.

II. Company has complied with all requirements of the listing agreement entered with Stock Exchanges as well as regulation and guidelines of SEBI. The trading of Company's script has been suspended and the company has already made application for the revocation of the suspension and the matter is expected to be taken up shortly by the exchange authorities. Other than as mentioned, there has been no penalties or restrictions imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years.

III. Company has established Whistle Blower Policy and no personnel is denied the access to the Audit Committee.

IV. The Company complies with the entire mandatory requirement and non-mandatory requirement of Corporate Governance as provided under Clause 49 of listing agreement. The Disclosure relating to the compliance has been provided separately in this report. The Company has obtained a certificate from its auditors regarding compliance of conditions of corporate governance and certificate is annexed to the Directors' Report of the Company.

## 6. Means of Communication

I. The un-audited Financial Results on quarterly basis along with Limited Review Report by the Auditors of the Company are taken on record by the Board of Directors at its meeting within one month of the end of every quarter and the same are furnished to all the Stock Exchanges where the Company's Shares are listed within fifteen minutes of Closing of Meeting. The un-audited Financial Results along with Limited Review Report by the Auditors are first placed before the Audit Committee. The same along with recommendation of the Committee are forwarded to Board of Directors for their consideration.

II. The quarterly results and audited results as per the requirement of Clause 41 of the Listing Agreement are published within 48 hours in two newspapers, one in English daily Trinity Mirror and one in Regional (Tamil) Language Makkal Kural.

III. The quarterly results, shareholding pattern and other mandatory information are available at the website of Bombay Stock Exchange Ltd. i.e. [www.bseindia.com](http://www.bseindia.com). The website provides all information's and contains news releases.

## 7. Legal Compliance Reporting:

As required under Clause 49 of the Listing Agreement, the Board periodically reviews compliance of various laws applicable to the Company.

## 8. General Shareholder Information:

### I. Information about Nineteenth Annual General Meeting

Date and time : 30th day of September 2010, 9.00 A.M.

Venue : Samuga Nalla Kudam  
Vallanur, Ambattur, Chennai - 600 062

**II. Financial Year**

The financial year of the Company each year starts with 1st April and ends with 31st March. The financial year 2009-10 started on 1st April 2009 and ended on 31st March 2010. The current financial year 2010-11 started on 1st April 2010 and would end on 31st March 2011.

**III. Financial Calendar (Tentative)**

First Quarter 30th June 2010	: on or before 31st July 2010
Second Quarter 30th September 2010	: on or before 31st October 2010
Third Quarter 31st December 2010	: on or before 31st January 2011
Fourth Quarter 31st March 2011	: on or before 31st May 2011

**IV. Date of Book Closure**

The Register of Member and Share Transfer Books shall be closed for a period of Eight days starting 23.09.2010 to 30.09.2010(inclusive of Both Days).

**V. Listing on Stock Exchange**

The Equity Shares of the Company are listed at Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

**VI. Stock Code**

- i) Bombay Stock Exchange Limited  
Stock Code: 526187 (For Equity Shares of the Company)
- ii) Madras Stock Exchange Limited  
Stock Code: ASHRAMON (For Equity Shares of the Company)
- iii) DEMAT ISIN in NSDL and CDSL for equity shares is INE293CO1019.

**VII. Registrar and Share Transfer Agents**

The Company has appointed M/s. Cameo Corporate Services Limited as Registrar and Share Transfer Agent and also has agreements with both the depositories NSDL and CDSL. Following is the address of Registrar and Transfer Agents:-

**M/s CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building,  
1, Club House Road,  
Chennai - 600 002.  
Ph: +91 44 2846 0390  
Fax: +91 44 2846 0129  
Email: investor@cameoindia.com

**VIII. Share Transfer System**

Share transfers are registered and returned in the normal course within a period of 21 days from the date of receipt, if the documents are in order in all respects. Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days.

Physical : In House Share Transfer  
Registered office at 81 B 2nd Main Road  
Ambattur Industrial Estate, Chennai – 600 058

**VIII. Payment of Dividend for the year 2009-2010 - NIL**

**IX. Distribution of shareholding as at 31st March 2010:-**

Total Nominal Value Rs.12,00,00,000/= Nominal Value of each share is Rs.10/=  
Total number of shares 1,20,00,000 Paid up value per share is Rs. 10/=  
Distinctive No. from 00000001 to 1,20,00,000

Share holding of nonminal value of Rs.	Shareholders		Shareholding	
	Number	% to Total Nos.	In. Rs.	% to Total Amount
1	2	3	4	5
10- 5000	17600	91.8245	27385210	22.8210
5001 -10000	897	4.6799	7291990	6.0767
10001-20000	384	2.0034	5932550	4.9438
20001-30000	101	0.5269	2545650	2.1214
30001-40000	48	0.2504	1705000	1.4208
40001-50000	29	0.1513	1303000	1.0858
50001-100000	51	0.2661	3660010	3.0500
100001 and above	57	0.2974	70176590	58.4805
<b>Total</b>	<b>19167</b>	<b>100.0000</b>	<b>120000000</b>	<b>100.0000</b>

**X. Dematerialization of Equity Shares and Liquidity**

DEMAT ISIN in NSDL and CDSL for equity shares is INE293C01019.

Authorized Capital of Rs. 12,00,00,000 comprising of into 120,00,000 equity shares of Rs.10/- each. Paid up Capital of the Company as on 31<sup>st</sup> March 2010 is Rs. 119509000 (net of call in arrears) comprising of 120,00,000 Equity shares of Rs.10/- each. Out of the above shares 8393540 Equity Shares representing 69.95% are held physically and balance 3606460 Equity Shares representing 30.05 % is held in dematerialized form.

**XI. Outstanding GDR / FCCB / Warrants**

The company at no point of time have issued GDR, FCCB, Warrants or any other convertible securities till date.

**XII. Plant Location**

The Company carry's out its business operations at the registered office address of the company situated at No.81 B Ambattur Industrial Estate, Chennai – 600 058.

**XIII. Address for Correspondence**

The Registered Office of the Company is situated at following address. Further all correspondence with the Company can be done at following address, addressing to



The Director  
 Ashram online.com Limited  
 No 81 B Second Main Road,  
 Ambattur Industrial Estate,  
 Chennai – 600 058.  
 Ph: +91 44 42138702  
 Fax: +91 44 42138704  
 Email: tatia@vsnl.com

For any correspondence in relation to shareholders' grievance the communication would be addressed to the Registrar and Transfer Agents

M/s CAMEO CORPORATE SERVICES LIMITED  
 Subramanian Building  
 1, Club House Road,  
 Chennai – 600 002  
 Ph: +91 44 2846 0390  
 Fax: +91 44 2846 0129  
 Email: investor@cameoindia.com

#### XIV. DETAILS OF REQUEST/ COMPLAINTS RECEIVED DURING THE YEAR:-

Name of Request	Received	Attended	Pending
Change of Address	6	6	NIL
Bank Mandate	NIL	NIL	NIL
Duplicate Share Certificate	NIL	NIL	NIL
Splitting of share	NIL	NIL	NIL
Transmission	NIL	NIL	NIL
Transfer(Physical)	14	14	NIL
Dematerialisation	32	32	NIL
Rematerialisation	NIL	NIL	NIL
<b>Total</b>	<b>52</b>	<b>52</b>	<b>NIL</b>

XV. Details on use of Public Funds : No funds have been raised from the public  
 Obtained in the last three years : in the last three years.

Categories of Shareholding as at 31<sup>st</sup> March 2010

Sl. No	Category	No. of Shares Holders	Total No. of Shares Held	Percentage of Shareholding
A	Promoter's Holding			
1	Promoters/ Persons acting in Concert	7	3667470	30.56
	Sub Total	7	3667470	30.56
B	Non Promoters Holding			
a	Mutual funds/FIs/Bonds	1	5800	0.050
b	FII's	Nil	Nil	Nil
c	Body Corporate	137	2240849	18.67
d	NRI/OCB	530	142100	01.18
e	Indian Public	18492	5943781	49.54
f	Others-(Clearing Members)	Nil	Nil	Nil
g	Shares represented by GDRs	Nil	Nil	Nil
	Sub Total	19160	8332530	69.44
	Grand Total	19167	12000000	100

**Insider Trading**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 the Company has prescribed a Code of Conduct for prevention of Insider Trading. All the employees including directors of the Company comply with Insider Trading Regulations framed by the Company. None of the employee/ director has contravened the regulations during the year.

**Secretarial Audit**

Secretarial Audit as required in terms of Circular No. D&CC/FITTC/CIR - 16/2002 dated 30th June 2002 is being done by a Practicing Chartered Accountants on quarterly basis for reconciling total admitted capital with NSDL and CDSL and total issued and listed capital. The Company has obtained Secretarial Audit Report for all the four quarter during the year ended 31st March 2010 and same has been forwarded to Stock Exchanges. The audit confirms that the total issued/ paid up Capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**Code of Conduct**

The Board of Company has laid down a code of conduct for all the Board Members and the Senior Management personnel. All the Board Members and Senior Management personnel comply the code of conduct. A declaration have been made to give effect to the code signed by the Executive Director.

**CEO Certification**

As required under the Clause 49 of the Listing Agreement a certificate duly signed by Mr. S Pannalal Jain, Chairman of the Company was placed at the meeting of the Board of Directors.

**XIV. Non Mandatory Requirements****1. The Board:**

No separate office is maintained since chairman is Executive.

**2. Shareholders Communications:**

The Company's quarterly (unaudited), half yearly (unaudited) and annual (audited) result are available on BSE website at [www.bseindia.com](http://www.bseindia.com), which is accessible to all. The results are also published in English newspaper and in Tamil newspapers having a wide circulation.

**3. Audit Qualifications:**

During the year under review, there was no audit qualification in the Company's financial statements apart from the disputed tax liability of the company for which the company has filed a writ petition before the Honorable High Court of Madras and has obtained the stay order on the proceedings. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

**4. Training of Board Members:**

The Company's Board of Directors consists of professionals with expertise in their respective field and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshop and seminars to keep themselves abreast with the changing business environment.

**5. Mechanism for evaluating Non-Executive Board Members:**

The Company has adopted a policy for evaluation of Non-Executive Board members based on primarily of attendance and a few other factors including contribution at the Board Meeting and at Meeting of the Audit Committee of the Board.

**6. Whistle Blower Policy:**

The Company has adopted whistle blower policy. All the employees have the access to Board and Audit Committee. Further Board / Audit Committee ensure that no victimization is done to such employee.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted the Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the financial year ended 31st March 2010 received from the Management Personnel of the Company and the Members of the Board a declaration of compliance with the code of conduct as applicable to them.

BY THE ORDER OF THE BOARD  
FOR ASHRAM ONLINE .COM LIMITED  
Sd/-  
S.Pannalal Tatia  
Executive Director

PLACE : CHENNAI  
DATE : 2nd September 2010

**AUDITOR'S CERTIFICATE**

To,  
The members of  
**ASHRAM ONLINE.COM LIMITED**

I have examined the compliance of conditions of Corporate Governance by Ashram Online.com Limited for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me;

I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the company, as certified by the share transfer agents of the company, based on the records maintained by them.

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

**K SUBRAMANYAM & CO.,  
CHARTERED ACCOUNTANTS**

Sd/-

**K SUBRAMANYAM  
PROPRIETOR  
Membership No. 023663**

**Place : Chennai  
Date : 31.05.2010**

## Certificate by Chief Executive Officer ( CEO)

I S. Pannalal Tatia, Executive Director of Ashram Online .Com Limited

Hereby certify

1. That I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of my knowledge and belief,

- These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
- These statements present a true and fair view of the company's affair and are in compliance with the existing accounting standards , applicable laws and regulations.

2. That there are , to the best of my knowledge and belief, no transaction entered into by the company during the year, which are fraudulent, illegal or violating of the company's code of conduct.

3. That I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operational of internal controls, if any, of which I was aware and the steps that we have taken or propose to take to rectify the identified deficiencies and

4. That I have informed the auditors and the audit committee of

- a Significant changes in internal control during the year
- b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
- c. Instance of significant fraud of which I have 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.

Place : Chennai  
Date : 31st May 2010

Sd/-  
S. Pannalal Tatia  
Executive Director

**AUDITOR'S REPORT**

**TO THE MEMBERS OF ASHRAM ONLINE.COM LIMITED**

1. I have audited the attached Balance Sheet of M/s Ashram Online.Com Limited as at 31st march, 2010 and also the Profit & Loss account and the cash flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I 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 & disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the companies order, 2003, issued by the central govt. of India in terms of section 227 (4A) of the companies act, 1956, I give in the annexure, a statement on the matters specified in paragraphs 4 of the said order.
4. Further to my comments in the annexure referred to in Para 3 above, I report that:
  - (a) I have obtained all the information and explanation, which to the best of my knowledge and belief were necessary for the purpose of my audit. In my opinion, proper books of accounts as required by law have been kept by the company as far as appears from my examination of such books.
  - (b) the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the book of account.
  - (c) in my opinion, the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the companies act, 1956.
  - d) On the basis of the written representation received from the directors as on 31<sup>st</sup> March 2010 and taken on record by board of directors, I 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 as regards government. nominee directors, they are exempted from the provision of section 274 (1) (g) in view of general circular issued by the department of company affairs.
5. in my opinion & to the best of my information and according to the explanation given to me, the said accounts read with significant accounting policies and the other notes thereon, give the information required by the companies act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) in case of the Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March, 2010;
  - b) in case of Profit & Loss account of the profit for the year ended on that date. and
  - c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

**K SUBRAMANYAM & CO.,  
CHARTERED ACCOUNTANTS,**

Sd/-

Place : Chennai  
Date : 31.05.2010

**K SUBRAMANYAM  
PROPRIETOR  
M.No.023663**

ANNEXURE REFERRED TO IN PARAGARAPH 3 OF OUR REPORT OF EVEN DATE

RE: ASHRAM ONLINE.COM LIMITED

(I) In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has physically verified certain assets during the year in accordance with a programme of verification, which in my opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information & explanation given to me no material discrepancies were noticed on such verification.
- (c) In my opinion and according to the information and explanation given to me, the Company has not made any substantial disposals during the year.

(II) In respect of its inventories:

As explained to me, there are no inventories in the company, Hence the provisions relating to the same are not applicable to the company.

- (III) (a) The company has neither granted nor taken any loan, secured or unsecured, to / from companies, firms and other parties covered in the register maintained under section 301 of the Act.

(b) Since there are no such loans , the comments regarding terms and conditions, repayments of the principal, interest thereon and overdue amount are not required.

- (IV) In my opinion and according to the information and explanation given to me, there are adequate internal control procedures commensurate with the size of he company and nature of its business.

- (V) In our opinion and according to the information and explanation given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 , exceeding the value of Rs 5 lakhs, in respect of any party during the year.

- (VI) The company has not accepted any deposits from the public during the period under review.

- (VII) In my opinion, the company has adequate internal audit system commensurate with the size of business.

- (VIII) The Central Government has not prescribed maintenance of cost records by the Company under section 209(1) (d) of the Act.

- (IX) The company has been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities. According to the information and explanation given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, there are no outstanding Sales tax, Income tax act 1961, Customs duty, Wealth tax, excise duty on account of any dispute other than following:

Financial period to which the amount relates to	Act	Nature of dues	Forum where dispute is pending	Amount (Rs in Lakhs)
1993-94 & 94-95	Income Tax Act	Income Tax	Madras High Court - Stay obtained	189
1994-95, 95-96 & 96-97	Income Tax Act	TDS	Madras High Court - Stay obtained	24.22

- (X) The Company has incurred cash loss during the year for an amount of Rs 1283258/- The company does not have accumulated losses at the end of the financial year.
- (XI) Based on my audit procedures and on the information and explanation given by the management, I am of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (XII) According to the information and explanations given to me, the company has given any loans and advances on the basis of security by way of Pronotes, post dated instruments, pledge of shares, debentures and other securities. The loans advanced are subject to confirmation.
- (XIII) In my opinion the company is not a chit fund or nidhi/mutual benefit fund/society, therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (XIV) In my opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (XV) According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XVI) There were no term loans obtained by the company during the year.
- (XVII) According to the cash flow statement and other records examined by me and the information and explanations given to me, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa, other than temporary deployment pending application.
- (XVIII) The company has not made any preferential allotment during the year nor does the company have any outstanding debentures during the year.
- (XIX) The company has not issued any debentures and no securities and charges are required to be created.
- (XX) The company has not raised any money by public issue during the Year.
- (XXI) To the best of my knowledge and belief and according to the information explanation given to me, no fraud on or by the company was noticed or reported during the year.

K SUBRAMANYAM & CO.,  
CHARTERED ACCOUNTANTS,

Sd/-

K SUBRAMANYAM  
PROPRIETOR

M.No.023663

Place : Chennai  
Date : 31.05.2010



## BALANCE SHEET AS AT

I.Sources of Funds

## Shareholder's funds:

	Sch	31.03.2010 Rs	31.03.2009 Rs
a.Share Capital	1	119509000	119509000
b.Reserves & Surplus	2	1641958	2919946
		<u>121150598</u>	<u>122428946</u>

II.Application of Funds

## 4.Fixed Assets:

a.Gross Block	3	1933360	3656609
b.Less : Accumulated Depreciation		3528671	3485655
c.Net Fixed Assets		<u>119329</u>	<u>170954</u>

## 5.Investments

	4	12278000	19778000
--	---	----------	----------

## 6.Current Assets,Loans &amp; Advances

a.Cash and Bank Balances	5	1487076	1405022
b.Sundry Debtors	6	86721501	85191501
c.Loans & Advances	7	15528275	9374604
d. Other Current Assets	8	1604799	1525322
	(a)	<u>105341651</u>	<u>97496449</u>

## 7.Current Liabilities &amp; Provisions

a.Current Liabilities	9	6069333	6080487
b.Provisions	10	15000	15000
	(b)	<u>6084333</u>	<u>6095487</u>
Net Current Assets (6-7)	(a-b)	<u>99257318</u>	<u>91400962</u>

## 8.Miscellaneous Expenditure

a. Miscellaneous Expenses	11	9496311	11079030
(to the extent not w/off)		<u>121150958</u>	<u>122428946</u>

## Notes Annexed to and Forming Part of Accounts

15

As per my report on even date

for K Subramanyam &amp; Co.,

Chartered Accountants.,

Sd/-

K Subramanyam

Proprietor

Membership NO.023663

for and on behalf of the board

Sd/-

S.Pannalal Jain

Chairman cum Executive Director

Sd/-

S.P.Bharat Jain Tatia

Director

Place: Chennai

Date : 31st May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON		31.03.2010	31.03.2009
	Sch	Rs	Rs
<b><u>Income</u></b>			
Interest Income		1354347	1023286
		<u>1354347</u>	<u>1023286</u>
<b><u>Expenditure</u></b>			
Human Resource & Related Costs	12	129243	112398
Administration & General Expenditure	13	894160	957379
Interest & Financial Charges	14	2872	690
Preoperative Expenses Written off	11	1582718	1740990
		<u>2608993</u>	<u>2811457</u>
Profit / (Loss) before depreciation & taxes		(1254646)	-1788171
Less : Depreciation for the year	3	23342	28557
Profit / (Loss) after Depreciation before taxes		(1277988)	-1816728
Add / Less: Tax Expenses			3528
Profit/ (Loss) after depreciation & taxes		(1277988)	-1813200
Profit(+) / Loss(-) for the year		(1277988)	-1813200
Balance carried to Balance Sheet		<u>(1277988)</u>	<u>-1813200</u>
Earning per share (EPS) Basic and diluted (Rs.)		-0.106	-0.151
Face value Per Equity Shares (Rs.)		10/-	10/-

As per my report on even date  
for K Subramanyam & Co.,  
Chartered Accountants.,  
Sd/-

K Subramanyam  
Proprietor  
Membership NO.023663

for and on behalf of the board

Sd/-

Sd/-

S.Pannalal Jain  
Chairman cum Executive Director

S.P.Bharat Jain Tatia  
Director

Place: Chennai  
Date : 31st May 2010

## Schedules forming part of Accounts

<u>EQUITY SHARE CAPITAL</u>		31.03.2010	31.03.2009
<u>Authorised Capital</u>	Sch-1	Rs	Rs
12000000 equity shares of Rs 10 /- each.		<u>120000000</u>	<u>120000000</u>
<u>Issue,Subscribed and Called up Capital</u>			
12000000 equity shares of Rs 10 /- each.		<u>120000000</u>	<u>120000000</u>
<u>Paid up Capital</u>			
12000000 Equity Shares of Rs.10/- each (fully paid)		120000000	120000000
Less: Calls in Arrears (From Directors - Nil)		491000	491000
		<u>119509000</u>	<u>119509000</u>
<u>RESERVES &amp; SURPLUS</u>	Sch-2		
<u>General Reserves</u>			
Profit & Loss Account (opening balance)		2919946	4733146
Add: Profit/(Loss) during the year		(1277988)	-1813200
		<u>1641958</u>	<u>2919946</u>
<u>INVESTMENTS</u>	Sch-4		
<u>Quoted Equity Shares</u>			
Kreon Finaancial Services Ltd (1228200 equity shares of Rs 10/- each fully paid) (Market value Rs.9948420)		12278000	12278000
<u>Unquoted Equity Shares</u>			
Deesha trade Endeavours Pvt Ltd - Share Application Money		-	2500000
Sapphire Papers Mill Pvt.Ltd - Application Money		-	5000000
		<u>12278000</u>	<u>19778000</u>
<u>Cash &amp; Bank Balances</u>	Sch-5		
Cash on hand		800678	823805
Bank Balance with Scheduled Banks			
HDFC Bank		678818	575826
SBT - Commercial Branch		7580	5392
		<u>1487076</u>	<u>1405022</u>

**ASHRAM ONLINE.COM LIMITED**

*Rs*

**Details of Fixed Assets**

*Schedule - 3*

<i>Particulars</i>	<i>Rate @ %</i>	<i>Gross Block</i>			<i>Depreciaton</i>			<i>Net Block</i>	
		<i>Cost on 01.04.2009</i>	<i>Add/-Del for year</i>	<i>Cost on 31.03.2010</i>	<i>As at 01.04.2009</i>	<i>for the year</i>	<i>As at 31.03.2010</i>	<i>As at 31.03.2009</i>	<i>As at 31.03.2010</i>
<i>Equipments</i>	13.91	1,409,082	28,283	1,380,799	1,253,868	20,493	1,274,361	155,214	106,438
<i>Furnitures &amp; Fixtures</i>	18.10	233,084	-	233,084	217,344	2,849	220,193	15,740	12,891
<b>Total</b>		1,933,360	28,283	1,905,077	3,477,044	23,342	3,500,386	170,954	119,329
<i>Previous Year</i>		3,656,609	(8,609)	3,648,000	3,448,487	28,557	3,477,044	208,120	170,954

[26]

ASHRAM ONLINE.COM LIMITED

## Schedules forming part of Accounts

		31.03.2010	31.03.2009
		Rs	Rs
<b><u>Sundry Debtors</u></b>	Sch-6		
-Six Months Below			
-Above Six Months		86721501	85191501
		<u>86721501</u>	<u>85191501</u>
<b><u>Loans,Advances &amp; Deposits</u></b>	Sch-7		
Loans (Unsecured Consider Goods)			
- Six Months Below			
- Above Six Months		15528275	9374604
		<u>15528275</u>	<u>9374604</u>
<b><u>Other Current Assets</u></b>	Sch-8		
<b><u>Advances &amp; Deposits</u></b>			
Fixed Deposit		27360	25000
Salary Advances		1000	3200
TDS (for a value to be received)		1576439	1497122
		<u>1604799</u>	<u>1525322</u>
<b><u>Current Liabilites</u></b>	Sch-9		
Sundry Creditors		6059580	6068099
Deffered Tax Liabilities		9753	12388
		<u>6069333</u>	<u>6080487</u>
<b><u>Provisions</u></b>	Sch-10		
Provision for Audit Fees		15000	15000
		<u>15000</u>	<u>15000</u>
<b><u>Miscellaneous Expenditure (to the extent not w/off)</u></b>	Sch-11		
Pre Operating Expenses		11079030	12820020
Less :- 1/10th Written off during the year		1582718	1740990
		<u>9496311</u>	<u>11079030</u>

## Schedules forming part of Accounts

		31.03.2010	31.03.2009
		Rs	Rs
<b><u>Human Resources &amp; Related Costs</u></b>	<b>Sch-12</b>		
Salary Payments		129,243	112,398
		<u>129,243</u>	<u>112,398</u>
<b><u>Administrative &amp; General Expenses</u></b>	<b>Sch-13</b>		
Advertisement Expenses		7,000	8,250
AGM Expenses		5,525	500
Audit fees		15,000	15,000
Bad Debts Written off		-	560,800
Consultancy fees		22,700	20,500
Conveyance		7,505	7,040
Director Sitting fees		25,000	-
Filing Fees		7,660	6,400
General expenses		5,24,295	61,500
Legal Fees		-	12,000
Office Expenses		-	5,205
NSDL & CDSL Charges		63,386	59,174
Postage, Telegram & Courier		147,679	137,416
Printing & Stationery		48,800	47,271
Telecommunication Expenses		11,456	11,775
Rates & Taxes		3,154	4,548
		<u>894,160</u>	<u>957,379</u>
<b><u>Interest &amp; Financial Charges</u></b>	<b>Sch-14</b>		
Bank Commission		2872	690
		<u>2872</u>	<u>690</u>

**ASHRAM ONLINE.COM LIMITED**

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2010**

<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>	31.03.2010	31.03.2009
	Rs	Rs
Net Profit after tax and extraordinary items	(1,283,258)	(1,813,200)
Adjustments for :		
Add : Depreciation	23,342	28,557
Provision for tax	-	-
	<u>(1,259,916)</u>	<u>(1,784,643)</u>
Less: Adjustments for :		
Interest Income	1,351,712	1,023,286
Deffered Tax adjustments	2,635	3,528
Misc. Expenditure w/off	(1,582,718)	(1,740,990)
Operating Profit before Working Capital Changes	<u>(1,488,287)</u>	<u>(1,070,467)</u>
Adjustments for :		
Less : Decrease in Current Liabilities	11,154	31,949
Add : Decrease in Current Assets	7,549,179	(7,431,240)
<b>Net Cash Flow form Operating activities (A)</b>	<u><b>(8,797,941)</b></u>	<u><b>6,328,824</b></u>
 <u>B. CASH FLOW FROM INVESTING ACTIVITIES</u>		
Sale of Fixed Assets	28,283	-
Interest Income	1,351,712	1,023,286
Transfer of Investments	7,500,000	(5,008,609)
<b>Cash Flow from Investment Activities (B)</b>	<u><b>8,879,995</b></u>	<u><b>(3,985,323)</b></u>
 <u>C. CASH FLOW FROM FINANCE ACTIVITIES</u>		
Repayment of Unsecured Loans	-	(1,008,090)
<b>(C)</b>	<u><b>-</b></u>	<u><b>(1,008,090)</b></u>
<b>Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<u><b>82,054</b></u>	<u><b>1,335,411</b></u>
Cash and cash Equivalents as on 31.03.2009	1,405,022	69,611
Cash and cash Equivalents as on 31.03.2010	1,487,076	1,405,022
<b>Net Increase/(Decrease) in Cash Balances</b>	<u><b>82,054</b></u>	<u><b>1,335,411</b></u>

**AUDITOR'S STATEMENT**

I have examined the above Cash Flow Statement of M/s Ashram Online.com Limited for the period ended March 31st 2010. The statement has been prepared by the company in accordance with the requirements of Accounting Standard 3 and is based on and derived from and where applicable are in agreement with the profit and Loss a/c and Balance sheet of the company covered by our report dated 31st May 2010 to the members of the company.

*for K. Subramanyam & Co.,  
Chartered Accountants  
Sd/-  
K. Subramanyam  
Proprietor  
Membership No.023663*

*Place : Chennai  
Date : 31.05.2010*

**SCHEDULE 15**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31<sup>ST</sup> MARCH 2010**

**Brief description of the Company and its Business**

ASHRAM ONLINE.COM LIMITED was incorporated in India, and is engaged in the Business of building high class Infrastructure for promoting health, sports, tourism and providing wide range of infrastructure facilities for the corporate and business organisations.

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared to comply in all material respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and except for the changes in accounting policy discussed ore fully blow if any, are consistent with those used in previous year.

**REVENUE RECOGNITION**

Incomes have been recorded on the basis of accrual system of accounting.

**B. USE OF ESTIMATES**

The preparation of financial statement sin conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

**C. FIXED ASSETS AND DEPRECIATION**

1. The Fixed Assets are stated at cost of their acquisition less depreciation.
2. Depreciation is provided on fixed assets, on written down value method, as per the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on fixed assets added / disposed off/discarded during the year has been provided on pro-rata basis with reference to the date of addition/discarding.

**D. VALUATION OF CLOSING STOCK**

There are no Closing Stock of Inventories at the end of the year, hence the valuation of the same at the end of the year is not called for.

**E. PREOPERATING EXPENSES**

Pre-Operating Expenses and related expenses incurred for the project are written off over a period of ten years commencing from current year

**F. INVESTMENTS**

Investments are classified as long-term and current investments. Long-term investments are shown at cost, or written down value (in case of other than temporary diminution) and there are no Current Investments in the company. The market value of the long term investments is not readily available and under given case the book value per share (NAV basis) has been determined on the basis of available latest financial statements of the respective company and the same has been treated as market value.

**G. RETIREMENT BENEFITS**

Contribution of Provident fund, Gratuity and Leave encashment benefits wherever applicable is being accounted on actual liability basis as and when arises. However the above referred provisions are not applicable to the company as it does not have employess who have served minimum period to become eligible for retirement benefits.



**H. TAX ON INCOME**

- a. Tax on income for the current period is determined on the basis of Taxable Income computed in accordance with the provisions of the Income Tax Act 1961.
- b. Deferred Tax on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date as per the Accounting Standard (AS 22) laid down by the Institute of Chartered Accountants of India (ICAI)

**I. EARNINGS PER SHARE (EPS)**

The earnings considered in ascertaining the Company's earnings per share is net profit after tax. The earnings per share for the year is Rs -0.107 as compared to the previous year of Rs. -0.151. The EPS reported is basic and diluted.

**J. RELATED PARTY DISCLOSURES**

The Company had no transactions with the related parties during the year under review other than temporary current account transactions.

**K. IMPAIRMENT OF ASSETS**

As required by AS-28 issued by the Institute of Chartered Accountants of India, provision for impairment loss of Assets is not required to be made as the estimated realizable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet.

**L. SEGMENTAL REPORTING**

The company is engaged primarily in the one segment, accordingly there are no separate reportable segment as per the accounting standard 17 (Segmental Reporting ) issue by the Institute of Chartered Accountants of India.

**M. DUES TO SME'S**

Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the company as at March 31,2010.

**N. AUDITORS RENUMERATION**

	<u>2009-10</u>	<u>2008-09</u>
Statutory Audit Fees (Rs) (all inclusive)	15000/-	15000/-

**O. GENERAL**

- a. The figures for the previous year have been regrouped / reclassified / rearranged where ever necessary with the conformity with the current year figures for facilitating proper comparisons.
- b. The figures have been rounded off to the nearest rupee.

**Signatories to Schedule 1 to 15**

As per our Report of even date attached  
For K SUBRAMANYAM & CO  
Chartered Accountants

For and on behalf of the Board of Directors  
for ASHRAM ONLINE.COM LIMITED

Sd/-

Sd/-

K SUBRAMANYAM  
Proprietor  
M.No.023663

S PANNLAL TATIA  
Chairman cum Managing Director

S P BHARAT JAIN TATIA  
Director

Place : Chennai  
Date : 31<sup>st</sup> May 2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES, 1956**

**I Registration Details**

Registration No. : 2 0 7 6 4

State No. 1 8

Balance Sheet Date 3 1 0 3 2 0 1 0  
Date Month Year

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

Public Issue

Nil

Right Issue

Nil

Bonus issue

Nil

Nil

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

Total Liabilities

1 2 1 1 5 1

Total Assets

1 2 1 1 5 1

**Sources of Funds**

Paid up Capital

1 1 9 5 0 9

Reserves & Surplus

1 6 4 2

Secured Loan

Nil

Unsecured Loan

Nil

**Application of Funds**

Net Fixed Capital

1 1 9

Investments

1 2 2 7 8

Net Current Asset

9 9 2 5 7

Misc.

9 4 9 6

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

Turnover

1 3 5 4

Total Expenditure

2 6 0 9

Profit / Loss Before Tax

(-) 1 2 7 8

Profit / Loss After Tax

(-) 1 2 7 8

Earning per Share in Rs.

(-) 0 1 0 6

Dividend Rate

Nil

**V. Generic Name of three Principal Products/ Services of Company (as per monetary terms)**

Real Estates & Infrastructure Developments

ASHRAM ONLINE .COM LIMITED  
Regd. Office. "Prince Tatia Info Park", No. 81 B Second Main Road  
Ambattur Industrial Estate , Chennai – 600 058  
Email : tatia @vsnl.com

PROXY FORM

I / We ..... of ..... being a Member (s) of Ashram Online Com Limited, hereby  
appoint ..... of ..... or failing him / her at Nineteenth Annual General Meeting of the  
Company to be held on 30th September 2010 at Samughanalakudam, Vallanur, Amabatur, Chennai –  
600062 , 9.00 A.M or at any adjourned date thereof.

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

Address

Signature .....

No. of Shares held:

Members Folio No. / Client ID No.

1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
2. Proxy need not be a member.

ASHRAM ONLINE .COM LIMITED  
Regd. Office. "Prince Tatia Info Park" No. 81 B Second Main Road  
Ambattur Industrial Estate , Chennai – 600 058  
Email : tatia @vsnl.com

ATTENDANCE SLIP

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company being  
held on Thursday 30th September 2010 at Samughanalakudam, Vallanur, Amabatur, Chennai – 600062 ,  
9.00 A.M

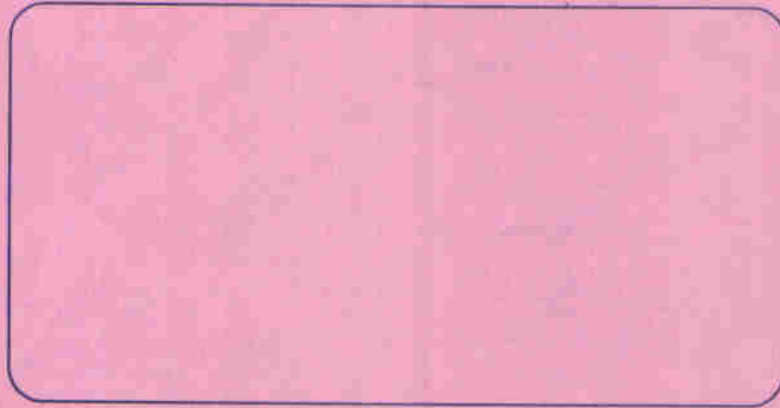
Full Name of the Member attending:

FolioNo./Client ID No.

Signature

Note : Member attending the meeting in person is requested to complete the attendance slip and hand it over  
at the entrance of the meeting hall. No attendance slip will be issued at the time of Meeting.

BOOK - POST



If undelivered, please return to :

**ASHRAM ONLINE.COM LIMITED**

Regd. Office :

"Prince Tatia Info Park",

No.81 B, Second Main Road,

Ambattur Industrial Estate,

Chennai - 600 058.