

# **21<sup>st</sup> Annual General Meeting**

**Date:** 30<sup>th</sup> September

**Time:** 11 a.m

**Place:** 202A, Arunachal Building, 19 Barakhamba Road,  
Connaught Place, New Delhi

**Day:** Friday

# **ACHAL INVESTMENTS LIMITED**

*Regd Off: 202A, Arunachal Building, 19 Barakhamba Road, Connaught Place,  
New Delhi-110001*

## **Notice**

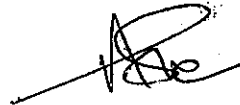
Notice is hereby given that the Annual General Meeting of the Company will be held at its registered office at 202A, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi-110001 on Friday the 30<sup>th</sup> day of September 2011 at 11.00 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011, the Profit & Loss Account for the year ended as on that date and the Reports of Directors and Auditors thereon.
2. Shri Mukesh Agrawal retires by rotation at this Annual General Meeting and is not to be re appointed as director.
3. To appoint M/s. Kumar Anoop & Co., Chartered Accountants as statutory Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To confirm appointment of Mr. Parag Mittal as a Director of Company.
5. To confirm appointment of Mr. Prakash Chand Agrawal as a Director of Company

For and on behalf of the Board of Directors of  
**ACHAL INVESTMENTS LIMITED**

Date: -02/09/2011  
Place: -New Delhi



**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 the proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.
2. Members are requested to intimate change in their address immediately at the Company's Registered Office.
3. Members are requested to bring their copies of the annual report to the meeting.
4. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Members are requested to quote ledger folio number in their corers.
6. The register of Members and share Transfer books of the company will remain closed from 25<sup>th</sup> September 2011 to 29<sup>th</sup> September 2011.

# **ACHAL INVESTMENTS LIMITED**

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New Delhi-110001*

## **Director's Report**

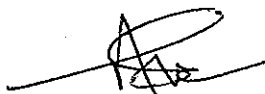
The Board of Directors are pleased to present the Annual Report of the Company for the financial year ended March 31, 2011.

## **Financial Activities and Results**

The Company's other income of Rs 10,178(Previous year Rs.9, 875). During the financial year under review, the (Loss) before depreciation and tax was Rs 1,35,241 {(Previous year Rs.1,43,405)}, Depreciation during the year was Rs Nil (Previous year was Rs. Nil). After transferring Nil amount of to General Reserve (Previous year Rs. Nil) and no payment of dividend (Previous year Rs. Nil) and no amount to Income tax for earlier years (Previous year NIL) the (loss) carried to Balance Sheet amounted to Rs.(28,833,203) {(Previous year Rs. (28,697,962)}.

## **Financial Results**

	For the year 2010-11	For the year 2009-10
	(Rupees in thousands)	(Rupees in thousands)
Sales and other income	10,178	9,875
Less: Operating Expenses	1,45,419	1,53,280
Profit/(Loss) before Depreciation & Tax	(1,35,241)	(1,43,405)
Less: Depreciation	0.00	0.00
Profit/(Loss) before tax	(1,35,241)	(1,43,405)



Less: Current Tax & FBT	0.00	0.00
Profit/(Loss) after tax	(1,35,241)	(1,43,405)
Add:- Deferred tax	0.00	0.00
	(1,35,241)	(1,43,405)
Less: Income tax of earlier years	0.00	0.00
	(1,35,241)	(1,43,405)
Add: Profit/(Loss) brought forward	(28,697,962)	(28,554,557)
Profit/(Loss) available for appropriation	(28,833,203)	(28,697,962)
Less:- Transferred to General Reserve	0.00	0.00
Dividend	0.00	0.00
Balance carried to Balance	(28,833,203)	(28,697,962)

### Dividend

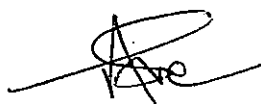
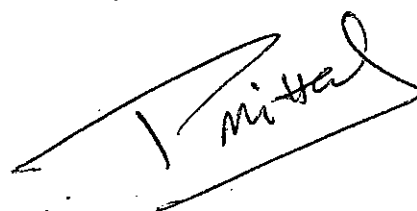
The Board of Directors have not declared any dividend during the Financial Year ended March 31st, 2011 because of inadequacy of profits.

### Fixed Deposits

The Company has not accepted any deposits during the financial Year.

### Statutory Auditors

M/s. kumar Anoop & co. Chartered Accountants, New Delhi, Auditors of the company retire at the conclusion of ensuing Annual General Meeting and being eligible for appointment offer themselves for appointment and are to be appointed as auditor of the Company..

## Managerial Remuneration

There has been a cordial relationship between the management and staff of the company. No employee was in receipt of remuneration in excess of Rs.24, 00,000.00 p.a. if employed for the full year or Rs.2,00,000.00 p.m. if employed for part of the year. Therefore, the information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) rules 1975 are not being given.

## Auditor's Report

All statements stated in the Auditor's Report are self explanatory.

## Corporate Governance.

Clause 49 of the listing Agreement provides the code for corporate governance prescribed by SEBI for listed Indian Companies. Compliance of conditions of corporate governance are made by the company. An Auditor of the Company certifying the Company's compliance with the requirements of Corporate Governance stipulated under Clause 49 of the Listing Agreement is attached with the Corporate Governance Report.

a) Name and address of the stock exchanges where the securities are listed.

1. The Delhi Stock Exchange Association Ltd.,  
DSE House, 8/1 Asaf Ali Road,  
New Delhi 110002

## Particulars u/s 217 (1) (e)

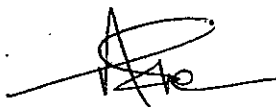
Company is engaged in investment activity, but there is nothing to be disclosed in report about conservation of energy. No agreement has been entered into for technology absorption. Foreign Exchange earnings are NIL and outgo are NIL.

## Compliance Certificate

The Company has appointed Company Secretary for issuing Compliance Certificate for the financial year ended March 31<sup>st</sup>, 2011.

## Board Meetings

The Board of directors met duly Eleven times on 30<sup>th</sup> Day of April 2010, 15<sup>th</sup> Day of June 2010, 30<sup>th</sup> Day of July, 31<sup>st</sup> Day of July, 31<sup>st</sup> Day of August 2010, 01<sup>st</sup> Day of September 2010, 04<sup>th</sup> Day of October 2010, 30<sup>th</sup> Day of October 2010, 08<sup>th</sup> Day of November, 31<sup>st</sup> Day of January 2011, 31<sup>st</sup> Day of March 2011.



## Corporate Governance Certificate

M/S kumar Anoop & co., Chartered Accountants have issued Certificate on Corporate Governance the copy of which has been attached as a separate annexure to the Annual Report.

### Board of Directors

Among the Board of Directors Mr. Mukesh Agrawal retire by rotation at the ensuing Annual General Meeting and is not to be reappointed as director considering his term to hold office as a director in the Company.

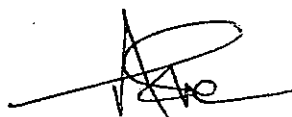
### Management Discussion and Analysis

The Indian Economy faced significant slowdown in growth momentum in 2010-2011 driven by a severe downturn in the global economy on the back of sustained pressure on the global financial system, At present a recovery in consumption holds the key to a more stable growth outlook for the Indian Economy , High inflation and a tight monetary requirement acted as primary dampeners for consumption in the first half of 2010-2011, The management has analyzed that the Company needs to take some major steps to mobilize its earning.

### Director's Responsibility Statement

Pursuant to the requirements of the provisions of the Companies Act, as amended by Companies (Amendment) Act, 2000 your directors confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgements 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.
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) that the Directors have prepared the annual accounts on a going concern basis.

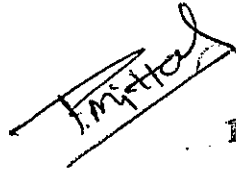


## Acknowledgement

Your Directors wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year. Your Directors also wish to place on record their deep sense of appreciation for the contributions made and committed services rendered by the employees of the Company.

For and on behalf of Board of Directors  
**Achal Investments Limited**

Place: New Delhi  
Date: 02/09/2011

A handwritten signature in black ink, appearing to read 'Mittal', written over a rectangular box.

Director

A handwritten signature in black ink, appearing to read 'Ade', written over a rectangular box.

Director

**Anand Kumar Singh**  
Company Secretaries  
ACS

Flat No. 275, Pocket -13, Phase-I,  
DDA LIG Flats, Manglapuri Extn, Dwarka,  
New Delhi - 110 045  
E-mail: raghuvanshi.ak.singh@gmail.com

### COMPLIANCE CERTIFICATE

Registration No. of the Company : L65993DL1980PLC010636  
Nominal Capital : 50,000,000.00/-

The Members,  
To,

ACHAL INVESTMENTS LIMITED,  
202A, Arunachal Building, 19 Barakhamba Road,  
Connaught Place, New Delhi-110001,

I have examined the registers, record, books and papers of Achal Investments Limited, having its registered office at 202A, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi-110001, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Article of Association of the company for the financial year ended on 31<sup>st</sup> March, 2011 (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as the case may be applicable within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company the comments are not required
4. The Board of Directors duly met Eleven (11) times respectively on 30<sup>th</sup> Day of April 2010, 15<sup>th</sup> Day of June 2010, 30<sup>th</sup> Day of July, 31<sup>st</sup> Day of July 2010, 31<sup>st</sup> Day of August 2010, 01<sup>st</sup> Day of September 2010, 04<sup>th</sup> Day of October 2010, 30<sup>th</sup> Day of October 2010, 08<sup>th</sup> day of November 2010, 31<sup>st</sup> Day of January 2011, 31<sup>st</sup> Day of March 2011, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has not closed its Register of Members during the financial year under scrutiny.





**Anand Kumar Singh**  
Company Secretaries  
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6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 30<sup>th</sup> September 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Extra ordinary general meeting was held during the financial year through Postal Ballot.
8. The company has not given any loan or provided any guarantee to any director or any concern Specified in Section 295 of the Act during the financial year
9. The company has not entered into any contract falling within the purview of section 297 of the Act.
10. The company has not entered entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company has:
  - a. Not made any allotment/transfer/transmission of securities during the financial year.
  - b. Not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
  - c. Not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - d. duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was change in management through postal ballot but there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.



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16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have not disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures (during the financial year).
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the financial year as specified under section 293(1) (d) of the Act.
25. The company has not made any investment in or given any loans to other bodies corporate during the financial year hence it was not required to make any entries in the register kept for the purpose in compliance with the provisions of the Act.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the Act.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.
30. The company has not altered its Articles of Association.



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31. There was/were no prosecutions initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial Year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.



*Anand K. Singh*

**ANAND KUMAR SINGH**  
(Company Secretaries)  
CP.No: 9404

Place: New Delhi  
Date: 02/09/2011

**Anand Kumar Singh**  
**Company Secretaries**  
**ACS**

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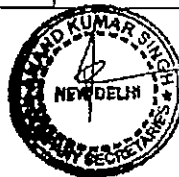
**ANNEXURE-A Registers as maintained by the Company**

S. No.	Particulars	Under Section
1	Register of Members	u/s 150
2	Minutes Book for the meetings of Directors	u/s 193
3	Minutes book for shareholders meetings	u/s 193
4	Register of Contracts in which Directors are Interested	u/s 301
5	Register of directors, managing /whole time directors	u/s 303
6	Register of Directors Shareholding	u/s 307

**Annexure - B:**

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2011.

S. No.	Form No./Return	Filed U/s	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fees paid or not
1	Form 32	303	04/06/2010	NO	YES
2	Form 66	383A	24/06/2010	NO	YES
3	Form 23AC & ACA	220	30/06/2010	NO	YES
4	Form 20 B	159	30/07/2010	NO	YES
5	Form 32	303	06/12/2010	NO	YES
6	Form 32	303	09/07/2010	NO	YES
7	Form 23	192	12/10/2010	YES	N.A.



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8	Form 66	383A	08/02/2011	NO	YES
09	Form 23AC & ACA	220	11/02/2011	NO	YES
10	Form 20 B	159	11/02/2011	NO	YES



## CORPORATE GOVERNANCE REPORT

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

Corporate Governance as a systemic process by which companies are directed and controlled to Enhance their wealth-generating capacity. Since large corporations employ a vast quantum of societal resources, company believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the "triple bottom line", namely the conservation and development of the nation's economic, social and environmental capital.

### **COMPOSITION, CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES**

#### **Board of Directors:**

The Company has a strong and broad based Board constituting of five Directors.

<b>Name of the Director</b>	<b>Category</b>	<b>Designation</b>
Anita Aggarwal	Non Executive	Director
Ashok Agrawal	Independent/Non - Executive	Director
Mukesh Agarwal	Director	Director
Prakash Chand Agrawal	Non Executive	Director
Parag Mittal	Non Executive	Director

#### **Director's Attendance Record**

During the Financial year 2010-2011, 11 meetings of the Board were held on 30.04.2010, 15.06.2010, 30.07.2010, 31.07.2010, 31.08.2010, 01.09.2010, 04.10.2010, 30.10.2010, 08.11.2010, 31.01.2011 & 31.03.2011.

<b>Name of the Director</b>	<b>No. of Board Meeting held</b>	<b>No of Board Meeting Attended</b>	<b>Last AGM Attended</b>
Anita Aggarwal	11	11	NA
Ashok Agrawal	11	11	NA
Mukesh Agarwal	11	10	NA
Prakash Chand Agrawal	11	10	Yes
Parag Mittal	11	11	Yes

### Audit Committee:

#### a) Terms of Reference:

The role of the Committee includes overseeing the financial reporting process and disclosure of the financial information, recommending appointment/ removal of the statutory auditors and fixing their remuneration, reviewing the financial statement before submission to the Board etc. Minutes of the meeting of the Audit Committee are circulated to members of the Audit Committee and the Board is kept apprised.

#### b) Composition & Meetings:

During the financial year 2010-2011, 5 Meetings were held on 30.04.2010, 15.07.2010, 01.09.2010, 31.01.2011 & 31.03.2011. The attendance of the members at the meeting was as follows:

Name of the Director	Designation	Meeting held	No. of meeting Attended
Ashok Agrawal	Director	5	5
Prakash Chand Agrawal	Director	5	5
Parag Mittal	Director	5	5

### Remuneration Committee

The Board of Directors does constitute a Remuneration Committee during the year under review.

### INVESTOR'S GRIEVANCES/ TRANSFER COMMITTEE

Your Company has constituted a Investor Grievances Committee headed by Mr. Ashok Agarewal, a Non Executive Director to Specially look into redressing of Shareholder's Investor's complaints. As during the year neither any complaint nor share transfer request has been received from any Shareholder, therefore no Shareholder's/investor's Grievances Committee meeting was held.

### Details on General Meetings/ Last 3 Annual General Meetings

Details about Last 3 years Annual General Meetings are as under:

Sr. No	Date	Place	Date & Time	Special Resolution
1.	2007-2008	A -4, Kallindi, New Delhi	22/08/2008; 11:00 A.M	No special resolution was passed
2	2008-2009	202A ,Arunachal Building, Barakhamba Road, Connaught Place, Delhi - 110001	30/09/2009: 11:00 A.M	No special resolution was passed
3	2009-2010	202A, Arunachal Building, Barakhamba, Connaught Place, New Delhi - 110001	30.09.2010 : 1:00 P.M	No special resolution was passed

### **MEANS OF COMMUNICATION**

- a. At present quarterly/half yearly reports are being sent to the Shareholders.
- b. The quarterly/half yearly/ annual results are published in Newspaper.

### **GENERAL SHAREHOLDER INFORMATION**

(i) Annual General Meeting : Thursday , Date: 30<sup>th</sup> September, 2011, Time: 11:00 A.M  
Venue :202A, Arunachal Building, 19 Barakhmba Road, Connaught Place, New Delhi - 110001.

(ii) Financial Calendar for the Year 2011-2012

Financial Reporting for the quarter ended 30 <sup>th</sup> June, 2011	31st July, 2011
Financial Reporting for the quarter ended 30 <sup>th</sup> Sept, 2011	end of October, 2011
Financial Reporting for the quarter ended 31 <sup>st</sup> Dec, 2011	end of January, 2012
Financial Reporting for the quarter ended 31 <sup>st</sup> March, 2012	end of April, 2012

(iii) Dates of Book Closures 25.09.2011 to 29.09.2011

(iv) Dividend Payment Dates N.A

(v) Listing on Stock Exchanges:

The shares of the Company are listed on Stock Exchange at New Delhi..



**Related parties Transactions:**

The Company has not entered into any transaction of material nature, with the promoters, the Directors or the Management, their subsidiaries or relative etc., that may have any potential conflict with the interest of the Company.

**Subsidiary Company:**

There is no subsidiary company of the Company.

**Code of Conduct:**

All the Directors, have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

Place: Delhi

Dated: 02<sup>nd</sup> September, 2011

**For on Behalf of Board of Director  
Achal Investments Limited  
Sd/-  
Director**

## DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, this is to confirm that all the members of the Board have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2011.

Date: 02nd September, 2011  
Place: New Delhi

Sd/-  
Director

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## CEO/CFO CERTIFICATE

I, Prakash Chand Agarwal, Director of ACHAL INVESTMENTS LIMITED hereby certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2011 and that to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) There are no instances of significant fraud of which we 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 over financial reporting.

Date: 02/09/2011  
Place: New Delhi

Prakash Chand Agarwal  
Director

Certificate on the company of condition of corporate Governance under clause 49 of the Listing Agreement

To

The Members

ACHAL INVESTMENTS LIMITED

We have examine the relevant record relating to compliance of condition of corporate governance by ACHAL INVESTMENTS LIMITED for the year ended 31st March 2011 as stipulated in clause 49 of the listing Agreement of the said company with the Stock exchange.

The compliance of the condition of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring compliance with the condition of corporate governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation give to us and on the basis of our examination above the company has complied with the condition of corporate governance as stipulated in clause 49 of the listing agreement.

No investor grievance is pending for a period exceeding one month against the company as per records maintained by the company.

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

Date: 02/09/2011

Place: New Delhi



KUMAR ANOOP & COMPANY  
CHARTERED ACCOUNTANT

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRIAL SCENE

The unfavorable investment climate in the country coupled with significantly low inflow of foreign investment kept the stock market weak for the major part of the year. In an effort to maintain a balance between growth and inflation, RBI is seemingly more concerned about high inflation than slow rate of growth. The financial sector is eagerly waiting for the fall in inflation followed by the rate cut which is likely to help the sector regaining its lost ground.

### STRENGTHS

The Company yet to work out its future working strategy. The management will strengthen its working force to keep pace with the market condition as and when it plans to start activities at certain level.

### THREATS

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk.

### COMPANY'S OUTLOOK

The Company intends to start its activity in near future.

### RISK MANAGEMENT

The management ensures that all the moveable assets of the company are adequately secured.

### INTERNAL CONTROL SYSTEM

The internal control systems are commensurate with the size scale and nature of operation of the Company.

Date: 02/09/2011

Place: New Delhi

For and on behalf of the Board  
ACHAL INVESTMENTS LIMITED

Sd/-  
Director

Sd/-  
Director

# KUMAR ANOOP & CO.

Chartered Accountants  
Room No. 220, 2<sup>nd</sup> Floor,  
D-355, Shri Laxmi House,  
Vikas Marg, Laxmi Nagar,  
Delhi-110092

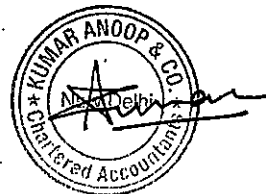
## AUDITOR'S REPORT

To the members of M/S ACHAL INVESTMENT LIMITED.

1. We have audited the attached Balance Sheet of M/s ACHAL INVESTMENT LIMITED, as at 31<sup>st</sup> March 2011, Profit and Loss Account and cash flow 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 conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order. .

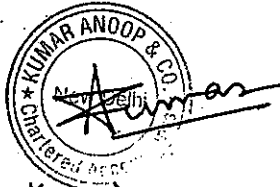
Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and cash flow dealt by this report are in agreement with the books of account;



- iv) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow 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 2011, 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 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2011,; and
  - (b) in the case of the Profit and Loss Account, the Loss of the Company for the year ended on that date.
  - (c) in the case of cash flow statement, of the cash flow for the year ended on that date.

For KUMAR ANOOP & CO.  
Chartered Accountants



(Anoop Kumar)

Prop.

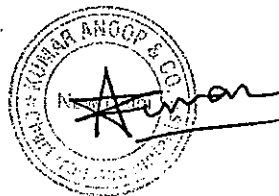
M. No. 508958

Place: Delhi

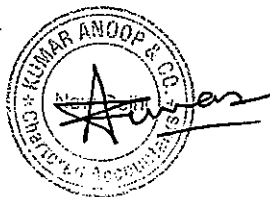
Date: 04.07.2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
  - (b) As per explanation given to us a portion of the fixed assets has been physically verified by the management during the year and there is a regular program of physical verification, which, in our opinion, is reasonable having regard to the size of the company and nature of the assets. No material discrepancies were noticed on such verification.
  - (c) In our opinion and as per information and explanation provided to us significant part of fixed assets has been disposed off during the year.
2. (a) The company does not have any Inventories during the year. Therefore clauses (b) and (c) are not applicable.
3. (a) As per Information and explanation provided to us the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act and hence the clauses (b),(c),(d)are not applicable to the company.
  - (e) As per Information and explanation provided to us the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act and hence the clauses(g) and (f) not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) As per the available records, In our opinion the company has not entered into any transaction, which in our opinion needs to be entered into the register maintained under section 301 and hence Clause (b) not applicable.
6. According to the information provided to us and in our opinion the company has not accepted any deposits from the public during the year.



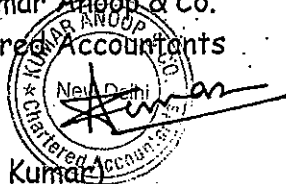
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to the explanations given to us the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, to the company.
9. (a) In our opinion and as per the information provided to us the Company is regular in depositing undisputed statutory dues including Provident Fund, investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding, as at for a period of more than six months from the date they became payable.
10. The accumulated losses of the company are more than fifty percent of the net worth of the company. During the current year the company has incurred a cash loss of Rs. 1, 35,241/- as compared to Rs. 1, 43,405/- during the last year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
12. As per information and explanations provided to us the company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. (a) In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (Xiii) of the (Auditor's Report) Order 2003 are not applicable to the Company.
- (b) In our opinion and as per the information and explanation provided to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
14. According to the information and explanations given to us, the company holds shares, securities, in its own name.





15. As per information and explanations given to us, the company has not during the year given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information provided to us the Company has not availed any term loans during the financial year.
17. In our opinion and according to the information and explanations provided to us the Company has not raised any funds on short-term basis during the financial year.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. In our opinion and as per the information and explanation provided to us the company has not issued any debentures during the year.
20. As per the available information and explanations the company has not raised money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Kumar Anoop & Co.  
Chartered Accountants



(Anoop Kumar)  
Proprietor  
M.No. 508958

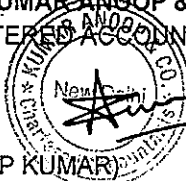
Place: Delhi  
Date: 04.07.2011

**M/S ACHAL INVESTMENTS LIMITED**  
**BALANCE SHEET AS AT 31.03.2011**

PARTICULARS	SCH. NO.	AMOUNT (RS.) AS AT 31.03.2011	AMOUNT (RS.) AS AT 31.03.2010
<b>SOURCES OF FUND</b>			
<u>Shareholders funds</u>			
Share Capital	1	42,425,250	42,425,250
Unsecured loans	2	974,038	974,038
		<b>43,399,288</b>	<b>43,399,288</b>
<b>APPLICATION OF FUND</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Cash & Bank Balance	3	1,206,491	1,341,732
Loans & Advances	4	13,912,358	13,912,358
		<b>15,118,849</b>	<b>15,254,090</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	5	216,870	216,870
Provisions	6	335,894	335,894
		<b>552,764</b>	<b>552,764</b>
<b>Net Current Assets</b>		<b>14,566,085</b>	<b>14,701,326</b>
<b>Profit &amp; Loss Account</b>		<b>28,833,203</b>	<b>28,697,962</b>
		<b>43,399,288</b>	<b>43,399,288</b>

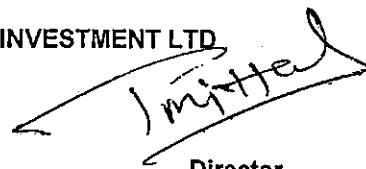
Notes on accounts and significant accounting ; 11  
annexed are forming part of accounts.

As per our Audit Report of even date attached  
**FOR KUMAR ANOOP & COMPANY**  
**CHARTERED ACCOUNTANT**

  
**(ANOOP KUMAR)**  
**PROPRIETOR**  
M.NO. 508958  
Place: New Delhi  
Date : 04/07/2011

For ACHAL INVESTMENT LTD

  
Director

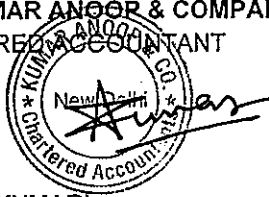
  
Director

**M/S ACHAL INVESTMENTS LIMITED**  
**PROFIT & LOSS ACCOUNT for the year ended March31,2011**

PARTICULARS	SCH. NO.	AMOUNT (RS.) AS AT 31.03.2011	AMOUNT (RS.) AS AT 31.03.2010
<b><u>INCOME</u></b>			
Other Income	7	10,178	9,875
		<b>10,178</b>	<b>9,875</b>
<b><u>EXPENDITURE</u></b>			
Establishment Exp.	8	60,000	60,000
Administrative Exp.	9	85,419	90,017
Financial Exp.	10	-	3,263
		<b>145,419</b>	<b>153,280</b>
Profit/(Loss) before Tax		(135,241)	(143,405)
Less: Provision for Tax		-	-
Profit After Tax		(135,241)	(143,405)
Add: Brought forward Profit/ (Loss)		(28,697,962)	(28,554,557)
<b>Balance Carried forward to Balance Sheet</b>		<b>(28,833,203)</b>	<b>(28,697,962)</b>

Notes on accounts and significant accounting policies annexed are forming part of accounts. 11

As per out Audit Report of even date attached  
**FOR KUMAR ANOOP & COMPANY**  
 CHARTERED ACCOUNTANT



(ANOOP KUMAR)  
 PROPRIETOR  
 M.NO. 508958  
 Place: New Delhi  
 Date : 04/07/2011

For ACHAL INVESTMENT LTD

*[Signature]*  
 Director

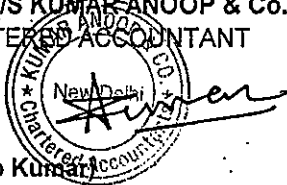
*[Signature]*  
 Director

**M/S ACHAL INVESTMENTS LIMITED  
CASH FLOW STATEMENT**

	AMOUNT (RS.) AS AT 31.03.2011	AMOUNT (RS.) AS AT 31.03.2010
<b>A. CASH FLOW FOR OPERATING ACTIVITIES</b>		
Net loss before tax and extra ordinary items	(135,241)	(143,405)
Operating Profit before working capital changes	(135,241)	(143,405)
Loan Repayment		
Other Liabilities Increased/ (Decreased)	-	1,176
Other Current Assets (Increased)/ Decreased		
Cash generated from operations	-	1,176
Interest Paid		
Taxes Paid		
Net Cash from operating activities	(135,241)	(142,229)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchased/ sale of fixed assets		
Purchase/ sale of Investments		
Income from Investment/ interest		
Net Cash used in Investing Activities	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings		
Public Deposits		
Dividend Paid (Including Dividend Tax)		
Net cash used in Financing Activities	-	-
Net(-) Decrease /(+ ) Increase in cash and Cash Equivalent (A+B+C)	(135,241)	(142,229)
Cash and Cash Equivalent as at 01/04/2010	1,341,732	1,483,961
Cash and Cash Equivalent as at 31/03/2011	1,206,491	1,341,732

The Statement has been prepared by the company in accordance with the requirement of clause 32 of Listing Agreement with Delhi Stock Exchange and is based on AS - 3, issued by the ICAI.

FOR M/S KUMAR ANOOP & Co.  
CHARTERED ACCOUNTANT



(Anoop Kumar)  
Proprietor  
M.No. 508958

For ACHAL INVESTMENT LTD

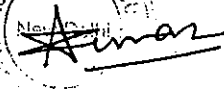
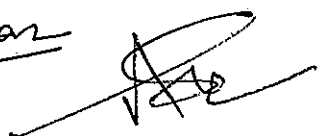
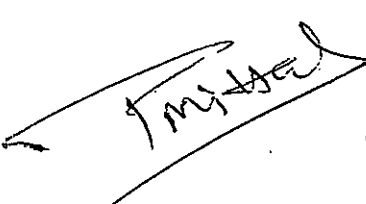
*[Signature]*      *[Signature]*  
Director                      Director

Place: New Delhi  
Dated:04/07/2011

**M/S ACHAL INVESTMENTS LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2011**

SCHEDULE - 1	AMOUNT (RS.) AS AT 31.03.2011	AMOUNT (RS.) AS AT 31.03.2010
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED CAPITAL</u></b>		
5000000 (5000000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID-UP</u></b>		
4243200 (4243200) Equity Shares of Rs. 10/- each fully paid up	42,432,000	42,432,000
Less : Calls in arrears	6,750	6,750
	<b>42,425,250</b>	<b>42,425,250</b>
<b>SCHEDULE - 2</b>		
<b><u>UNSECURED LOANS</u></b>		
<b><u>Unsecured Loans</u></b>	974,038	974,038
A C Maheshwari Trust		
	<b>974,038</b>	<b>974,038</b>
<b>SCHEDULE - 3</b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in hand	1,135,423	1,270,664
Balances with Scheduled bank on Current A/c	71,068	71,068
	<b>1,206,491</b>	<b>1,341,732</b>



SCHEDULE - 4	AMOUNT (RS.) AS AT 31.03.2011	AMOUNT (RS.) AS AT 31.03.2010
<b>LOANS &amp; ADVANCES</b> (Unsecured, considered good, unless otherwise stated) Advance recoverable in cash or in kind or for value to be recd.	13,912,358	13,912,358
	<b>13,912,358</b>	<b>13,912,358</b>
<b>SCHEDULE - 5</b>		
<b>CURRENT LIABILITIES</b> Other Liabilities	216,870	216,870
	<b>216,870</b>	<b>216,870</b>
<b>SCHEDULE - 6</b>		
<b>PROVISION</b> Taxation (net)	335,894	335,894
	<b>335,894</b>	<b>335,894</b>
<b>SCHEDULE - 7</b>		
<b>OTHER INCOME</b> Misc. Income	10,178	9,875
	<b>10,178</b>	<b>9,875</b>
<b>SCHEDULE - 8</b>		
<b>ESTABLISHMENT EXP.</b> Salary & Wages	60,000	60,000
	<b>60,000</b>	<b>60,000</b>
<b>SCHEDULE - 9</b>		
<b>ADMINISTRATION EXPENSES</b> Audit Fees Advertisement Listing & Filing Fees Legal & Professional Printing & Stationery Misc. Expenses	10,000 31,066 20,250 10,000 1,205 12,898	10,000 16,124 49,082 10,000 1,548 3,263
	<b>85,419</b>	<b>90,017</b>
<b>SCHEDULE - 10</b> <b>FINANCIAL CHARGES</b> Bank Charges	-	3,263
	-	<b>3,263</b>



*Final*

SCHEDULE: 11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

A.1 BASIC FOR PREPARATION OF FINANCIAL STATEMENT

The financial statements are prepared under the historical cost convention, in accordance With generally accepted accounting principles and the provision of the companies Act, 1956, as adopted consistently by the company.

A.2 RECOGNITION OF INCOME AND EXPENDITURE

All income and expenditure having material bearing on the financial statements are recognized on the accrual basis.

A.3 RECOGNITION OF EXPENSES

Expenses are accounted on the accrual basis and provisions are made for all known Losses and liabilities.

A.4 TAXATION

Current Tax: Provision for current taxes on income is made on the basis of the actual liabilities for the year.

Deferred Tax : in accordance with Accounting Standard -22 " Accounting for Taxes on income, issued by the Institute of Chartered Accountants of India , the deferred tax for timing difference between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted for subsequently enacted as of the balance sheet date. Deferred Tax liability arising from timing differences are Recognized to the extent there is reasonable certainty that liability can be realized in future.



*[Handwritten signature]*

*[Handwritten signature]*

B. NOTES ON ACCOUNTS

B.1 PAYMENT TO AUDITORS

PARTICULARS	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Audit Fee ( All inclusive)	10,000	10,000

B.2 Provision for tax is based on the assessable profits of the company compute In accordance with the Income Tax Act, 1961.

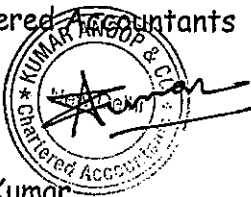
B.3 In the opinion of the Board of Director all current assets, loans and advances have a value of realization in the ordinary course of business at least Equivalent of the amount of which they are stated unless otherwise and these are these are subject to confirmation.

B.4 As of March 31, 2011, the company had no outstanding dues to small scale Industrial undertakings.

B.5 Figures of the previous year have been regrouped or re-arranged wherever necessary.

As per our report of even date  
For and on behalf of

Kumar Anoop & Co.  
Chartered Accountants



Anoop Kumar  
(Prop.)  
M.NO. 508958

for and on behalf of the Board of Director.

  
DIRECTOR

  
DIRECTOR

Place: Delhi  
Date: 04.07.2011



**ACHAL INVESTMENTS LIMITED**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

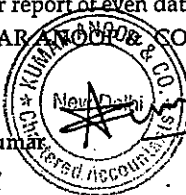
As per Schedule VI of the Companies Act, 1956

FIG. '000'

<b>I</b>	<b>REGISTRATION DETAILS</b>		
	REGISTRATION NO.	:	
	STATE CODE	:	55
	BALANCE SHEET DATE	:	31.03.2011
<b>II</b>	<b>CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)</b>		
	PUBLIC ISSUE	:	Nil
	RIGHTS ISSUE	:	Nil
	BONUS ISSUE	:	Nil
	PRIVATE PLACEMENTS	:	Nil
<b>III</b>	<b>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		
	(Amount in Rs.'000)		
	TOTAL LIABILITIES	:	43,399.29
	TOTAL ASSETS	:	43,399.29
	<b>SOURCES OF FUNDS</b>		
	PAID UP CAPITAL	:	42,425.25
	RESERVES AND SURPLUS	:	Nil
	SECURED LOANS	:	Nil
	UNSECURED LOANS	:	974.04
	<b>APPLICATION OF FUNDS</b>		
	NET FIXED ASSETS	:	Nil
	INVESTMENTS	:	Nil
	NET CURRENT ASSETS	:	14,566.08
	MISCELLANEOUS EXPENDITURE	:	Nil
	ACCUMULATED LOSSES	:	28,833.21
<b>IV</b>	<b>PERFORMANCE OF COMPANY</b>		
	(Amount in Rs. '000)		
	TOTAL INCOME	:	10.18
	TOTAL EXPENDITURE	:	145.41
	PROFIT BEFORE TAX	:	(135.23)
	PROFIT AFTER TAX	:	(135.23)
	EARNINGS PER SHARE (Rs)	:	-
	DIVIDEND RATE (%)	:	Nil
<b>V</b>	<b>GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY</b>		
	ITEM CODE	:	N.A
	PRODUCT DESCRIPTION	:	N.A

As per our report of even date attached  
 For KUMAR ANOOP & COMPANY

Anoop Kumar  
 Proprietor  
 M.No. 508958  
 Place : Delhi  
 Dated : 04/07/2011



For and on behalf of Board of Directors

  
 Director

  
 Director