

Annual Report 2010 - 2011

Asianlak Capital & Finance Ltd.



Asianlak Capital & Finance Limited

BOARD OF DIRECTORS

Jagdish Chander Sharma	Chairman
Pravin Sawant	Managing Director
Ashok Bothra	Independent Director
Navpreet Mago	Independent Director
Ravinder Singh	Independent Director
S. Krishna Rao	Independent Director

16th
Annual Report
2010 - 2011

COMPLIANCE OFFICER

Mr. Chandresh N Shah

AUDITORS

M/s. Bhadresh I Shah
Chartered Accountant

BANKERS

Axis Bank Ltd

REGISTERED OFFICE

LIC Colony, Flat No. 731
Sector 32, CHD Road, Ludhiana
Punjab-141 001

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
No. 9, Shiv Shakti Ind. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011

ANNUAL GENERAL MEETING

Date : 29th September, 2011
Time : 11.30 A.M.
Venue : LIC Colony, Flat No. 731
Sector 32, CHD Road, Ludhiana
Punjab-141 001

C O N T E N T S

- ❖ Notice
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Directors' Report
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Schedules
- ❖ Cash Flow Statement

Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of ASIANLAK CAPITAL & FINANCE LIMITED will be held on Thursday, 29th September, 2011 at 11.30 A.M. at LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001 to transact following business as:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2011.
2. To appoint Director in place of Mr. Navpreet Mago, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Ashok Bothra, who was appointed as an Additional Director of the Company at the Board meeting held on 7th February 2011 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Ashok Bothra for the office of Director of the Company be and is hereby appointed as Director of the Company."

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. S. Krishna Rao, who was appointed as an Additional Director of the Company at the Board meeting held on 7th February 2011 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. S. Krishna Rao for the office of Director of the Company be and is hereby appointed as Director of the Company."

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

"**RESOLVED THAT** Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Pravin Sawant, who was appointed as an Additional Director of the Company at the Board meeting held on 23rd June 2011 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Pravin Sawant for the office of Director of the Company be and is hereby appointed as Director of the Company."

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 22nd September 2011 to 29th September 2011 (both days inclusive).
3. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM and at AGM .
4. The trading in Equity Shares of Company was suspended from trading due to non-compliance of Listing Agreement. The Company has made an Application to BSE for revocation of trading suspension and has filed all requisite documents with BSE.
5. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
6. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
7. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
9. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form

(form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.

10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to quote Folio Number in their correspondence.
13. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Delhi Stock Exchange and Listing Fees for the financial year 2011-2012 have been paid to Bombay Stock Exchange Ltd.

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

Item No. 4

The Board of Directors of your Company appointed Mr. Ashok Bothra as s Additional Director of your Company at the Board meeting held on 7th February 2011 to broad base the Board.

Mr. Ashok Bothra, Age 46, B. Com. is having vast experience in the area of Company Law, Accounts, Audit, Taxation & Capital Market activities since last 15 years and will be added benefit for the Company if he will be among Board of Directors. . Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Ashok Bothra for the office of Director of the Company.

Mr. Ashok Bothra does not hold any shares in his own name or in the name of his relatives.

As on 31st March 2011, he is on the Board of Directors of the following Companies-

Sr. No.	Name of the Company
1.	Blue Circle Services Limited
2.	Unisys Softwares & Holding Industries Limited
3.	JMD Telefilms Industries Limited
4.	First Financial Services Limited
5.	Dynamic Portfolio Management & Services Limited

Further, he is having 2 Committee Chairmanship and 6 Committee Membership in above listed cos. where he is holding position as Director.

Except Mr. Ashok Bothra in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 5

The Board of Directors of your Company appointed Mr. S. Krishna Rao as s Additional Director of your Company at the Board meeting held on 7th February 2011 to broad base the Board.

Mr. S. Krishna Rao, Age 60, B. Com. is having vast experience in the area of Company Law, Accounts, Audit, Taxation & Capital Market activities since last 37 years and will be added benefit for the Company if he will be among Board of Directors. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. S. Krishna Rao for the office of Director of the Company.

Mr. S. Krishna Rao does not hold any shares in his own name or in the name of his relatives. As on 31st March 2011, he is on the Board of Directors of the following Companies-

Sr. No.	Name of the Company
1.	First Financial Services Limited

Further, he is having 1 Committee Chairmanship and 2 Committee Membership in above listed co. where he is holding position as Director.

Except Mr. S. Krishna Rao in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 6

The Board of Directors of your Company appointed Mr. Pravin Sawant as s Additional Director of your Company at the Board meeting held on 23rd June 2011 to broad base the Board.

Mr. Pravin Sawant, Age 40, B. Com. is having vast experience in the area of Finance & Capital Market activities since last 10 years and will be added benefit for the Company if he will be among Board of Directors. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Pravin Sawant for the office of Director of the Company.

Mr. Pravin Sawant does not hold any shares in his own name or in the name of his relatives. As on 31st March 2011, he is on the Board of Directors of the following Companies-

Sr. No.	Name of the Company
1.	JMD Telefilms Industries Limited

Further, he is having 2 Committee Chairmanship and 2 Committee Membership in above listed co. where he is holding position as Director.

Except Mr. Pravin Sawant in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Ludhiana, June 30, 2011

By order of the Board
For Asianlak Capital & Finance Limited

Registered Office :

LIC Colony, Flat No. 731, Sector 32,
CHD Road, Ludhiana, Punjab-141 001

Jagdish Chander Sharma
Chairman

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the 16th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2011.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2011	Year Ended 31.03.2010
Income	8.90	0.70
Profit before Tax & extraordinary item	6.91	0.27
Less : Provision for Taxation	0.00	0.00
Profit after Tax	6.91	0.27
Add: Profit/(Loss) brought forward from Previous Year	(26.00)	(26.27)
Balance carried forward	(19.09)	(26.00)

DIVIDEND

In view of meager profit and in order to conserve resources, your Directors do not recommend any Dividend for the year under review.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy has emerged rapidly from the slowdown caused by the global financial crisis of 2007-09 and remains one of the fastest growing economies of the world. After dipping to 6.8% in 2008-09, GDP growth had recovered sharply to 8% and is projected to remain above this level in 2010-11. Economic and financial events over the year, however, have increased concerns about the sustainability of the growth momentum.

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualize strong economic growth in the advanced economies in 2010 and to a large extent in 2011. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

Apart from above, high current account deficit, particularly in the context of weakening capital inflows, was also a cause of concern, which has hitherto managed to compensate the rising trade deficit. The current account deficit was a manifestation of strong domestic demand and global weakness. This pressure has abated somewhat during the past few months, with rise in exports and slowing (non-oil) imports. However, a strong rebound in India's exports over the past couple of months has considerably reduced the pressure, but India's overall balance of payments remains weaker than expected, putting pressure on the Rupee.

OPPORTUNITIES & THREATS

The Fundamental drives of India's medium term growth prospects remain intact. However, global developments, in conjunction with Indian Policy responses to the concerns noted above, are likely to make 2011-12 a challenging year.

Global economic and financial conditions can be expected to remain adverse for some time, particularly in the aftermath of Japan's natural disaster. Once the current financial year and commodity volatility subsides, deeper structural factors are likely to slow down economic growth, particularly in developed economics. Fiscal consolidation in Europe and an excess supply overhang in the US will probably moderate growth in the second half, together with increasing expectations of policy rate rise to quell rising inflation.

In India, inflationary pressure are likely to persist and hence result in a further, though moderate, monetary policy tightening the impact of which will be increasingly visible, through rising borrowing costs, in fiscal 2012. Increasing savings, high interest rates, an expected lower rise in currency driven by lower food prices, are likely to help deposits to grow stronger in fiscal 2012. However, in light of inflationary pressures and rising interest rates, there is a likelihood that the credit growth momentum might slow in 2011-12.

OVERVIEW OF FINANCIAL AND BUSINESS PERFORMANCE

During 2010-11, the Company has actually started its business activities and has earned small profit during the year. Having laid down its key business objectives and a common vision, it took several steps in fulfilling these goals. The Company focused on strengthening its retail risk appetite in the SME business and filling product gaps in its business.

Your Company is providing Advisory Services to clients and also investing its surplus fund in Capital, Securities Market. The PBT of the Company stood at Rs. 6.91 Lac which is highest among last few years. The Company has worked hard to find new Clients and to satisfy them with the quality of services and continuous support in order to meet their requirements.

RISK MANAGEMENT & CONCERNS

The objective of risk management is to balance the trade-off between risk and returns and ensure optimum risk adjusted return on capital. It entails the identification, measurement and management of risks across the various businesses of the Company. Risk is managed through a framework of policies and principles approved by the Board of Directors and supported by an Independent risk function that ensures that the Company operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate, through quantitative or qualitative examination of the embedded risks. The Company continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Company had developed internal systems for assessing capital requirements keeping in view the business objectives.

The Company has identified following main risks for its business, which needs to be addressed at this point of time :-

1. Credit Risk
2. Market Risk
3. Liquidity Risk
4. Operational Risk

The Company has framed the appropriate business policies to tackle the challenges of above risks and is continually reviewing and modifying these policies in order to face the challenges and come out with the help of Company's business policies.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

ASIANLAK has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company was having staff strength of 5 people during the year under review however the Company is recruiting more experienced employees during financial year 2010-11. Once the process of new recruitment will be over, the Company will be able to comment on this.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statues and other incidental factors.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

During the year Mr. Ashok Bothra and Mr. S. Krishna Rao have joined Board of Directors w.e.f. 7th February 2011 to broad base the Board and to grow its business with help of these expertises. On 23rd June 2011, the Board has appointed Mr. Pravin Sawant as Director of the Company with a responsibility to look after the business of the Company.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Ashok Bothra, Mr. S. Krishna Rao and Mr. Pravin Sawant are liable to retire after conclusion of forthcoming Annual General Meeting and are eligible, offers themselves for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Ashok Bothra, Mr. S. Krishna Rao and Mr. Pravin Sawant themselves, none other Directors are interested in their respective re-appointments.

Further, non of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

INFORMATION TECHNOLOGY

The Company aims to maintain a scalable computing infrastructure that delivers efficient and seamless services across multiple channels for customer convenience. In order to retain competitive edge, technology infrastructure has been implemented wherever necessary, in alignment with business requirements.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2011-12, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership

development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

STATUTORY INFORMATION

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

AUDITORS

The Auditors M/s Bhadresh I. Shah, Chartered Accountants, Godhra hold the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors u/s 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT :

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There were no employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The Company is having no business other than the business of advisory services during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information 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, is reported to be NIL.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2011, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality and living standard of the employees and their families and also to the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all the Company's managing body for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Ludhiana, June 30, 2011

By order of the Board
For **Asianlak Capital & Finance Limited**

Registered Office :

LIC Colony, Flat No. 731, Sector 32,
CHD Road, Ludhiana, Punjab-141 001

Jagdish Chander Sharma
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

1. To enhance the long term interest of its shareholders and to provide good management, the adoption of prudent risk management techniques and compliance with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as lenders, creditors, customers, suppliers and employees.
2. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented. Further, to identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.
3. ASIANLAK has during its way towards growth, adopted the ASIANLAK Code of Conduct and ASIANLAK Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

BOARD OF DIRECTORS

Composition of Directors

The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non-executive Directors. The Board presently consists of 6 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

The Board of Directors met 5 times on 26th April, 5th July, 26th July and 26th October in year 2010, on 25th January in the year 2011 during the financial year 2010-2011.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Jagdish Chander Sharma*	Managing Director	5	Yes	2	1	Nil
Navpreet Mago	Independent Director	5	Yes	2	1	Nil
Ravinder Singh	Independent Director	5	Yes	2	1	Nil
Ashok Bothra@	Independent Director	Nil	No	6	2	5
S. Krishna Rao@	Independent Director	Nil	No	1	2	1
Pravin Sawant#	Managing Director	Nil	No	2	2	1

*Chairman of the Board @Appointed w.e.f. 7th February 2011 \$Appointed w.e.f. 23rd June 2011

AUDIT COMMITTEE

The Committee of the Board of Directors was reconstituted with effect from 25th January 2010.

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Asianlak Capital & Finance Limited, (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Authority and Responsibilities

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;

4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new "Terms of Reference" of the Audit Committee were approved by the Board of Directors at its meeting held on 17th March 2010.

The members of Audit Committee met four times on 26th April, 26th July and 26th October in year 2010 and on 25th January in year 2011 during the financial year ended on 31st March 2011.

Name	Number of Meetings Held	Meetings Attended
Mr. Jagdish Chander Sharma	4	4
Mr. Navpreet Mago	4	4
Mr. Ravinder Singh*	4	4

*Chairman of Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2010-2011.

No Stock option has been allotted to any of the Directors during the financial year 2010-2011.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Jagdish Chander Sharma; Chairman with two other Independent Directors.

The members of Share Transfer Committee met 4 times on 26th April, 26th July and 26th October in year 2010, on 25th January during the financial year ended on 31st March 2011.

Name	Number of Meetings Held	Meetings Attended
Mr. Jagdish Chander Sharma*	4	4
Mr. Navpreet Mago	4	4
Mr. Ravinder Singh	4	4

*Chairman of Committee

INVESTOR GRIEVANCE COMMITTEE

The Board of ASIANLAK CAPITAL & FINANCE LIMITED has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

COMPLIANCE OFFICER

The Company has appointed Mr. Chandresh N. Shah as a Compliance Officer within the meaning of Listing Agreement.

COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED

During the year, twelve meetings of the Committee of Directors were held on April 2, May 3, June 1, July 1, August 2, September 1, October 1, November 2, and December 1st in year 2010 and on January 3, February 1 and March 2 in year 2011.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Navpreet Mago*	Chairman	Independent, Non-Executive	12
Mr. Jagdish Chander Sharma	Member	Executive - Wholetime	12
Mr. Ravinder Singh	Member	Independent, Non-Executive	12

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2011.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
15th Annual General Meeting	30th Sept. 2010, 11.30 AM	LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001
14th Annual General Meeting	30th Sept. 2009, 11.30 AM	LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001
13th Annual General Meeting	30th Sept. 2008, 11.00 AM	LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001

LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :

No Extra-Ordinary General Meetings have been held during last three financial years.

POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolutions have been passed during previous three financial years.

BOARD DISCLOSURES**Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following:-

- Governance of Risk
- Identification of Risk
- Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.

- (d) **Reconciliation of Share Capital** : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. However, since the Company yet to establish connectivity with both NSDL & CDSL, all the Equity Shares of the Company are in physical form and are tallied with Paid-up Capital of the Company.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2010-11 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Company has complied with mandatory provisions of listing agreement.
- e) The financial statements of the Company are unqualified.
- f) The Board of Directors of the Company at its meeting held on 25th January 2010 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.asianlakindia.com.

- Official News releases have been posted on its web portal www.asianlakindia.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 16th Annual General Meeting for the financial year ended on 31st March 2011 is as follows :-

Day & Date	: Thursday, 29th September 2011
Time	: 11.30 A.M.
Venue	: LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001

b. **Financial Year** : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2011	12th August, 2011
Financial Reporting of 2nd Quarter ended on 30th September 2011	15th November, 2011
Financial Reporting of 3rd Quarter ended on 31st December 2011	15th February 2012
Financial Reporting of 4th Quarter ended on 31st March 2012	30th May 2012
Date of Annual General Meeting	During August 2012

d. **Date of Book Closure** : September 22 to September 29, 2011. (Both days inclusive)

e. **Dividend Payment Date** : No Dividend has been recommended for the year under review.

f. **Listing of Shares** : Bombay & Delhi Stock Exchanges

g. **Listing Fees** : Company has paid Annual listing Fees to BSE for year 2011-12.

h. **Stock Code & ISIN** : Scrip Code 531411 on BSE & 8426 on DSE.
ISIN - Yet to be allotted.

i. **Market Price Data** : Trading in Equity Shares of the Company were suspended from trading during the year under review. The Company has filed application with BSE for revocation of suspension with all requisite documents.

j. **Registrar & Share Transfer Agent.**

M/s. Purva Sharegistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011

Tel : 022-23016761

k. **Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. **Distribution of Shareholding as on 31st March 2011**

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	210	48.50	77800	2.22
5001-10000	149	34.41	139400	3.98
10001-20000	18	4.16	29600	0.85
20001-30000	8	1.85	21500	0.61
30001-40000	4	0.92	14800	0.42
40001-50000	7	1.62	33600	0.96
50001-100000	4	0.92	36000	1.03
100001 and Above	33	7.62	3147600	89.93
Total....	441	100.00	3500300	100.00

m. Shareholding Pattern as on 31st March 2011

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	2250000	64.28
Indian Bank	0	0.00
Others (NRI)	0	0.00
Private Corporate Bodies	300500	8.58
Indian Public (including HUF & Clearing Members)	949800	27.14
Total	3500300	100.00

n. Dematerialization of Equity Shares & Liquidity

The Company is yet to establish connectivity with both NSDL & CDSL by signing the necessary agreements.

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

p. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

q. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

r. Brief Resume of the Directors Seeking Re-Appointment

Mr. Navpreet Mago, B.Com, has vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting & Taxation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Navpreet Mago for the office of Director of the Company.

Mr. Navpreet Mago does not hold any shares in his own name or in the name of his relatives.

Mr. Navpreet Mago is not having any Directorship and Committee Chairmanship in Listed and Public Limited Cos.

s. Details on use of Public Funds Obtained in the last three years :

No fund has been raised by way of Public, Right of Preferential Issue or any other mode during last three financial years.

t. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

u. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company:-

Mr. Chandresh N Shah - asianlakcfl@gmail.com

v. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

w. Address for Correspondence

ASIANLAK CAPITAL & FINANCE LIMITED

106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai - 400 058.

Annexure I

Declaration by the Managing Director under Clause 49 of the Listing Agreement

To

ASIANLAK CAPITAL & FINANCE LIMITED

LIC Colony, Flat No. 731, Sector 32

CHD Road, Ludhiana, Punjab-141 001

In accordance with Clause 49 sub clause I(D) of the Listing Agreement with the Stock Exchanges, I, Jagdish Chander Sharma, Managing Director of Asianlak Capital & Finance Limited hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conducts.

Ludhiana, June 30, 2011



Jagdish Chander Sharma
Chairman

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To

The Members of

ASIANLAK CAPITAL & FINANCE LIMITED

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 their 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) They 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 they 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) They 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) instances of significant fraud of which they 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.

Ludhiana, June 30, 2011

By order of the Board
For **Asianlak Capital & Finance Limited**

Registered Office :

LIC Colony, Flat No. 731, Sector 32,
CHD Road, Ludhiana, Punjab-141 001

Jagdish Chander Sharma
Chairman

COMPLIANCE CERTIFICATE

To,

The Members,

ASIANLAK CAPITAL AND FINANCE LIMITED

LIC Colony, Flat No. 731,
Sector No. 32, CHD Road,
Ludhiana, Chandigarh Road,
Ludhiana, Punjab- 141001

We have examined the compliance of Corporate Governance by ASIANLAK CAPITAL AND FINANCE LIMITED for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For **Bhadresh I. Shah**
Chartered Accountants

Place : Godhra

Date : 31/05/2011

(Proprietor)
M. No. 122777

AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2011

To

The Shareholders,

ASIANLAK CAPITAL AND FINANCE LIMITED,
LUDHIANA.

1. We have audited the attached Balance Sheet of ASIANLAK CAPITAL AND FINANCE LIMITED, LUDHIANA, as at 31st March, 2011 and also Profit & Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of Accounts as required by the 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 Statement referred to in this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
 - v) On the basis of written representations from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 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 read with notes 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 Balance Sheet of the State of Affairs of the Company as at 31st March, 2011 and
- b. In the case of Profit & Loss Account, of the Loss for the year ended on that date.
- c. In the case of cash flow statement, of the cash flows for the year ended on that date.

For **Bhadresh I. Shah**
Chartered Accountants

Place : Godhra
Date : 31/05/2011

(Proprietor)
M. No. 122777

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 our report of even date on the accounts for the year ended 31st March, 2011 of ASIANLAK CAPITAL AND FINANCE LIMITED, LUDHIANA.

- (i) The company has no fixed assets, so item (i) of paragraph 4 of the order is not applicable to the Company.
- (ii) The company has no inventories, so item (ii) of paragraph 4 of the order is not applicable to the Company.
- (iii) According to information and explanations given to us, the company has not taken or granted any secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v)
 - (a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) According to information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party.
- (vi) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public. Under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
- (vii) In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix)
 - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, sale-tax, custom duty and any other statutory due applicable to it;
 - (b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale-tax, custom duty and excise duty etc. were outstanding as at 31.3.2011, for a period of more than six months from the date they became payable;

- (c) According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty and excise duty, which have been deposited on account of any dispute.
- (x) The accumulated losses of the company are not more than fifty per cent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year also.
- (xi) In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence requirement of item (xiii) of paragraph 4 of the order is not applicable to the Company.
- (xiv) The company is dealing or trading in shares, securities, debenture and other investments. Based on our examination of documents and records, we are of the opinion that proper records have been maintained by the company and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As per information and explanations given to us, the company has not taken any fresh term loan during the year.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Hence requirement of item (xix) of paragraph 4 of the order is not applicable to the Company.
- (xx) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xxi) According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

For **Bhadresh I. Shah**
Chartered Accountants

Place : Godhra
Date : 31/05/2011

(Proprietor)
M. No. 122777

REPORT AS REQUIRED BY THE NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTION, 1999 ISSUED BY THE RESERVE BANK OF INDIA IN TERMS OF SECTION 45MA (1A) OF THE RESERVE BANK OF INDIA ACT, 1934,

To

The Board of Directors,

ASIANLAK CAPITAL AND FINANCE LIMITED,
LUDHIANA

We report that:

1. According to information and explanation given to us, the company has already got registration as provided in section 45IA of the Reserve Bank of India Act, 1934 (2 to 1934).
2. According to information and explanation given to us, the Board of Director has passed a resolution for the non-acceptance of public deposits.
3. According to information and explanations given to us, the company has not accepted any public deposits during the relevant year.
4. According to information and explanations given to us, the company has through a Board resolution identified the group/holding/subsidiary companies.
5. According to information and explanations given to us, the cost of investment made in group of holding or subsidiary companies is not less than 90 percent of the cost of the total assets of the company at any point of time throughout the accounting year.
6. According to information and explanations given to us, the company has continued, to hold security of group of holding or subsidiary company as long term investment and has not traded in those investments during the accounting year.

For **Bhadresh I. Shah**
Chartered Accountants

Place : Godhra

Date : 31/05/2011

(Proprietor)
M. No. 122777

ANNEXURE

On verification of books of accounts of the year 2010-11 of M/s. Asianlak Capital and Finance limited its Registered Office LIG Colony, Flat No. 731, Sector 32, CHD- Road, Ludhiana, Chandigarh Road, Ludhiana, Punjab. We certify that the company *has continued the business of non-banking finance institution for the year 2010-11 and *requiring holding the Certificate of Registration issued to the company under section 45 1a of RBI Act,1934. It is further certified that Income/assets pattern of the company for the year 2010-11 is as under.

(A) Assets Classification:

Sr. No.	Assets	Amount (Rs.)	% of Assets
1.	Total Assets	3,72,04,175	-
2.	Total Financial Assets (3+4+5)	3,40,28,297	91.46
3.	Investment	40,03,297	10.76
4.	Loans & Advances	3,00,25,000	80.70
5.	Assets Finance (EL & HP)	0	0

(B) Income Classification

Sr. No.	Assets	Amount (Rs.)	% of Total Income
1.	Total Income	8,89,802	-
2.	Income from Financial Assets (3+4+5)	0	-
3.	Income from Investment	0	-
4.	Income from Loans & Advances	0	-
5.	Total Income from Assets Finance (EL & HP)	0	-

*delete whichever is not applicable

Please refer our circular No. 162 dated October 22, 2009 in respect of which it has been decided that the NBFC may submit the certificate within one month from the date of finalization of the balance sheet and in any case not later than December 30th of that year.

(C) Investment

Category	Market Value Break-up or fair Value or NAV	Book Value (Net of Provision)
1. Related Parties**	Nil	Nil
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
Total	Nil	Nil

**As per accounting standard of ICAI (Please see note 3)

(D) Other Information

Particulars	Amount (Rs.)
1. Gross Performing Assets	
(a) Related Parties	Nil
(b) Other Related Parties	Nil
2. Net Performing Assets	
(c) Related Parties	Nil
(d) Other Related Parties	Nil
3. Assets acquired in satisfaction of debt	Nil

Notes:

- As defined in Paragraph 2(1)(12) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directors, 199B.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 199B.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	31.3.2011 Rupees	31.3.2010 Rupees
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	1	35,003,000	35,003,000
Reserves and Surplus	2	2,201,175	2,201,175
		37,204,175	37,204,175
<u>APPLICATION OF FUNDS</u>			
Investments	3	4,003,297	4,003,297
Current Assets, Loans & Advances			
Cash & Bank Balances		1,320,829	626,498
Deposits & Advances		30,025,000	30,025,000
		31,345,829	30,651,498
Less : Current Liabilities & Provisions	5		
Sundry Creditors for Expenses		90,270	88,310
Liabilities & Provisions		-	-
		90,270	88,310
Net Current Assets		31,255,559	30,563,188
Add : Miscellaneous Expenditure			
((To the extent not written of or adjusted)			
Preliminary Expenses		36,250	38,100
Profit & Loss Account		1,909,068	2,599,589
		1,945,319	2,637,690
TOTAL		37,204,175	37,204,175
Notes forming part of the accounts & Significant Accounting Policies	7		

As per our report of even date

For **Bhadresh I Shah**
Chartered Accountants

Jagdish Chander Sharma
Director

Proprietor
Membership No. 122777

Place : Godhra
Date : 31 May, 2011

Ravinder Singh
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	31.3.2011 Rupees	31.3.2010 Rupees
<u>INCOME</u>			
Income from Business Activities		889,802	70,000
		<u>889,802</u>	<u>70,000</u>
<u>EXPENDITURE</u>			
Accountancy Charges		21,500	6,600
Fees, Rates & Taxes		750	750
Travelling Expenses		11,890	1,050
Statutory Audit Fees		5,200	5,200
Misc Expenses		2,850	1,900
Printing & Stationery		26,671	20,500
Legal & Professional Fees		2,500	2,500
Salary to Staff		66,000	-
Conveyance Expenses		21,650	-
Entertainment Expenses		12,500	-
Books & Periodicals		3,500	-
Computer Job Work Expenses		12,860	-
Postage & Courier		7,600	-
Preliminary Expenses		3,810	4,017
		<u>199,281</u>	<u>42,517</u>
Profit before Tax		690,521	27,483
Less: Provision for Taxation		-	-
Profit after Tax		690,521	27,483
Profit/(Loss) brought forward from previous year		(2,599,589)	(2,627,072)
Profit carried to Balance Sheet		<u>(1,909,068)</u>	<u>(2,599,589)</u>

Notes forming part of the accounts & Significant Accounting Policies 6

As per our report of even date

For **Bhadresh I Shah**
Chartered Accountants

Jagdish Chander Sharma
Director

Proprietor
Membership No. 122777

Place : Godhra
Date : 31 May, 2011

Ravinder Singh
Director

SCHEDULES TO ACCOUNTS	31.03.2011 Rupees	31.03.2010 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
40,00,000 Equity Shares of Rs.10/- each (Previous year 40,00,000 Equity Shares of Rs. 10/- each)	40,000,000	<u>40,000,000</u>
Issued, Subscribed & Paid-up		
35,00,300 Equity Shares of Rs. 10/- each (Previous year 35,00,300 Equity Shares of Rs. 10/- each)	35,003,000	<u>35,003,000</u>
	35,003,000	<u>35,003,000</u>
SCHEDULE 2		
Reserve & Surplus		
Capital Reserve	2,201,175	<u>2,201,175</u>
SCHEDULE 3		
In Equity Shares, Quoted (Valued at Cost)		
100 Shares of J. K. Udaipur Udyog Limited	3,297	<u>3,297</u>
Unquoted		
400000 (400000)shares Malhan Hosiery Mills Pvt Ltd	4,000,000	<u>4,000,000</u>
Total	4,003,297	<u>4,003,297</u>

SCHEDULES TO ACCOUNTS	31.03.2011 Rupees	31.03.2010 Rupees
SCHEDULE 4		
CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank Balances		
Cash Balance	1,317,676	623,345
Balance with Scheduled Bank in Current A/c	3,153	3,153
	1,320,829	626,498
Deposit And Advances		
(Unsecured, Considered Good)		
Amar Nath Malhan	6,800,000	6,800,000
Hardeepak Malhan	12,100,000	12,100,000
Sunanda Malhan	3,750,000	3,750,000
Usha Malhan	2,250,000	2,250,000
Malhan Hosiery Mills Pvt. Limited	825,000	825,000
Rajeshwar Kumar	500,000	500,000
Raj Kumar	800,000	800,000
Bhupesh Rai Auplish	1,800,000	1,800,000
Samndhi Finlease P. Ltd.	1,200,000	1,200,000
	30,025,000	30,025,000
Total	31,345,829	30,651,498
SCHEDULE 5		
CURRENT LIABILITIES & PROVISIONS		
Audit Fees Payable	5,270	5,310
Listing Fees Payable	85,000	83,000
	90,270	88,310

SCHEDULE 6**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****Significant Accounting Policies**

- a) Convention : The accounts has been prepared on the accrual basis under historical cost convention in accordance with the applicable accounting standards and relevant disclosure requirements of the Companies Act, 1956.
- b) Revenue Recognition : Income and expenditure are recognized and accounted on accrual basis, except in case of significant uncertainties.
- c) Current Investments are valued at lower of cost of fair market value. Long Term investments are stated at cost less permanent diminution, if any, in value.
- d) Share Issue Expenses : Share Issue Expenses have been amortised over a period of ten years.

Notes on Accounts :

1. Contingent Liability not provided for - Nil (Previous year - Nil)
2. Estimated amount of contracts remaining to be executed on capital account (net of advances) - Nil (Previous Year - Nil)
3. In the opinion of Board of Director and to the best of their knowledge and belief, the value on realization of Loans & advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
4. Deferred Tax : During the year, company have not adopted the Accounting Standard 22 "Accounting for taxes on Income" issued by The Institute of Chartered Accountants of India. As explained to us by the management, the company is making losses with no immediate visibility of turnaround, so deferred assets has not been recognised as a matter of prudence.

5. Earnings Per Share	2010-11	2009-10
a. Net Profit after tax available for Equity Shareholders (Rs.)	690521	27483
b. Weightage average number of Equity shares of Rs. 10 each	3500300	3500300
c. Basic/Diluted Earnings Per Share (a/b) Rs.	0.20	0.01

6. The he company is unable to provide the details of Related Parties, so we are unable to give the Related Party Disclosure as required as per Accounting Standard (As - 18) on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.
7. SEGMENT INFORMATION FOR THE YEAR ENDED 31.3.2011

Primary Segment Reporting - Business Segment

Since the company's entire business of Finance & Investments, so , there is no reportable segment.

Secondary Segment Reporting - Geographical Segment

Since the company's entire business is in India, so, there is no reportable segment.

8. The management has not made any provision for Income Tax as there will be no taxable income.
9. Additional Information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956, in respect of share trading activities : -

UNITS	OPENING STOCK		PURCHASES	
	NOS.	VALUE	NOS.	VALUE
SHARES	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)
	SALES		CLOSING STOCK	
	NOS.	VALUE	NOS.	VALUE
	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)

10. The company did not earn/spend any money in Foreign Exchange. (Previous year - Nil)
11. Negative figures have been shown in brackets.
12. Previous year's figures have been regrouped and rearranged wherever found necessary.

As per our report of even date

For **Bhadresh I Shah**
Chartered Accountants

Jagdish Chander Sharma
Director

Proprietor
Membership No. 122777

Place : Godhra
Date : 31 May, 2011

Ravinder Singh
Director

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2011

	Rs. in Lacs	
	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
<i>Net Profit before tax and extraordinary Items</i>	690,521	27,483
<i>Adjustments for</i>		
Preliminary Expenses	1,850	4,017
Depreciation	-	-
<i>Operating profit before working capital changes</i>	692,371	31,500
<i>Adjustments for Capital Changes</i>		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	-	-
Decrease (Increase) Loan & Advances	-	-
Trade Payable and Provisions	1,960	-
<i>Cash Generated from operations</i>	1,960	-
Income Tax & FBT Paid For The Year	-	-
Extraordinary Items	-	-
<i>Net Cash From Operating Activities</i>	694,331	31,500
B. Cash Flow From Investing Activities		
Investments	-	-
<i>Net Cash from Investing Activities</i>	-	-
C. Cash Flow From Financing Activities		
Proposed Dividend	-	-
Dividend Tax	-	-
Extraordinary Items	-	-
<i>Net Cash used in Financing Activities</i>	-	-
<i>Net Increase in Cash & Cash Equivalents</i>	694,331	31,500
<i>Opening Balance of Cash & Cash Equivalents</i>	626,498	594,998
<i>Closing Balance of Cash & Cash Equivalents</i>	1,320,829	626,498

For and on behalf of the Board

Ludhiana, May 31, 2011

Jagdish Chander Sharma
Chairman & Managing Director

We have verified the attached Cash Flow Statement of Asianlak Capital & Finance Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2011 and found the same in agreement therewith.

For **Bhadresh I Shah**
Chartered Accountants

Godhra, May 31, 2011

Proprietor
Membership No. 122777

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

I	Registration Details		
	Registration No.	:	29378
	State Code No.	:	11
	Balance Sheet Date	:	31.03.2011
II	Capital raised during the year		
	Public Issue	:	Nil
	Right Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	Nil
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)		
	Total Liabilities	:	37204
	Total Assets	:	37204
	Sources of funds		
	Paid-up Capital	:	35003
	Reserves & Surplus	:	2201
	Secured Loans	:	Nil
	Unsecured Loans	:	Nil
	Application of funds		
	Net Fixed Assets	:	Nil
	Investments	:	4003
	Net Current Assets	:	31256
	Misc. Expenditure	:	36
	Accumulated losses	:	1909
IV	Performance of Company (Amount in Rs. in Thousands)		
	Turnover	:	890
	Total Expenditure	:	199
	Profit before taxes	:	691
	Profit after taxes	:	691
	Earning Per Share	:	0.02
	Dividend rate	:	Nil
V	Generic Names of Three Principal Products/Services of the Company		
	Product Description	Item Code No.	
	Finance & Investment	37204	

Asianlak Capital & Finance Limited

8A, B.J.B. Nagar, Bhubaneswar - 751014, Orissa.

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member/members of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him _____ resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, the 29th day of September 2011 at 11.30 A.M., at LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001 and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2011.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp

₹

Asianlak Capital & Finance Limited

8A, B.J.B. Nagar, Bhubaneswar - 751014, Orissa.

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held on Wednesday, the Thursday, the 29th day of September 2011 at 11.30 A.M., at LIC Colony, Flat No. 731, Sector 32, CHD Road, Ludhiana, Punjab-141 001.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. / DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to :

Asianlak Capital & Finance Ltd.

106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai - 400 058.