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15th Annual Report
2007 - 08

ALPHA HI-TECH FUEL LIMITED

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ALPHA HI-TECH FUEL LIMITED

Board of Directors

Uma Kant Shukla
Subhash Nayak
Haren Shah

Bankers

Bank of Baroda
The Pratap Co-operative Bank Ltd.
The Thane Bharat Sahkari Bank Ltd.

Registered Office & Factory

Station Road
Lakhtar
Dist. Surendranagar
Gujarat 382 775

Head Office

7/C Poornima
503 M. G. Road
Mulund(west)
Mumbai 400 080
Telefax : 022 2564 8374

Share Transfer Agents

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078
Tel. : 022 2596 3838/2596 3857
Fax : 022 2596 2651/25946969
email : isrl@intimespectrum.com

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Proxy Form & Attendance Slip.....attached

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ALPHA HI-TECH FUEL LIMITED

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of ALPHA HI-TECH FUEL LIMITED will be held on Monday, 15th September, 2008 at 11:00 a.m. at the Registered Office of the Company at Station Road, Lakhtar, Dist. Surendranagar, Gujarat - 382 775 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2008, the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date togetherwith the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Subhash Nayak who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :
   "RESOLVED THAT M/s. R. D. Shah & Associates, Chartered Accountants, be and they are hereby appointed Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

NOTES

1. **A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy, should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the meeting.**
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Members are requested to bring their Attendance Slip alongwith their copy of Annual Report to the meeting.The identity/signature of the member holding shares in electronic/demat form is liable for verification with specimen signature as may be furnished by NSDL/CDSL to the Company. Such members are advised to bring the relevant identity document issued by the depository participant to the AGM.
4. Members who hold shares in Demat form are requested to write their Client ID and DP ID nos. and those who hold shares in physical form are requested to write their folio no. in the Attendance Slip for attending the meeting.
5. Members desirous of getting any information about the accounts and operations of the Company are requesed to write their queries to the Company at least seven days in advance of the meeting, so that the information required can be made available at the meeting.
6. The Company has already notified 15.09.2008 as the date of closure of Register of Members and Share Transfer Books.
7. Members who have not so far encashed dividend warrant(s) for the dividend for the financial year ended 31st March, 2005 are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, Intime Spectrum Registry Ltd., immediately. Dividends for the financial year ended 31st March, 2005 which remain unpaid/unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund (IEPF). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed/ unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claims.
8. Members are requested to intimate to the Company's Registrar and Share Transfer Agents, change, if any, in their registered address, in their residential status, immediately.

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ALPHA HI-TECH FUEL LIMITED

Details of the Director seeking re-appointment at the Annual General Meeting fixed for 15th September, 2008.

Name of the Director	Subhash Nayak
Date of Birth	14-03-1950
Date of Appointment	28-09-2006
Expertise in specific functional area	Finance and Administration Retired Manager, Corporation Bank
Qualification	B.Com.
List of outside Directorship held	None
Chairman/Member of the Committees of Board of Directors of the Company	Member- Audit Committee Member-Shareholders'/Investors' Grievance Committee
Chairman/Member of the Committees of Directors of other Companies in which he/she is a Director	None
No. of shares held in the Company	Nil

Lakhtar; 14th July, 2008

By order of the Board

Registered Office :
Station Road,
Lakhtar, Dist. Surendranagar,
Gujarat 382 775.

HAREN SHAH
Director

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ALPHA HI-TECH FUEL LIMITED

DIRECTORS' REPORT

To

The Members
ALPHA HI-TECH FUEL LTD.

Your Directors are pleased to present their 15th Annual Report together with the audited statement of accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company are given below

	as on 31-03-2008	*as on 31-03-2007*
Sales and other income	0	0
Profit/(Loss) before taxation	(20,55,791)	(28,90,003)
Provision for taxation	0	0
Deferred Tax liability/(asset)	6,98,763	9,82,311
Balance of previous year	2,50,35,685	2,89,07,999
Profit available for appropriation	2,22,81,131	2,50,35,685
Appropriation		
Balance carried forward	2,22,81,131	2,50,35,685

During the year under review, the manufacturing and sales activities are at halt due to major re-orientation of manufacturing and general administrative set up.

DIVIDEND

The Company has suffered losses during the year and hence, your Directors do not recommend any dividend.

CORPORATE GOVERNANCE

Management Discussion and Analysis Report and Report on Corporate Governance form an integral part of this report and are set out as separate annexure to this report. The certificate from the Auditors of the Company certifying compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

DEPOSITS

Your Company has not accepted any Deposits from the Public during the year under review.

DIRECTORS

Mr. Subhash Nayak retire by rotation, not being dis-qualified u/s. 274 of the Companies Act, 1956, offers himself for re-appointment.

AUDITORS

M/s. R. D. Shah & Associates, Chartered Accountants, the retiring Auditors, have expressed their willingness to conduct the audit of the Company. They shall hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them informing that their appointment, if made, would be within the prescribed limit under Section 224 (1-B) of the Companies Act, 1956 and have expressed their willingness to continue the audit. Board recommends the same.

The Auditors' Report and notes on the accounts referred to in the Auditors' Report are self explanatory.

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ALPHA HI-TECH FUEL LIMITED

PERSONNEL

During the year, the Company has no employee drawing remuneration equal to or more than the limits prescribed under the Companies (Particulars of Employees) Rules, 1975.

INFORMATION UNDER SECTION 217(1)(e)

Disclosure of particulars with respect to conservation of energy

Your Company continues to accord high priority to conservation of energy. Systems are in place to closely monitor energy usage.

While selecting plant and machineries for the on going re-orientation, the Company has taken care to install energy efficient motors, pumps, gear boxes, etc.

Disclosure of particulars with respect to Research and Development & Technology Absorption

The Company continues to explore the latest of the technologies available and is in the process of utilising the same.

Company targets to achieve reduction in production cost and improvement in quality of product.

No separate allocation is being made in accounts, but the expenditure (other than that of capital nature) has been shown under respective heads of expenditure in the Profit and Loss account.

The Company is continuously taking steps to improve product and process technology in an effort to conserve energy resources by replacing conventional methods.

Foreign exchange earning and outgo

There are no foreign exchange earnings and outgo during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Company is fully committed to good corporate governance practices. In this regard your Company endeavours to adhere to the standards set out by the Securities and Exchange Board of India's (SEBI's) Corporate Governance practices. Your Directors are pleased to inform you that your Company has implemented all the stipulations prescribed. Statutory Auditors Certificate dated 14th July, 2008 in line with Clause 49 of the Stock Exchange Listing Agreement is annexed to and forms part of the Directors' Report.

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors subscribe to the Directors' Responsibility Statement and confirm as under :

i) That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

ii) 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 loss of the Company for that period;

iii) That the Directors have taken proper and sufficient care of 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; and

iv) That the Directors have prepared the annual accounts on a going concern basis.

for and on behalf of Board

Haren Shah
Director
Lakhtar; 14th July, 2008.

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ALPHA HI-TECH FUEL LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. **Industry Structure and Development**
   With the fast depleting fossil fuel and growing industry demand for the same,it is evident that non-conventional fuel is going to generate more demand. The binderless technology using recyclable agriculture waste is a boon to agriculture sector in general and rural economy in particular. Increased awareness for the pollution control and fiscal support by classification of the industry under the infrastructure sector, eligible for specific incentives, shall create awareness for this alternate source of fuel.
2. **Opportunities and Threats**
   The industry is showing healthy sign of growth. The unit being in the vicinity of the source of raw material supply and having access to the consumers around, there is scope for expansion of user base with the enhanced acceptability and conveniency of use.
   Raw material, being biomass, is mainly prone to vegaries of monsoon. Unpredictable movement in the seasonal cycle characterised by periodical drought and/or flood conditions has adverse impact on the consistency in production. Open storage of raw material for moisture evaporation is also subject to associated risks.
3. **Productwise performance**
   Your Company operates only in one segment, i.e , making Bio-mass briquettes out of agriculture waste.
4. **Outlook**
   Considering buoyancy in the Indian economy and expected growth in GDP, the outlook for the Indian Industry is very bright. Your Company is expected to maintain its growth rate both in terms of improvement in manufacturing techniques by use of economic alternatives and use of efficient raw material mix to match the availability and cost.
5. **Risk and Concerns**
   Raw Material Price risk
   Alternative and more productive use of agriculture waste and its demand in other sectors can have adverse impact on the fixed price mechanism prevalent in the area togetherwith bad monsoon characterised by lesser agriculture production and change in product preferences by the farmers. Organisation and education of producing farmers can ensure availability of raw material at consistent price.
   Storage Risk
   Open sun drying for raw material and storage of finished product needs protection with preventive measures to safeguard its quality and the purpose.
6. **Internal Control Systems**
   The Company's Internal Control systems are regularly reviewed by the Internal Auditors, Statutory Auditors and the Audit Committee. The Internal Audit is done on quarterly basis and the observations of the Auditors are discussed in the Audit Committee meetings and follow up action is taken wherever required.
7. **Financial performance with respect to operational performance**
   With the change in management and for re-design of the production routines to secure enhanced operational conveniency, the production, which is at halt since, 01.08.2005, is scheduled to commence on its result oriented alignment. To ensure enduring potential, growth strategy is under consideration. Ploughed back resources are being used to match the need of the recent developments.
8. **Human Resources and Industrial Relations**
   With the infusion of professional and pragmatic vision, labour policy is being planned to ensure retention of skill after new recruitments.

Cautionary Statement

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

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ALPHA HI-TECH FUEL LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Corporate Governance

Your Company is fully compliant with the regulatory guidelines relating to the Corporate Governance of Clause 49 of the listing agreement with The Bombay Stock Exchange Ltd. The Company's philosophy on corporate governance is to observe high standard of business ethics and conduct its business by taking sound business decisions, follow efficient financial management practices, appropriate disclosure norms and high standard of corporate conduct to achieve sustained growth and maximum value for all its stake holders.

2. Board of Directors

The Board includes eminent individuals who have excelled in their respective areas of specialisation and comprises individuals drawn from management, financial and other fields.

a) Board of Directors of the Company is composed of 3 Directors headed by a non-executive promoter Director Chairman and two executive independent Directors.

b) The Composition of the Board of Directors and related information is as follows:

Name of the Director	Executive/ Non-Executive/ Independent	No. of Board Meetings attended	Attendance at the last AGM on 28.09.2007	Directorship in other companies incorporated in India	No. of other Board Committees of which member/ Chairman
Uma Kant Shukla	Executive & Independent	4	Present	Nil	Chairman-Shareholders'/ Investors' Grievance Committee Member-Audit Committee
Subhash Nayak	Executive & Independent	4	Present	Nil	Member-Shareholders'/ Investors' Grievance Committee Member-Audit Committee
Haren Shah	Non-Executive (Promoter Group)	4	Present	3	Chairman-Audit Committee Member-Shareholders'/ Investors' Grievance Committee

None of the Directors on the Board holds the office of Director in more than 15 companies or membership of committees of Board in more than 10 committees or chairmanship of more than 5 committee across all companies.

c) Board meetings held during the year :

Date of Board Meeting	Location	No. of Directors present
24th May, 2007	Lakhtar	3
13th July, 2007	Lakhtar	3
11th October, 2007	Lakhtar	3
14th January, 2008	Lakhtar	3

The meetings of the Board of Directors are normally scheduled well in advance and a detailed agenda folder is circulated to the Directors. The Board folder contains detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively. The Directors, including the non-executive Directors, actively participate in the lengthy deliberations of the Board. The Chairman briefs the Board at every meeting on the overall performance of the Company and the important matters discussed at the meetings of the Audit Committee and the Shareholders'/Investors' Grievances Committee.

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are also highlighted. The functions performed by the Board include review of :

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Compliance with statutory/regulatory requirements and review of major legal issues
- Adoption of quarterly/half-yearly/annual results
- Significant labour problems
- Transactions pertaining to purchase/disposal of property
- Major accounting provisions and write-offs.

3. **Audit Committee**

The powers and terms of reference of the Audit Committee are as mentioned in Clause 49(II)(d) of the Listing Agreement and Section 292A of the Companies Act, 1956. The terms of reference are briefly described below :

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval of payment for any other services.
- Reviewing with the management, the annual financial statements before submission to the Board.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions, including the structure, reporting coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors.
- Discussion with external auditors before the audit commences on nature and scope of audit as well as to have post-audit discussions to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing, with the management, the matters required to be included in the Directors' Responsibility Statement.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- To review the functioning of the Whistle Blower mechanism as and when introduced.

Recommendations of the Audit Committe, if any, are considered and implemented by the Board from time to time.

The Committee held four meetings during the year, which were held on 24th May, 2007, 13th July, 2007, 11th October, 2007 and 14th January, 2008.

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