

BOOK-POST

**22ND
ANNUAL REPORT
2010-2011**



NAKSHATRA INFRASTRUCTURE LIMITED

1 APPROVED BY 2

For NAKSHATRA INFRASTRUCTURE LIMITED


Managing Director



NAKSHATRA INFRASTRUCTURE LIMITED

CONTENTS

Page No.

1. Board of Directors

2

2. Notice of the Annual General Meeting

3

3. Director's Report

5

4. Auditor's Report

14

5. Balance Sheet

18

6. Profit and Loss Account

19

7. Cash Flow Statement

20

8. Schedule to Balance Sheet and Profit and Loss Account

21

9. Notes forming part of the Balance Sheet

25

10. Proxy Form & Attendance Slip

29



NAKSHATRA INFRASTRUCTURE LIMITED

BOARD OF DIRECTORS

Sri C.Ashok Babu	Managing Director
Sri M.Indrasena Chowdary	Director
Sri G.Srinivas	Director
Sri C.Vikranth	Director
Sri Pavan Kumar Sanuwarma	Director
Sri R.Narsimha Reddy	Director

REGISTERED OFFICE

H.No. 8-2-268/1/16B,
Sriniketan Colony, Road No. 3,
Banjara Hills, Hyderabad-500034. (A.P.), INDIA.
Phone : 91-40-40205048, www.nakshatrainfra.com.

AUDITORS

M/s RAMASAMY KOTESWARA RAO & CO.
FF-11, Plot No. 238/A, MLA Colony,
Road No. 12, Banjara Hills, Hyderabad - 500034.

BANKERS

HDFC BANK LTD
Banjara Hills, Hyderabad - 500 034, A.P.

SHARE TRANSFER AGENTS

M/s. VENTURE CAPITAL & CORPORATE INVESTMENTS PVT. LTD.,
12-10-167, Bharat Nagar, Mousapet, Hyderabad-500 018.
Phone : 040-23818475, 23818476, Fax : 040-23868024.

LISTING AT

BOMBAY STOCK EXCHANGE LTD.



NAKSHATRA INFRASTRUCTURE LIMITED

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the 22nd ANNUAL GENERAL MEETING of M/A NAKSHATRA INFRASTRUCTURE LIMITED, will be held on Friday, the 30th day of September, 2011 at 10.30 A.M. at The Hyderabad Gymkhana, near I.V. Prasad Nya Institute, Road No.7, Banjara Hills, Hyderabad-500 034, to transact the following business:

ORDINARY BUSINESS:

1. Consideration, Adoption and Approval of Annual Accounts, Directors Report and Auditors Report thereon for the year 2010-11 and proposed resolution is as under:
"RESOLVED THAT the Audited Balance Sheet as on 31st March, 2011 and Profit & Loss account for the year ended 31st March, 2011, Directors Report and Auditors report there on be and are hereby received, considered and adopted."
2. Appointment of Sri Pavan Kumar Sasmarmal as Director of the Company liable to retire by rotation.
"RESOLVED THAT Sri Pavan Kumar Sasmarmal be and is hereby appointed as Director, who is liable to retire by rotation."
3. Appointment of Auditors and to fix their remuneration.
"Resolved that M/s. Ramaswamy Kameswari Rao & Co, Chartered Accountants, Hyderabad who retire at the conclusion of this Annual General Meeting, be and are hereby appointed as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting in remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS:

4. Appointment of Sri M. Indrasena Chowdary as Director U/s. 257.
"Resolved that Sri M. Indrasena Chowdary, who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
5. Appointment of Sri G. Sreenivasulu as Director U/s. 257.
"Resolved that Sri G. Sreenivasulu who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. Appointment of Sri Ravi Narasimha Reddy as Director U/s. 257.
"Resolved that Sri Ravi Narasimha Reddy who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
7. Appointment of Sri Ch. Vikramth as Director U/s. 257.
"Resolved that Sri Ch. Vikramth who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

By Order of the Board of Directors

Sd/-

(C. ASHOK BABU)

Managing Director

Place : Hyderabad

Date : 02.09.2011



NAKSHATRA INFRASTRUCTURE LIMITED

NOTES:

1. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint and vote instead of himself/herself and such proxy need not be a member of the company. Proxy forms to be valid shall be lodged at the Registered Office of the company not less than 48 hours before the meeting.
3. The Register of members and share transfer books of the company will remain closed from 26th September 2011 to 29th September 2011 (both days inclusive).
4. Members are requested to notify immediately changes if any, in their addresses in the Company quoting their folio number.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the company the details of such folios together with the share certificates for consolidating their holdings in one folio. The Share certificates will be returned to the members after making requisite changes thereon.
6. Share certificates along with transfer deeds should be forwarded to the registrars and share transfer agents of the company in physical form at the following address:

M/s VENTURE CAPITAL & CORPORATE INVESTMENTS PVT. LTD.,

12-10-167, Bharat Nagar, Madhapur, Hyderabad - 500 018.

Phone : 040-23818475, 23818476, Fax : 040-23868024.

7. Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.
8. Resignations of Directors.

Information on Directors seeking appointment/reappointment is furnished below as per Clause 49 of the Listing Agreement with the Stock Exchanges.

1) Sri Pavan Kumar Sarwar Mal

2) Sri C. Vikranth

By Order of the Board of Directors

Sd/-

(G. ASHOK BABU)

Managing Director

Place : Hyderabad

Date : 02.09.2011



NAKSHATRA INFRASTRUCTURE LIMITED

DIRECTORS REPORT

To

The Members of Nakshatra Infrastructure Limited,
Hyderabad.

We have pleasure in presenting the 22nd Annual Report and the Audited Statement of Accounts for the Financial Year ended 31.03.2011.

FINANCIAL RESULTS:

	Current Year 2010-11 (Rs. in Lakhs)	Previous Year 2009-10 (Rs. in Lakhs)
Income	95.33	94.64
Profit before Interest and Depreciation	20.39	19.85
Interest	0.02	4.35
Depreciation	17.99	17.99
Profit before Tax	1.96	1.85
Provision for Taxation	0.33	0.32
Net Profit	1.63	1.30

OPERATIONS:

During the year under review your company has earned a total income of Rs. 95.30 Lakhs and incurred a Net Profit of Rs. 1.86 Lakhs as against an income of Rs. 94.64 Lakhs and Net Profit of Rs. 1.85 Lakhs in the previous year. During the year, company has earned income from Software Development of Rs. 74.18 lakhs and Other Income of Rs. 4.70 Lakhs. Your Directors are confident that the company will achieve better results in the coming years.



NAKSHATRA INFRASTRUCTURE LIMITED

DIVIDEND:

Due to insufficiency of Profit your directors could not recommend Dividend on the Capital.

DIRECTORS:

Sri Pawan Kumar Sanwar Mal and Sri C. Vikanth Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

AUDITORS:

M/s. Ramasamy Kotiswara Rao & Co., Chartered Accountants, Hyderabad will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2008, your directors confirm:

- (i) that in the preparation of accounts under report the applicable accounting standards have been followed along with proper explanations relating to material departure.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account for the period.
- (iii) That the directors taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the annual accounts on the going concern basis.



NAKSHATRA INFRASTRUCTURE LIMITED

CORPORATE GOVERNANCE :

Your Company has taken necessary measures to comply with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Corporate Governance.

A report on corporate governance along with a certificate of compliance from the Auditors and also the Management Discussion and Analysis report are annexed separately to this Annual Report.

PARTICULARS OF EMPLOYEES :

No employee was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 and the rules framed there under, as amended to date.

FIXED DEPOSITS :

Your Company has not accepted any deposit and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

INFORMATION UNDER SECTION 217 (1) (G) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

a) Conservation of Energy :

The operations of the company involve very low energy consumption. However adequate measures have been taken to conserve the more energy.

b) Technology Absorption:

The Company has not imported any Technology.

GENERAL:

The Company's shares are listed on Bombay Stock Exchange Ltd., the listing fee for the year 2010-2011 has been paid.

APPRECIATION:

The Directors wish to place on record their appreciation to employees at all levels for their co-operation. Your directors would also acknowledge the continued support of the company's shareholders.

By Order of the Board of Directors

Sd/-
(C. ASHOK BABU)
Managing Director

Place : Hyderabad
Date : 02.09.2011

Sd/-
(C. VIKRANTH)
Director



NAKSHATRA INFRASTRUCTURE LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance

A strong governance process is integral to business success. For an important reason: a broad based governance initiative harmonizes the interest of all shareholders.

At Ancent, a commitment to a mature governance process is leading to stronger business prospects, a growth of business partners (customers and suppliers), enhanced employee and investor wealth as well as an increased societal development at large.

Board of Directors

Composition of the Board

The Board of Directors of Ancent consists of Five directors. Of these, one is Managing Director, One is Executive Directors and Three are Non-Executive. The composition of the Board during the financial year under review is presented in detail in the table 1.

Number of Board Meetings

During the financial year under review, the Board of Directors met 5 times on 30.04.2010, 05.06.2010, 31.07.2010, 04.09.2010, 31.10.2010 and 31.01.2011. As stipulated in Clause 49, the maximum time gap between any two meetings was not more than four months.

Director's Attendance Record and Directorships

Details are given in Table 1.

Table: 1 Details of the Board of directors:

Name of the Director	Executive/ Non-Executive Director	No. of meetings Held during his Tenure	No. of meetings Attended	Whether Attended Last AGM	No. of Outside directorships
C. Ashok Babu	Executive	6	6	Yes	2
M.Indrasena Chinswamy	Executive	6	4	Yes	2
G. Srinivas	Executive	6	4	Yes	2
Pavan Kumar Satwaramaj	Non Executive	6	4	Yes	11
C. Vikramth	Executive	4	4	No	0
R. Narasimha Reddy	Non Executive	4	4	No	0

Information Supplied to the Board

Ancent believes in providing the directors all relevant and required information to enable them make well informed decisions. The following information is regularly placed before the Board:

- > Annual Budget
- > Quarterly and Half Yearly results of the Company
- > Minutes of Audit committee and other Committee meetings.
- > Information on recruitment and remuneration of any Sr. Manager just below the board.
- > Any material defaults in financial obligations to and by the company in any aspect.
- > Disclosures by management on material transactions if any including potential conflict of interest.
- > Strategic and operational plans for running the business.

The Board of Directors is presented with detailed notes with required annexure on the above heads. These are presented as a part of the agenda papers of the meeting or directly tabled at the Board meetings.