

17TH ANNUAL REPORT 2002



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A S H I R W A D
CAPITAL LIMITED

BOARD OF DIRECTORS

Ramprasad Poddar
Chairman

Shilpa Poddar
Dinesh Poddar
Executive Directors

Rajesh Poddar
Vishwanath Harlalka
Directors

Registered Office :

303, Tantia Jogani Industrial Estate,
J.R. Boricha Marg,
Lower Parel,
Mumbai - 400 011.

Bankers:

Canara Bank
Standard Chartered Bank
The Greater Bombay Co-op Bank Ltd.

Auditors :

C M GABHAWALA & CO.
Chartered Accountants



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Date : 07 th March 2003

Time : 10.30 a.m.

Venue : Jasmine (1 st Floor)
World Trade Center 1,
Cuffe Parade,
MUMBAI - 400 005.





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NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Friday, 7th March 2003 at 10.30 a.m. at Jasmine (1st Floor) World Trade Center 1, Cuffe Parade, Mumbai - 400 005 to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2002 and the profit and Loss Account for the year ended on that date together with the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Shri Rajesh Kumar Poddar who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Smt. Shilpa D Poddar, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Regd. Office :

303 Tania Jogani Ind. Estate
J R Boricha Marg, Lower Parel
Mumbai - 400 011.

CERTIFIED TRUE COPY.

By Order of the Board

For Ashirwad Capital Ltd.

Rampasad Poddar

(Chairman)

For Ashirwad Capital Ltd.

Date : 5th February 2003.

Dinesh Poddar
Director

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

The Register of Members and Share transfer Books will remain closed from 28th, February, 2003 to 7th, March, 2003 (both days inclusive)

ASHIRWAD
 CAPITAL LIMITED

DIRECTORS REPORT

To,
The Members,

The Directors have pleasure in presenting the 17th Annual Report and the Audited Statement of Accounts for the year ended 31st December, 2002.

		Rs. In Lacs	
FINANCIAL RESULTS :	31.12.2002	31.12.2001	
1 Total Income	30.47	32.57	
2 Total Expenditure	7.00	10.53	
3 Interest	0.16	3.53	
4 Gross Profit after Interest but before Depreciation	23.31	18.51	
5 Depreciation	0.76	1.00	
6 Diminution in value of investment	50.00	0.00	
7 Provision for Taxation	0.09	0.57	
8 Provision for deferred tax asset	18.05	(0.71)	
9 Profit/(Loss) after Tax	(9.49)	16.94	
10 Excess/(Short) Provision for IT in the earlier year	(0.33)	0.75	
11 Net Profit/(Loss) after Tax	(9.82)	16.98	
12 Balance brought forward from the previous year's Balance sheet	nil	6.38	
13 Proposed Dividend (inclusive of Tax on Dividend)	nil	22.04	
14 Profit Carried forward to the Balance Sheet	nil	2.03	

OPERATIONS AND FUTURE PROSPECTS :

During the period under review the profit after tax has increased from Rs. 16.94 lacs to Rs. 22.46 lacs as was promised last year (after excluding provisions made for deferred tax and diminution in the value of shares). This was inspite of the market remaining quite listless with a downward bias for the entire period.

The Bull Market which was expected in 2002 could not be sustained and we saw the market sliding from 3700 level to 3400 level between February, 2002 to December, 2002. This augurs well for the current year 2003, and we at Ashirwad believe that we will see a much invigorated Bull Market in 2003 and 2004. The Debt Market has saturated and with a low interest rate regime setting in Equities will become a favoured investment alternative. The market which has remained subdued for so long has created a mature base, a necessary spring-board for a very healthy rise. We are very bullish over a 2 year investment horizon and expect all round growth in our portfolio which is now more focused and yet comprehensive mirroring the stronger sectors of the economy.



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Following is a list of the Top 35 shares in our portfolio. These shares constitutes 89.17% of our invested funds in the Equity Market.

Sr. #	SCRIP	FACE VALUE	AS AT 31/12/2002		HOLDING %
			NO. OF SHARES	VALUE Rs.	
1	SWASTI VINAYAKA SYNTHETICS LTD.	1	6430000	6909450	32.99
2	HOTEL LEELA VENTURE LTD.	10	11000	841435	4.02
3	JAIPUR POLYSPIN LTD.	10	79300	829410	3.96
4	COLGATE-PALMOLIVE (INDIA) LTD.	10	4200	776126	3.71
5	RELIANCE INDUSTRIES LTD.	10	1363	624956	2.98
6	INDIAN HOTELS CO. LTD.	10	2500	602493	2.88
7	ARLEM BREWERIES LTD.	10	35100	595530	2.84
8	RECRON SYNTHETICS LTD.	10	53700	503699	2.41
9	TISCO LTD.	10	3200	434069	2.07
10	TATA TEA LTD.	10	2000	404059	1.93
11	TELCO LTD.	10	3000	400959	1.91
12	RAJASTHAN BREWERIES LTD.	10	24600	392171	1.87
13	BAJAJ AUTO LTD.	10	1000	392157	1.87
14	HIMMATSINGKA SEIDE LTD.	10	1400	371000	1.77
15	TATA CHEMICALS LTD.	10	8000	369776	1.77
16	STERLING HOLIDAY RESORTS (INDIA) LTD.	10	2300	326525	1.56
17	ZEE TELEFILMS LTD.	1	1000	315112	1.50
18	MONSANTO CHEMICAL LTD.	10	600	290757	1.39
19	ROLTA INDIA LTD.	10	900	280120	1.34
20	TITAN INDUSTRIES LTD.	10	5300	238267	1.14
21	WIPRO LTD.	2	100	234741	1.12
22	I.T.C. LTD.	10	300	233378	1.11
23	MOTHERCARE INDIA LTD.	10	15000	225000	1.07
24	E I HOTEL LTD.	10	1000	217327	1.04
25	PROCTOR & GAMBLE (I) LTD.	10	300	213050	1.02
26	RANBAXY LABORATORIES LTD.	10	200	211598	1.01
27	PUNJAB TRACTORS LTD.	10	1100	193832	0.93
28	IC NET LTD.	10	2500	177625	0.85
29	MOTOR INDUSTRIES CO. LTD.	100	50	163672	0.78
30	NOVARTIS INDIA LTD.	5	650	161587	0.77
31	SIEMENS LTD.	10	450	158163	0.76
32	THOMAS COOK (I) LTD.	10	600	154800	0.74
33	ASSOCIATED CEMENT COMPANY LTD.	10	1100	151626	0.72
34	HINDUSTAN LEVER LTD.	1	1600	146826	0.70
35	NIIT LTD.	10	70	132321	0.63
TOTAL				18673617	89.17
TOTAL INVESTED FUND (QUOTED)				20942281	

**DIVIDEND :**

We regret that due to loss after making necessary provisions for diminution in the value of shares the Board have not recommend any dividend for the Financial year 2002.

DIRECTORS :

At the ensuing Annual General Meeting Smt. Shilpa Poddar and Shri Rajesh Poddar shall retire by rotation and being eligible, they have offered themselves for re-appointments.

DIRECTORS'S RESPONSIBILITY STATEMENT :

The Directors state that-

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures :
- (ii) 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 covered under this Report and of the profit or loss of the Company for the year :
- (iii) 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.
- (iv) The Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS :

The company has not accepted / renewed any fixed Deposits from the Public under section 58A of the Companies Act, 1956.

AUDITORS :

M/s K.M.Garg & Co. Chartered Accountants, were the appointed Statutory Auditors of the Company. However due to personal indisposition, they resigned in between the year creating of casual vacancy and have given their No-Objection to the Board of Directors appointing any other firm of Chartered Accountants as the Company's Statutory Auditors for the Financial year 2002. Therefore, in order to complete the audit for the financial year, the Board of your Company has appointed M/s. C.M.Gabhawala & Co. Chartered Accountants, as Auditors of the Company. They shall retire at the conclusion of the ensuing Annual General Meeting. Your approval and ratification to this is sought for.

ADDITIONAL INFORMATION

Additional Information required to be given under the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 have not been given as they are not applicable to the Company.

EMPLOYEES :

There are no employees drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

**17TH ANNUAL REPORT 2002****LISTING ARRANGEMENT :**

Your Company has been Listed on the Stock Exchange, Mumbai where the Company's Shares are being Listed. The company has already paid Listing fees for the year 2002-2003.

CORPORATE GOVERNANCE :

In terms of Clause 49 of the listing Agreement, the provisions relating to report on Corporate Governance are not applicable to the Company, since its paid up Capital is less than Rs.3.00 Crores.

ACKNOWLEDGEMENT :

We record our gratitude to the Banks and others for their assistance and co-operation during the year. We also wish to place on record our appreciation for the dedicated services of the employees of the Company. We are equally thankful to our esteemed investors for their co-operation extended to and confidence reposed in the management.

Regd. Office :

303 Tantia Jogani Ind. Estate
J R Boricha Marg, Lower Parel
Mumbai - 400 011.

By Order of the Board
For Ashirwad Capital Ltd.
Ramprasad Poddar
(Chairman)

Place : Mumbai

Date : 5th February 2003.

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**AUDITOR'S REPORT**

To the Member's
Ashirwad Capital Ltd.

We have audited the attached Balance Sheet of Ashirwad Capital Limited as at 31st December, 2002 and annexed Profit & Loss Account of the Company for the year ended on that date. 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.

We conducted the audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and other Companies (Auditors Report) Order, 1988, issued by the Central Government under Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure, a Statement on the matter specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above -
 - a) 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.
 - b) In our opinion proper books of account as required by the law have been kept by the Company so far as appears from our examination of books.
 - c) In our opinion, the Profit & Loss A/c and Balance Sheet comply with the Accounting Standards referred to in Sub-Section 3 (C) of Section 211 of the Companies Act, 1956.
 - d) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - e) On the basis of information and explanations given to us, and representations obtained by the Company, there are no Directors of the Company who, as at 31st December 2002 are disqualified Under Section 274(1)(g) of the Companies Act, 1956, from being appointed as Directors.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the Accounts read with the notes thereon gives us a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2002, and
 - (ii) In the case of the Profit and Loss account of the Loss for the year ended on that date.

Place : Mumbai
Date : 5th February 2003.

For **C. M. Gabhawala & Co.**
Chartered Accountants
Biren C. Gabhawala.
(Partner)