



# banshi jain & associates

chartered accountants

**B. L. Jain**

B.Com., (Hons.) F.C.A.

**R. B. Golecha**

B.Com., (Hons.) F.C.A.

**S. B. Dudhawat**

B.Com., (Hons.) F.C.A.

**S. B. Rakhecha**

B.Com., F.C.A.

**Parag Jain**

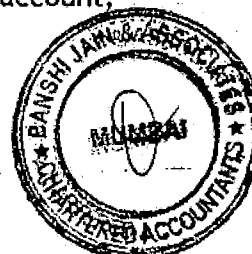
B.Com., F.C.A., D.I.S.A.

**Anuj Golecha**

B.Com., A.C.A., D.I.S.A.

## AUDITORS' REPORT TO THE MEMBERS OF ASHIRWAD CAPITAL LIMITED

1. We have audited the attached Balance Sheet of **ASHIRWAD CAPITAL LIMITED**, as at 31<sup>st</sup> March, 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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 our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;



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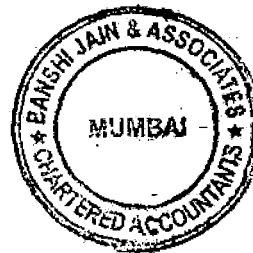
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:: 2 ::

- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give 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 31<sup>st</sup> March, 2008 ;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For BANSHI JAIN & ASSOCIATES  
Chartered Accountants



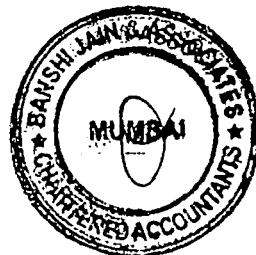
*Anuj B. Golecha*  
Anuj B. Golecha  
Partner  
M. No. 117617

MUMBAI, 5<sup>th</sup> SEPTEMBER 2008

**ANNEXURE TO AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date,)

- 1) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed off by the company during the year.
- 2) The company does not have any inventory, hence sub clause (a), (b) (c), of the clause (ii) of Para 4 of the Companies (Auditors Report) order 2003 is not applicable to the company.
- 3) a) The Company has granted unsecured loan to one company listed in the register maintained under section 301 of the Companies Act 1956. The Maximum amount involved and year end balance of such aggregating to Rs. 80 Lacs and Rs. 80 Lacs respectively.  
b) In our opinion terms and conditions of such loan are prima facie not prejudicial to the interest of the Company. The loan has been granted at interest free rate.  
c) The party is regularly repaying the principal amount.  
d) There are no overdue amounts in respect of the above loan.  
e) The Company has not taken unsecured loans from any company listed in the register maintained under section 301 of the Companies Act 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



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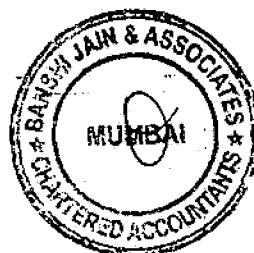
- 5) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions 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 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- 7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8) The Central Government of India has not prescribed the maintenance of cost records under Clause (d) of Sub-section (1) of Section 209 of the Companies Act. .
- 9) a) According to the information and explanations give to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax and other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of Income tax , were in arrears, as at 31<sup>st</sup> March, 2008 for the period of more than six months from the date it became payable .  
b) According to the information and explanations given to us and according to the books and records as produced and examined by us, there are no dues of Income tax , which have not been deposited on account of any dispute.



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- 10) The company has no accumulated losses as at 31<sup>st</sup> March, 2008 and it has not incurred any cash losses in the immediately preceding financial year.
- 11) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank. The company has neither taken any loans from a financial institution nor issued any debentures.
- 12) In our opinion and according to the information and explanations give to us and according to the books and records as produced and examined by us, the company has not granted any loans and advances on the basis of security by way of pledged of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Fund / Societies are not applicable to the company. Accordingly clause 4(xiii) of the Order is not applicable.
- 14) In our opinion and according to the information and explanations give to us and according to the books and records as produced and examined by us, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein and such securities have been held by the company in its own name.
- 15) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16) In our opinion and according to the information and explanations give to us and according to the books and records as produced and examined by us, the company has not obtained any term loans.



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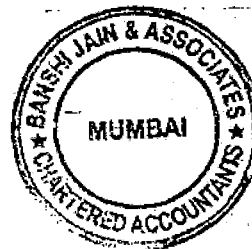
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:: 4 ::

- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
- 18) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- 20) The company has not raised any money by public issues during the year.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the generally-accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants



  
**Anuj B. Golecha**  
Partner  
M. No. 117617

MUMBAI, 5<sup>th</sup> SEPTEMBER 2008



**INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT**

(Where the data of the Return of Income/Fringe Benefits in Form ITR-1, ITR-2, ITR-3, ITR-4, ITR-5, ITR-6 &amp; ITR-8 transmitted electronically with digital signature)

Assessment Year

**2008-09**

PERSONAL INFORMATION AND THE DATE OF ELECTRONIC TRANSMISSION	Name <b>ASHIRWAD CAPITAL LIMITED</b>			PAN <b>AACCA8327M</b>		
	Flat/Door/Block No <b>303</b>	Name Of Premises/Building/Village <b>JOGANI INDUSTRIAL ESTATE</b>		Form No. which has been electronically transmitted <b>ITR-6</b>		
	Road/Street/Post Office <b>J.R.BORICHA MARG</b>	Area/Locality <b>LOWER PAREL</b>		Status <b>PUB COMPAN</b>		
	Town/City/District <b>MUMBAI</b>	State <b>MAHARASHTRA</b>	Pin <b>400011</b>	Designation of Assessing Officer <b>ADL/JCIT RG 6(I) [NEW]/MUM/P/061/01</b>		
	E-filing Acknowledgement Number <b>43002111290908</b>			Date(DD/MM/YYYY) <b>29-09-2008</b>		
	COMPUTATION OF INCOME AND TAX THEREON	1	Gross total income			1
2		Deductions under Chapter-VI-A			2	0
3		Total Income			3	2410310
3a		Current Year loss, if any			3a	0
4		Net tax payable			4	944250
5		Interest payable			5	75729
6		Total tax and interest payable			6	1019979
7		Taxes Paid	a Advance Tax	7a	0	
		b TDS	7b	258918		
		c TCS	7c	0		
	d Self Assessment Tax	7e	0			
	e Total Taxes Paid (7a+7b+7c+7d)	7e	258918			
8	Tax Payable (6-7d)			8	761060	
9	Refund (7e-6)			9	0	
COMPUTATION OF FRINGE BENEFITS AND TAX THEREON	10	Value of Fringe Benefits			10	1732
	11	Total fringe benefit tax liability			11	590
	12	Total interest payable			12	5
	13	Total tax and interest payable			13	595
	14	Taxes Paid				
		a Advance Tax	14a	595		
		b Self Assessment Tax	14b	0		
		c Total Taxes Paid (14a+14b)	14c	595		
	15	Tax Payable (13-14c)			15	0
	16	Refund			16	0

This return has been digitally signed by

ASHIRWAD CAPITAL LIMITED

on 29-09-2008

at MUMBAI



AACCA8327M643002111290908CE131785516F773877B5109219C71EF209A274EF

Name	M/S ASHIRWAD CAPITAL LIMITED
Address	303, Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.
Status	Domestic Company in which the public are Substantially Interested
Assessment Year	2008 - 2009
Financial Year	2007 - 2008
P. A. No.	AACCA 8327 M

COMPUTATION OF TOTAL INCOME			
Sources of Income		Amount	Amount
<b>1 Income/Loss on Business</b>			
Net Profits per P & L Account (Before Tax)		11,537,910	
Add : Items Considered Separately/disallowable			
Loss from I & O Transactions		-	
Share Issue expenses w/off	107,100		
Gratuity Payable	41,538		
Depreciation as per Companies Act	292,143		
Depository Charges	26,964		
Electricity Charges	14,185		
Society Charges	75,054		
Repair & Maintenance	29,102		
Interest on Loan	2,452,006		
Securities Transaction Tax	76,718		
Expenses disallowable U/S 14A (10% of Dividend Income)	219,131	3,333,940	
		14,871,850	
Less : Items Considered Separately			
Profit on Sale of Investment	13,887,017		
Profit on Sale of Mutual Fund	57,119		
Compensation Income	510,000		
Diminution in value of Investment	400,000		
Dividend	2,191,305	17,045,441	
		(2,173,591)	
Add : Disallowable expenses related to Investment Activity (90% of the Administrative expenses on estimated basis - as per working)		2,677,806	
		504,216	
Less : Depreciation as per I.T Act (10% of 4,09,668/-) on estimated basis		40,967	
		463,249	463,249
<b>2 Income from House Property</b>			
Compensation Income		510,000	
Less : Repairs & Maintenance Exps. / Deduction		153,000	357,000
<b>3 Income from Capital Gain</b>			
Short Term			
Short term capital gain taxable U/s.111A		1,590,065	
Long Term :			
on which S. T. T. paid	12,354,071		
Less : Exempt U/S 10(38)	12,354,071	NIL	
			1,590,065
		<b>NET TOTAL INCOME</b>	<b>2,410,314</b>
		<b>ROUNDED OFF U/S 288 A</b>	<b>2,410,310</b>
Tax on Total Income :			
Tax at Normal rates	820,245 @ 30%	246,074	
Short Term Capital Gain Rs. (on which S. T. T. paid)	1,590,065 @ 10%	159,007	405,080
	2,410,310.00		
			405,080
Add : Surcharge @ 0 %			405,080
Add : Education Cess @ 3%			12,152
		<b>Total Tax</b>	<b>417,232</b>



**Working of Tax Liability under MAT**

Net Profit as per P & L Account before Tax	11,537,910	
Less : Reversal of Provision for Diminution	400,000	
	<u>11,137,910</u>	
Less : Fringe Benefit Tax —	600	
Deferred Tax	(2,342)	
Exempt Income -Dividend Income	<u>2,191,305</u>	<u>2,189,563</u>
		<u>8,948,347</u>
Add : Disallowance u/s. 14A		<u>219,131</u>
Book Profit		<u><u>9,167,478</u></u>
Tax @ 10% of the above	916,748	
Tax on above		916,748
Add : Surcharge 0%		<u>916,748</u>
Add : Education Cess 3%		<u>27,502</u>
		<u>944,250</u>
Net Tax		944,250
Less :Tax Deducted at Source		
T. D. S. on Interest	143,352	
T. D. S. on Compensation	<u>115,566</u>	<u>258,918</u>
		<u>635,332</u>
Advance Tax Paid		<u>685,332</u>
Add : Interest		
Interest U/S 234 B	41,120	
Interest U/S 234 C	<u>34,609</u>	<u>75,729</u>
SELF ASSESSMENT TAX PAID		<u><u>761,061</u></u>

Note : As tax payable as per MAT is more than tax payable under normal provision of Income Tax Act provision of section 115JB are applicable.

MAT Credit available for set off in subsequent years U/s 115JAA with respect to A. Y. 2008-2009 is Rs. 5,27,018/-.

ASHIRWAD CAPITAL LIMITED						
CALCULATION OF INTEREST PAYABLE U/S. 234B & 234C						
Asst. Year 2008-2009						
ASSESSED TAX :						
CALCULATION U/S.234B						
PERIOD	TAX AMOUNT	TOTAL MONTH	PER MONTH RATE OF INTEREST	INTEREST		
01.04.2008 TO 30.09.2008	685332	6	1	41,120		
				41,120		
CALCULATION U/S.234C						
DUE DATE	% OF TAX	TAX AMOUNT	ADVANCE	RATE OF INTEREST	SHORTFALL	INTEREST
15-Jun-07	15 %	102,800	-	1	102,800	3,084
15-Sep-07	45 %	308,399	-	1	308,399	9,252
15-Dec-07	75 %	513,999	-	1	513,999	15,420
15-Mar-08	100 %	685,332	-	1	685,332	6,853
						34,609
TOTAL INTEREST U/S. 234B + 234C						75,729


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