

## ■ BOARD OF DIRECTORS:

**Ramprasad Poddar**  
Chairman

**Dinesh Poddar**  
Managing Director

**Shilpa Poddar**  
**Rajesh Poddar**  
**Sanjiv Rungta**  
**Harshvardhan Agarwal**  
**Piyush Shah**  
**Nirmal Jain**  
Directors



**Solid, Consistent Growth. By Design**

## ■ REGISTERED OFFICE:

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

## 24th ANNUAL REPORT 2010

## CONTENTS:

### ■ BANKERS:

HDFC Bank Ltd.

### ■ AUDITORS:

Sanjay Raja Jain & Co.  
Chartered Accountants

### ■ 24th ANNUAL REPORT 2010:

**Date** : July 10, 2010

**Time** : 10:30 a.m.

**Venue** : SACHIVALAYA GYMKHANA,  
6, General Jagannathrao Bhosale Marg,  
Opp. Mantralaya, Mumbai- 400 032.

### ■ REGISTRARS & TRANSFER AGENTS:

Bigshare Services Pvt. Ltd.,  
E/2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka, Andheri (E),  
MUMBAI- 400 072.

Tel. No. : 022 - 4043 0200

Fax No. : 022 - 2847 5207

E-Mail : bigshare@bom7.vsnl.net.in

website : www.bigshareonline.com

■ Notice	01
■ Directors' Report	02
■ Report on Corporate Governance	05
■ Certificate Regarding Compliance of Corporate Governance	08
■ Compliance Certificate	08
■ Auditors' Report	10
■ Balance Sheet	12
■ Profit & Loss Account	13
■ Schedules	14
■ Accounting Policies	19
■ Cash Flow Statement	21

## ■ ■ ■ NOTICE:

- NOTICE is hereby given that the 24th Annual General Meeting of the Company will be held on Saturday, July 10, 2010 at 10:30 a.m. at SACHIVALAYA GYMKHANA, 6 General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032. to transact the following business:-

■ **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Ramprasad Poddar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Rajesh Poddar, who retires by rotation and being eligible, offers himself for reappointment
5. To appoint Auditors and to fix their remuneration.

**Registered Office:**

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

Date : May 17, 2010

Place : Mumbai

By Order of the Board  
 For **Ashirwad Capital Limited.**

**Ramprasad Poddar**  
 Chairman

■ **NOTES:**

1. 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.
2. The Register of Members and Share Transfer Books will remain closed from Saturday, July 3, 2010 to Saturday, July 10, 2010 (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
  - a) Whose name appear as Beneficial Owners at the end of business hours on July 2, 2010 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. in respect of the shares held in electronic form.
  - b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company or Registrar and Share Transfer Agents on or before July 2, 2010.

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## ■■■ DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the 24th Annual Report and the Audited Statement of Accounts for the year ended March 31, 2010.

(Rs. in Lacs)

Sr. No.	Particulars	15 Months Ended 31.03.2010	12 Months Ended 31.12.2008
1.	Net Sales / Income	161.74	107.84
2.	Total Expenditure		
	i) Staff Cost	3.14	2.13
	ii) Depreciation	3.68	3.24
	iii) Other Expenditure	8.46	33.72
	Total	15.28	39.09
3.	Interest	8.49	2.03
4.	<b>Profit Before Tax</b>	<b>137.97</b>	<b>66.72</b>
5.	Provision for Taxation	17.79	15.18
	i) Current Tax	17.68	15.03
	ii) Deferred Tax	0.11	0.14
	iii) Fringe Benefit Tax	-	0.01
6.	<b>Net Profit After Tax</b>	<b>120.18</b>	<b>51.54</b>
7.	Excess/(Short) Provision for Tax for earlier years	(0.33)	0.02
8.	Net Profit	119.85	51.56
9.	<b>Proposed Dividend</b> (Inclusive of Tax on Dividend)	<b>70.20</b>	<b>46.80</b>
10.	Paid-up Equity Share Capital (Face Value of Re.1/- each)	400.00	400.00
11.	Reserves & Surplus (Excluding Revaluation Reserves)	141.95	92.29
12.	<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>0.30</b>	<b>0.13</b>
13.	Non Promoters Shareholding		
	- Number of Shares	13616000	13597584
	- Percentage of Shareholding	34.04%	33.99%

### DIVIDEND:

We are pleased to announce that the Board of Directors has recommended final dividend of Re. 0.04 per equity share of Re. 1/- each (i.e. 4%) aggregating Rs.16,00,000 (excluding dividend distribution tax as applicable) for the year ended on March 31, 2010 in addition to the interim dividend of Re. 0.11 per equity share (i.e. 11%) amounting to Rs. 44,00,000 which was declared and paid in December 2009.

### OPERATIONS & FUTURE PROSPECTS :

During the year under review the profit after tax (PAT) stood at 120.18 Lacs, a phenomenal increase of 133.18% as compared to last year.

As we had estimated we saw a long term bottoming out of the markets in 2009. We should witness a consolidation of the equity markets in the emerging markets basket during the first 6-8 months of 2010 and after which we estimate the final wave of the long term bull market which began in 2003. If we see such a scenario shaping up we shall invest our cash position into the market. We shall continue our strategy to invest in only 'A' group shares with good track record and leadership position in market segments they operate in. The timing of our investments will be decided based on our in-house technical studies which we do on a daily basis with a long term time horizon and our firm resolve to give our most valued investors long term returns which are consistent and outperform the broader indices.

Thank you shareholders for your continued support and trust in Ashirwad and its management team, which we cherish and value from the bottom of our hearts.

**FOLLOWING IS A LIST OF QUOTED INVESTMENTS. THIS CONSTITUTES 100% OF OUR INVESTED FUNDS IN THE EQUITY MARKET:**

SR. #	PARTICULARS	FACE VALUE RS.	31.03.2010		HOLDING %
			NO. OF SHARES	AMOUNT RS.	
	<b>FULLY PAID UP EQUITY SHARES (QUOTED)</b>				
1	HINDUSTAN UNILEVER LTD.	1	60000	1,26,30,388	73.21
2	INDIAN HOTEL LTD.	10	40000	41,84,349	24.26
3	MANJUSHRI PLANTATION LTD.	10	333	78,698	0.46
4	RANBAXY LABORATORIES LTD.	5	1000	3,57,706	2.07
	<b>Total</b>			<b>1,72,51,141</b>	<b>100.00</b>
	<b>AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS</b>			<b>1,89,77,598</b>	

**■ DIRECTORS:**

Mr. Ramprasad Poddar and Mr. Rajesh Poddar, who retire by rotation and being eligible, offer themselves for re-appointment.

**■ DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Directors state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgment 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 of the Company for the year.
- 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.
- The Directors had prepared the annual accounts on a going concern basis.

**■ FIXED DEPOSITS:**

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

**■ 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.

**■ AUDITORS:**

M/s Sanjay Raja Jain & Co., Chartered Accountants, Mumbai, will retire at this meeting and being eligible offer themselves for re-appointment.

**■ CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

In view of the nature of activities of the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors)

Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

There were no foreign exchange earnings or outgo during the year under review.

**■ COMPLIANCE CERTIFICATE UNDER PROVISIO TO SUB-SECTION (1) OF SECTION 383A OF THE COMPANIES ACT, 1956:**

Compliance Certificate issued under sub-Section (1) of Section 383A of the Companies Act, 1956 by the Practicing Company Secretary for your Company is attached to this report.

**■ LISTING ARRANGEMENT:**

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's Shares are being traded. The Company has paid Listing Fees for the year 2009-2010.

**■ MANAGEMENT DISCUSSION AND ANALYSIS:**
**■ BUSINESS ENVIRONMENT:**

It has been a year of substantial achievements for our company, in the face of one of the toughest global economic downturn ever witnessed in history. Your company has a long standing reputation as a consistent sectoral performer amongst the various finance and investment companies. Despite the volatile economic scenario, the expertise of the management enabled us to perform exceptionally well during the year.

**■ STRENGTHS & OPPORTUNITIES:**

Your company has positively faced the ever changing period in the finance and investment market quite effectively. The fiscal policies brought by Government in the recent times have been encouraging. The economic plan aims to put the economy towards a path of sustainable growth and progress. Your company pays special attention to its valuable human resource. Further keeping in view the support offered by government and financial institutions, your company is keen to achieve an established name and goodwill in the market.

**■ RISKS AND CONCERNS:**

Risk is an integral part of business process. Proper risk management can be highly beneficial for any company. The company will attempt to soften the impact of risks through continuous monitoring, timely action and control measures.



#### ■ OUTLOOK:

The company is looking forward to the achievement of the following objectives in the coming year:

- (i) To effectively position the company so as to meet the needs of changing economic scene in India.
- (ii) To earn national recognition by providing qualitative services in time and in conformity with the best practices.
- (iii) To enhance size and value of business activities of the company.
- (iv) To achieve optimal return on capital employed.

#### ■ OVERVIEW:

Your company offers unique insights delivering independent information, opinions and solutions that helps it to make better informed business and investment decisions and improve the return on investment. The future prospect continues to remain positive with focus on strengthening risk management systems and demand for good quality and independent research.

The accompanying financial statements have been prepared in accordance with the requirements of Companies Act, 1956 and Generally Accepted Accounting Principles and Accounting Standards prevailing in India.

#### ■ FINANCIAL AND OPERATIONAL PERFORMANCE:

The accompanying financial statements have been prepared in accordance with the requirements of Companies Act, 1956 and Generally Accepted Accounting Principles and Accounting Standards prevailing in India. The gross income of the company during the year has increased to Rs. 161.74 Lacs from Rs. 107.84 Lacs during the previous year. The net profit has risen from Rs. 51.56 Lacs to Rs. 119.85 Lacs during the current year.

#### ■ CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

#### ■ CORPORATE GOVERNANCE:

Corporate Governance Report along with Certificate of the Company Secretary in Practice pursuant to clause 49 (revised) of the Listing Agreement with the Stock Exchanges has been included in the report. Your company believes that Corporate Governance is a voluntary code of self-discipline. In line with this policy, the Board of Directors strongly believes that it is very important that the Company follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various measures undertaken. Therefore, your directors have been reporting the initiatives on Corporate Governance measures adopted by your Company.

#### ■ ACKNOWLEDGEMENTS:

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 other stakeholders for their co-operation extended to and confidence reposed in the management.

**Registered Office:**  
303, Tanta Jogani Indl. Estate,  
J R Boricha Marg, Lower Parel,  
Mumbai 400 011.  
Date : May 17, 2010  
Place : Mumbai

For and on behalf of the Board  
For **Ashirwad Capital Limited**

**Ramprasad Poddar**  
Chairman

## ■■■ CORPORATE GOVERNANCE REPORT

### 1 COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes that Corporate Governance is a powerful medium to serve the long-term interest of the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens investors and creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

### 2. BOARD OF DIRECTORS:

The present strength of Board of Directors is 8 (EIGHT), whose composition and category is given below:

#### (A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2010

The Composition of the Board of Directors and also the number of other Directorship or Committees of which they are member/Chairperson are as given below:

Directors	Category	No. of other Directorship		No. of other Committee positions	
		Public	Private	Member	Chairman
Ramprasad Poddar	Promoter Chairman	6	3	--	2
Dinesh Kumar Poddar	Promoter Executive	5	2	4	1
Rajesh Kumar Poddar	Promoter Non-Executive	3	2	3	--
Shilpa Poddar	Promoter Non-Executive	3	--	1	--
Sanjiv Rungta	Independent	1	--	--	1
Piyush Shah	Independent	2	--	1	1
Nirmal Jain	Independent	2	1	2	--
Harshvardhan Agarwal	Independent	1	--	--	--

#### (B) BOARD PROCEDURE

The Board of the Company met 10 times during the year ended March 31, 2010. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Labour Issues

#### (C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2010, Ten (10) Board Meetings were held on January 21, 2009, February 24, 2009, April 11, 2009, April 25,

2009, July 27, 2009, October 21, 2009, December 12, 2009, December 18, 2009 and January 21, 2010, February 22, 2010. Annual General Meeting during the year was held on April 11, 2009.

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on April 11, 2009	Remarks
Ramprasad Poddar	10	Yes	--
Dineshkumar Poddar	10	Yes	--
Rajeshkumar Poddar	10	Yes	--
Shilpa Poddar	10	No	--
Sanjiv Rungta	5	No	--
Piyush Shah	5	No	--
Harshvardhan Agarwal	5	No	--
Nirmal Jain	5	No	--

#### (D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

The brief particulars of the Directors being re-appointed as Directors retiring by rotation at the ensuing Annual General Meeting are as under:

- (i) Mr. Ramprasad Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ramprasad Poddar, 74 years old has more than 38 years of experience in Textile Industry. His continuation on the Board will be an asset to the Company.

- ii) Mr. Rajesh Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Rajesh Poddar, 41 years old has more than 17 years of experience in Textile industry. His continuation on the Board will be an asset to the Company.

### 3. COMMITTEES OF THE BOARD:

The Board of Directors has constituted Three committees of the Board (i) The Audit Committee (ii) Remuneration Committee and (iii) Investors' and Shareholders Grievance & Share Transfer Committee.

#### i) AUDIT COMMITTEE:

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

#### COMPOSITION:

The Audit Committee consists of 2 (Two) Independent Directors and 1(One) Non-Executive Director. Mr. Sanjiv Rungta is the Chairman of the Audit Committee. The members of the committee have requisite experience in corporate management, finance, Accounts and corporate laws. The Audit committee held five meetings during the year and there was no time gap of more than Four months between any two meetings.

The Audit Committee consists of:

- |                             |            |
|-----------------------------|------------|
| 1. Mr. Sanjiv Rungta        | - Chairman |
| 2. Mr. Harshvardhan Agarwal | - Member   |
| 3. Mr. Rajesh Poddar        | - Member   |



## ii) REMUNERATION COMMITTEE:

- To review, assess and recommend the appointment of Managing / wholetime directors.
- To periodically review the remuneration package of Managing/ wholetime directors and next level and recommend suitable revision to the Board.
- To seek financial position of the Company.
- Trends in the Industry.
- Interest of the company and shareholders.

The Remuneration Committee shall determine on behalf of the Board and on behalf of the shareholders, specific remuneration packages for Managing Director and whole time directors.

### COMPOSITION:

The Remuneration Committee consists of 2 (Two) Independent Directors and 1 (One) Non-Executive Director. Mr. Sanjiv Rungta is the Chairman of the Remuneration Committee.

No meeting was required to be held by this Committee.

The Composition of the Committee is as follows:

- |                              |            |
|------------------------------|------------|
| i) Mr. Sanjiv Rungta         | - Chairman |
| ii) Mr. Harshvardhan Agarwal | - Member   |
| iii) Mrs. Rajesh Poddar      | - Member   |

## (iii) INVESTORS' AND SHAREHOLDERS GRIEVANCE & SHARE TRANSFER COMMITTEE:

The Investors Grievance & Share Transfer Committee of the Board look into various issues relating to investor grievances and deal with matters relating to transfer/transmission of shares and monitor redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc.

### COMPOSITION

The present constitution of the Committee is as follows:

- |                             |            |
|-----------------------------|------------|
| 1. Mr. Harshvardhan Agarwal | - Chairman |
| 2. Mr. Sanjiv Rungta        | - Member   |
| 3. Mr. Dinesh Poddar        | - Member   |

The Company's shares are compulsory traded in the dematerialized form and have to be delivered in the dematerialized form at Stock Exchanges. To expedite transfers in the physical segment, Mr. N T Hegde, CEO, is acting as Compliance Officer.

All the complaints received are replied to the satisfaction of the shareholders. There are no pending complaints requiring intervention of the Committee.

## 4. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
31.12.2008	11/04/2009	Seminar II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai- 400005.	10:30 A.M.
31.12.2007	29/03/2008	Seminar II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai- 400005.	10:30 A.M.
31.12.2006	17/03/2007	Seminar II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai- 400005.	10:30 A.M.

No Special resolution was required to be passed through postal ballot at the last Annual General Meeting nor is it proposed this year.

## 5. DISCLOSURE:

The Company has not entered into any transaction of a material nature which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under note no. 6 of notes on the annual accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

There was no material non-compliance by the Company and no penalties or strictures imposed on the Company by the stock exchanges, SEBI or statutory authorities on any matter related to Capital Markets during last three years.

## 6. MEANS OF COMMUNICATIONS:

The quarterly, half yearly and annual results are communicated to the Bombay Stock Exchange where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are published in widely circulating national and local dailies. The quarterly & half-yearly results are not sent individually to the shareholders.

## 7. GENERAL SHAREHOLDERS INFORMATION:

- |                                      |   |
|--------------------------------------|---|
| a. Registered Office                 | : 303, Tanta Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.       |
| b. Annual General Meeting            |   |
| Date and time                        | : July 10, 2010 at 10:30 A.M.   |
| Venue                                | : SACHIVALAYA GYMKHANA, 6 General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032. |
| c. Financial Calender (2010-11):     | <b>Result to be tabled &amp; adopted in the month of</b>  |
| i) First Quarter ended June 30, 2010 | : July 2010   |