

18TH ANNUAL REPORT 2003



ASHIRWAD
CAPITAL LIMITED

BOARD OF DIRECTORS

Ramprasad Poddar
Chairman

Dinesh Poddar
Shilpa Poddar
Executive Directors

Rajesh Poddar
Vishwanath Harlalka
Directors

REGISTERED OFFICE:

303, Tantia Jogani Industrial Estate,
J.R. Boricha Marg,
Lower Parel,
Mumbai-400011.

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 : 05 th March, 2004
Time : 10.30 a.m.
Venue : Jasmine (1st Floor)
World Trade Center 1,
Cuffe Parade,
Mumbai - 400 005.

CERTIFIED TRUE COPY.

For Ashirwad Capital Ltd.

Dinesh Poddar

Director/Authorised Signatory

REGISTRARS & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.,
E/2, Ansa Industrial Estate,
Sakivihar Road, Andheri (E), Mumbai-400 072.
Tel. No.: 28560652 / 28560653





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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Friday, 05th March, 2004 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, 2003 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare a dividend of Rs. 1.50 per equity share for the year ended 31st December, 2003.
3. To appoint a Director in place of Shri Dinesh Poddar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Vishwanath Harlalka, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Regd. Office :

303, Tania Jogani Indl. Estate,
J. R. Boricha Marg, Lower Parel,

Mumbai - 400 011.

Date : 23rd January, 2004.

By Order of the Board
For Ashirwad Capital Ltd.
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 25th February, 2004 to 5th March, 2004 (both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
 - (a) Whose names appear as Beneficial Owners as at the end of business hours on 05th March, 2004 as per the list to be furnished by National Securities Depository Ltd. 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 Company on or before 05th March, 2004.

ASHIRWAD
CAPITAL LIMITED
DIRECTORS REPORT

To
The Members,

The Directors have pleasure in presenting the 18th Annual Report and the Audited Statement of Accounts for the year ended 31st December, 2003.

FINANCIAL RESULTS:
(Rs. in Lacs)

Sr. #	Particulars	31.12.2003	31.12.2002
1.	Total Income	62.78	30.47
2.	Total Expenditure	6.26	7.00
3.	Interest	0.02	0.16
4.	Reversal of diminution in value of Investments	30.00	NIL
5.	Gross Profit after Interest but before Depreciation	86.50	23.31
6.	Depreciation	0.62	0.76
7.	Diminution in value of investments	Nil	50.00
8.	Provision for Taxation	(6.95)	(0.09)
9.	Provision for deferred taxation asset	(4.05)	18.05
10.	Profit/(Loss) after Tax	74.88	(9.49)
11.	Excess/(Short) Provision for IT in the earlier year	(0.39)	(0.33)
12.	Net Profit/(Loss) after Tax	74.49	(9.82)
13.	Proposed Dividend (Inclusive of Tax on Dividend)	42.30	NIL
14.	Transfer to General Reserve	25.16	NIL
15.	Profit Carried forward to the Balance Sheet	7.03	NIL

OPERATIONS AND FUTURE PROSPECTS:

During the period under review the profit after tax stood at Rs. 74.49 lacs. Enthused by the promising results and on expectation of a buoyant capital market in 2004 the Board of directors recommends a 15% dividend for the financial year ended December, 2003.

As was mentioned in our last year's report we at Ashirwad firmly believe that we are in a strong long term Bull Market which started in 2003 and should continue till the mid of 2005 at least. There will be short-term corrections, which will be good entry points and can also be used to churn one's portfolio.

Below, we try to formulate a list of reasons why we feel we are in a strong long term Bull Market.

- As per our Technical Analysis all the major Long Term Indicators (e.g. MACD, STOCHASTICS, RSI) have given a strong Bullish Signal.
- The Indian Economy is getting stronger and the Industrial Fraternity is showing confidence of competing with the best in the world in the Service Industry as well as in the Manufacturing Industry.
- The above "Feel Good" factor is seeping down to various layers of the society and consumer confidence is increasing leading to increased spending, a very important ingredient for sustained growth.



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- d) Low inflation coupled with low interest rates fuel a higher consumer confidence and at another level increased productivity and renewed confidence in the economy by Captains of Industry together result in a stronger Rupee.
- e) High Growth Rate and a Strong Rupee attract NRIs to make large investments in India, which further improves the already strong fiscal position. Also FII's are viewing India as a diversification play vis a vis China to enter two of the largest markets in the world. All of the above result in a strong "Feel Good" Indian Economy which inevitably translates to a buoyant Capital Market and we are witnessing only the beginnings of this perception change towards India.

Following is a list of the Top 25 scrips in our portfolio. These constitutes 90.37% of our invested funds in the Equity Market.

Sr. #	SCRIP	FACE VALUE	AS AT 31/12/2003		HOLDING %
			NO. OF SHARES	VALUE Rs.	
1	SWASTI VINAYAKA SYNTHETICS LTD.	1	6430000	69,09,450	29.73
2	COLGATE-PALMOLIVE (INDIA) LTD.	10	7000	12,09,772	5.21
3	TATA TEA LTD.	10	5550	11,99,345	5.16
4	HOTEL LEELA VENTURE LTD.	10	25000	11,39,299	4.90
5	INDIAN HOTELS CO. LTD.	10	4500	10,21,493	4.40
6	E I HOTEL LTD.	10	5000	9,65,638	4.15
7	HINDUSTAN LEVER LTD.	1	5500	8,97,511	3.86
8	THOMAS COOK (I) LTD.	10	2800	7,48,158	3.22
9	CASTROL (I) LTD.	10	3000	6,47,728	2.79
10	JAIPUR POLYSPIN LTD.	10	58300	6,43,635	2.77
11	TATA CHEMICALS LTD.	10	10200	5,25,521	2.26
12	RECRON SYNTHETICS LTD.	10	26849	5,03,699	2.17
13	GLAXOSMITHCLINE PHARMACEUTICALS LTD.	10	1200	4,62,018	1.99
14	NOVARTIS (INDIA) LTD.	5	1500	4,41,051	1.90
15	I.T.C. LTD.	10	600	4,33,956	1.87
16	RAJASTHAN BREWERIES LTD.	10	24600	3,92,171	1.69
17	ZEE TELEFILMS LTD.	1	1700	3,74,965	1.61
18	HIMMATSINGKA SEIDE LTD.	10	1400	3,71,000	1.60
19	PUNJAB TRACTORS LTD.	10	2000	3,57,732	1.54
20	APPOLO HOSPITALS ENTERPRISE LTD.	10	2050	3,28,381	1.41
21	STERLING HOLIDAY RESORTS (INDIA) LTD.	10	2300	3,26,525	1.40
22	ROLTA INDIA LTD.	10	1500	3,21,790	1.38
23	WIPRO LTD.	2	165	2,90,800	1.25
24	INFOSYS TECHNOLOGIES LTD.	5	45	2,49,785	1.07
25	TRENT LTD.	10	1250	2,40,780	1.04
	TOTAL			2,10,02,162	90.37
	TOTAL INVESTED FUND (QUOTED)			2,32,40,778	

ASHIRWAD
CAPITAL LIMITED

DIVIDEND :

We are pleased to announce that the Board of Directors has recommended dividend at the rate of 15 % for the year ended on 31st December, 2003.

DIRECTORS :

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

DIRECTORS' 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 C.M.Gabhawala & Co. Chartered Accountants, present auditors retire at this Annual General Meeting and are eligible for re-appointment.

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.



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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.

LISTING ARRANGEMENT :

Your Company has been Listed on the Stock Exchange, Mumbai where the Company's Shares are being traded. The Company has already paid Listing fees for the year 2003-2004.

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.

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 our esteemed investors for their co-operation extended to and confidence reposed in the management.

Regd. Office :
303, Tantia Jogani Indl. 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 : 23rd January, 2004.

ASHIRWAD

CAPITAL LIMITED

AUDITORS' REPORT

**The Members,
Ashirwad Capital Ltd.,**

We have audited the attached Balance Sheet of Ashirwad Capital Limited as at 31st December 2003 and the annexed Profit & Loss A/c 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 paragraphs 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 explanation 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 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 & Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act 1956.
 - (d) The Balance Sheet and Profit and 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, 2003 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 explanation given to us, the accounts read with the notes thereon gives us, the information required by the Companies Act, 1956 in the manner so required 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 state of affairs of the Company as at 31st December 2003, and
 - (ii) In the case of the Profit and Loss Account of the profit for the year ended on that date.

Place : Mumbai
Dated : 23rd January, 2004.

For C. M. GABHAWALA & CO.
CHARTERED ACCOUNTANTS
BIREN C. GABHAWALA
(PARTNER)