ASHIRWAD CAPITAL LIMITED
SOLID, CONSISTENT GROWTH. BY DESIGN.

NOTICE:

- **NOTICE** is hereby given that the 25th Annual General Meeting of the Company will be held on Saturday, 9th July, 2011 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 at 31st March, 2011 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. Piyush Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Nirmal Jain, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

- **SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to section 198, 269, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XII to the said Act as amended from time to time, the consent of the members be and is hereby accorded to the appointment of Mr. Dinesh Poddar as Managing Director without Remuneration for the period of three years w.e.f. 1st January, 2011, on such terms and conditions as contained in the agreement to be entered between the Company and Mr. Dinesh Poddar, a draft whereof is placed before the meeting and for the purpose of identification is superscribed by the Chairman hereof.

   RESOLVED FURTHER THAT Mr. Dinesh Poddar shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

7. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to section 293 (1) (d) and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed by the Board shall not at any time exceed the limit of Rupees 50 Crores (Rs. Fifty crores only)

   "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Special Resolution."

Registered Office:
303, Tantia Jogani Industrial Estate,
J R Boricha Marg, Lower Parel,
Mumbai – 400 011.
Date: May 20, 2011
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, 2nd July, 2011 to Saturday, 9th July, 2011. (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
   a) Whose name appears as Beneficial Owners as at the end of business hours on 1st July, 2011 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 1st July, 2011.
4. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect to the Special business under Item No. 6 to be transacted at the meeting is annexed to this notice.

- **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:**

- **Item No. 6:**

In accordance with provisions of Schedule XIII, Mr. Dinesh Poddar whose previous appointment as Managing Director ended on 31st December, 2010 was re-appointed as Managing Director by the Board of Directors without remuneration for the tenure of three years w.e.f. 1st January, 2011.

None of the directors except Mr. Ramprasad Poddar, Mr. Dinesh Poddar, Mr. Rajesh Poddar are interested in the passing of the said resolution.

- **Item No. 7:**

Section 293 (1) (d) of the Companies Act, 1956 requires that the Board of Directors of the Company should obtain the consent of the Shareholders in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the company will exceed the aggregate of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purposes.

In view of the funds requirement for the ongoing investments and other projects and taking into account the requirement of additional funds in the coming years, your Directors seek to take the consent from the Shareholders to borrow funds as per requirements from time to time. Accordingly, they have thought it desirable to obtain the consent of the Shareholders pursuant to section 293 (1) (d) of the Companies Act, 1956 to borrow upto Rs. 50 Crores (Rs. Fifty Crores only).

The Directors recommend the approval of the Shareholders thereto. None of the Directors is interested or concerned in this special resolution.

Registered Office:
303, Tantia Jogani Industrial Estate,
J R Boricha Marg, Lower Parel,
Mumbai – 400 011.
Date: May 20, 2011
Place: Mumbai

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

Ramprasad Poddar
Chairman

Ruby/Sales/Sudhir Chandiwdekar/Ashirwad AR 2011/**File Ashirwad AR Secretarial.pmd**/SKG/26/4/pradeep 27-5/pradeep 2/6

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the 25th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS: (Rs. in Lakhs)

Sr. No.	Particulars	12 Months Ended 31.03.2011	15 Months Ended 31.03.2010
1.	Net Sales/ Income	**56.05**	161.74
2.	Total Expenditure		
	i) Staff Cost	**3.23**	3.14
	ii) Depreciation	**2.63**	3.68
	iii) Other Expenditure	**7.17**	8.46
	Total	**13.03**	15.28
3.	Interest	**16.69**	8.49
4.	**Profit / (Loss) Before Tax**	**26.33**	137.97
5.	Provision for Taxation	**3.70**	17.79
	i) Current Tax	**3.77**	17.68
	ii) Deferred Tax Asset/ (Liability)	**(0.07)**	0.11
6.	**Profit After Tax**	**22.63**	120.18
7.	Excess/(Short) Provision for Tax of earlier years	**0.51**	(0.33)
8.	**Net Profit**	**23.14**	119.85
9.	Balance carried from previous year	**1.27**	26.62
10.	Amount available for Appropriation	**24.41**	146.46
11.	**Appropriations:**		
	Interim dividend	**-**	44.00
	Proposed Dividend	**20.00**	16.00
	Dividend Distribution Tax	**3.32**	10.20
	Transferred to General Reserve	**-**	75.00
12.	**Balance carried to Balance Sheet**	**1.09**	1.27

- **DIVIDEND:**

  We are pleased to announce that the Board of Directors has recommended final dividend of ₹ 0.05 per equity shares of ₹ 1/- each (i.e. 5%) aggregating ₹ 20,00,000 (excluding dividend distribution tax as applicable) for the year ended on 31st March, 2011.

- **OPERATIONS AND FUTURE PROSPECTS**:

  During the period under review the profit after tax (PAT) stood at 22.63 Lacs (Previous Year ₹ 120.18 Lacs), a decrease of 76.47% on annualized basis as compared to last financial year. The reversal of the performance by such large percentile though cause for concern revealed the fragile state of economy reflected in the share market indicators. However, all investment strategy is based upon long term growth and there is much to be optimistic on long term perspective. We are hopeful to reap the benefits of high growth rate of economy provided the inflation is reined in urgently.

  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.

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- **DIRECTORS**:

  Mr. Piyush Shah and Mr. Nirmal Jain retire by rotation and, being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

  Mr. Dinesh Poddar who was appointed as Managing Directors for the period of five years and whose appointment ends on 31st December, 2010 was re-appointed for the period of three years effective from January 1, 2011 as Managing Director of the Company.

  Mrs. Shilpa Poddar resigned as director in the Company effective from April 18, 2011. The Board place on record its appreciation for the services rendered during her tenure as director in the Company.

- **DIRECTOR'S RESPONSIBILITY STATEMENT:**

  The Directors state that: -

  i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

  ii. 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.

  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 Deposits from the Public under section 58A of the Companies Act, 1956.

- **EMPOYEES:**

  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 the ensuring meeting and being eligible offers 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 PROVISO 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 2010-2011.

- **MANAGEMENT DISCUSSION AND ANALYSIS:**

- **BUSINESS ENVIRONMENT:**

  It has been a year of reversal for our company and tough majors were required to buck the trend. Your company has in the past survived the worst reversals and is positive that this time too it will overcome the downtrend and bounce back in to reckoning.

- **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 resources. 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 OPPORTUNITIES:**

  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 o the following objectives in the coming year:

  (I) To effectively position in the company so as to meet the needs of changing economic scene in India.

  (II) To earn national recognition by providing qualitative service in time and in conformity with the best practices.

  (III) To enhances 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 help 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.

- **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 decreased to ₹ 56.05 Lacs (12 Months) from 161.74 Lacs (15 Months) during the previous year. The net profit has reduced to ₹ 23.13 Lacs from ₹ 119.85 Lacs in the previous financial year.

- **CAUTIONERY 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 application 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 of the Listing Agreement with the stock Exchange 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 our esteemed investors for their co-operation extended to and confidence reposed in the management.

Registered Office:
303, Tantia Jogani Industrial Estate,
J R Boricha Marg, Lower Parel,
Mumbai – 400 011.
Date: May 20, 2011
Place: Mumbai

For and on behalf of the Board
Ashirwad Capital Limited

Ramprasad Poddar
Chairman

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CORPORATE GOVERNANCE REPORT

Your Company has complied with all material aspects of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock. A Report on the Corporate Governance compliance is furnished below:

1. **Company's Philosophy on Corporate Governance**:

   Good Corporate Governance helps enhancement of long term shareholders value and interest of other stakeholders. This is achieved through increased awareness for responsibility, transparency and professionalism and focus on effective control and management of the organization. The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the Management Systems to maintain a greater degree of responsibility and accountability.

2. **BOARD OF DIRECTORS**:

   The 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, 2011:

   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	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	2
Rajesh Kumar Poddar Promoter Non-Executive	3	2	3	-
Shilpa Poddar Promoter Non-Executive	3	-	1	-
Harshvardhan Agarwal Independent	1	-	2	1
Sanjiv Rungta Independent	1	-	1	2
Piyush Shah Independent	2	-	1	1
Nirmal Jain Independent	2	1	2	-

(B) BOARD PROCEDURE

The Board of the Company met 5 (Five) times during the year-ended 31.03.2011. 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, 2011, Five Board Meetings were held on May 17, 2010, July 10, 2010, July 24, 2010, October 28, 2010, January 17, 2011, Annual General Meeting during the year was held on July 10, 2010.

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on July 10, 2010	Remarks
Ramprasad Poddar	5	Yes	—
Dinesh Poddar	5	Yes	—
Rajesh Poddar	5	Yes	—
Shilpa Poddar	5	Yes	—
Sanjiv Rungta	4	No	—
Nirmal Jain	4	No	—
Harshvardhan Agarwal	4	No	—
Piyush Shah	4	No	—

(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

The brief particulars of the Directors of the company, being re-appointed as Directors retiring by rotation and new appointment of director at the ensuing Annual General Meeting are as under:

(i) Mr. Piyush Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Piyush Shah, 35 years old is having more than 17 years of experience in the field of stock market and finance. His continuation on the Board will be an asset to the Company.

(ii) Mr. Nirmal Jain retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Nirmal Jain, 52 years old is having more than 32 years of business experience. 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) The Share Transfer and Investors Grievance Redressal Committee.

(i) AUDIT COMMITTEE:

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

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COMPOSITION

The Audit Committee consists of 2 (Two) Independent Directors and 1 (one) Non-Executive Director. Mr. Sanjiv Rungta, is the Chairman of the 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. Harshvardan Agarwal - Member
3. Mr. Rajesh Poddar - Member

(ii) REMUNERATION COMMITTEE:

— To review, assess and recommend the appointment of Managing/ whole-time directors.

— To periodically review the remuneration package of Managing/ whole-time 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 director.

COMPOSITION:

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

During the year ended March 31, 2011, One Remuneration Committee meeting was held on December 30, 2010 to approve the appointment of Managing Director.

The constitution of the present Remuneration Committee is as follows:

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

(iii) **INVESTORS AND SHAREHOLDERS GRIEVANCE AND SHARE TRANSFER COMMITTEE**.

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

The present constitution of The Committee is as follows:

1) Mr. Harshvardan 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 transfer 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
31.03.2010	10.07.2010	SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai – 400 032	10.30 A.M
31.12.2008	11.04.2009	Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400 005	10.30 A.M
31.12.2007	29.03.2008	Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400 005	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 COMMUNICATION:

The quarterly, half yearly and annual results are communicated to the Bombay Stock Exchange where the Company's shares are listed as