



Abhinav Capital Services Limited

ANNUAL REPORT

2005 - 2006

Registered Office :

Athena House, Row House No. 4, Rajnigandha, Gokuldhara, Goregaon (E),
Mumbai-400 063. Tel. : 28425907 / Fax : 28426526
e-mail : abhinavcapital@yahoo.co.in



Abhinav Capital Services Limited

Board of Directors :

Mr. Chetan Karia – Chairman
Mr. Kamlesh Kotak – Executive Director
Mr. Girish Desai – Independent Director
Mr. A. K. Jain – Independent Director

Bankers:**Bank of India**

Stock Exchange Branch, Mumbai-400023.

Auditors:**M/s BRV & Associates**

Chartered Accountants
301, Crystal Tower, 46/48, Maruti Lane,
Near Handloom House, Fort, Mumbai-400001.

Share Transfer Agent :**Adroit Corporate Services Private Limited**

19, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Andheri (East), Mumbai 400 059.
Tel No. : 2859 4060 / 2859 6060
Fax No. : 2850 3748

**Registered Office of
Company:**

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Mumbai-400063.
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NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of **ABHINAV CAPITAL SERVICES LIMITED** will be held on Saturday, 29th July, 2006 at 11.00 A.M. at Company's Registered Office at Athena House, Row House No. 4, Rajnigandha, Gokuldhama, Goregaon (East), Mumbai 400 063 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended on 31st March, 2006 and Balance Sheet as on that date.
2. To appoint a Director in place of Mr. A.K.Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. BRV & Associates, Chartered Accountants, retiring auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. Appointment of Mr. Girish Desai as a Director of the Company.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT, Mr. Girish Desai who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 10, 2006 and who hold office upto the date of the forthcoming Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 ("the act") and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company."

5. Appointment of Mr. Kamlesh Kotak as a Director of the Company.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT, Mr. Kamlesh Kotak who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 10, 2006 and who hold office upto the date of the forthcoming Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 ("the act") and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company."

6. Adoption of new set of Articles of Association of the Company.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution** :

"RESOLVED THAT, pursuant to Section 31 of The Companies Act, 1956 and all other applicable provisions if any, proposed new set of Articles of Association initialed by the Chairman for the purpose of identification be and is hereby adopted as Articles of Association of the Company in substitution for and to the exclusion of the Company's existing Articles of Association."

7. Appointment & Remuneration to the Executive Director.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

“ **RESOLVED THAT**, pursuant to the provisions of section 269,309, read along with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the appointment and terms of remuneration of Mr. Kamlesh Kotak as the Executive Director of the Company for the period of Three years with effect from 1st June, 2006 upon the terms & conditions set out in the agreement entered into with him, which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Kamlesh Kotak.”

8. Payment of professional fees & sitting fees to the Independent Director.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

“ **RESOLVED THAT**, pursuant to Section 309 of The Companies Act & Clause 49 of the Listing Agreement entered with the various Stock Exchange(s), the Board of Directors of the Company be and is hereby authorized to pay professional fees for Professional assignment carried out for and on behalf of the Company and/or sitting fees for attending meeting of the Board of Directors and/or committees thereof to the non executive Directors (including independent Directors) within the limits prescribed under the Companies Act, 1956, if any, as amended from time to time.”

9. Place of keeping and inspection of the Registers and Annual returns of the Company.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution** :

“ **RESOLVED THAT**, pursuant to section 163 of the Companies Act, 1956 (the Act) the Company hereby approves that the Registers and indexes of members, if any and copies of Annual Returns prepared under section 159 of the Companies Act together with the copies of certificates and documents required to be annexed thereto under section 161 of the act or any one of them to be kept at the office of the Company's Registrar and Share Transfer Agents viz **M/s Adroit Corporate Services Private Limited, 19 Jaferbhoy Industrial Estate, Makwana Road, Marol, Andheri (East), Mumbai-400 059** instead of being kept at the registered office of the Company.”

“ **Resolved Further That**, The Board of Directors of the Company be and are hereby **severally** authorized to take such steps as may be necessary to give effect to this resolution.”

For and on behalf of the Board of Directors,
For Abhinav Capital Services Limited

Place : Mumbai
Date : 16.06.2006

sd/-
Chetan Karia
Chairman

ABHINAV CAPITAL SERVICES LTD.**Note:**

1. Proxies in order to be valid, must reach to the Registered Office of the Company not less than 48 hours before the date of the meeting.
2. Members are requested to intimate immediately, any change in their Residential Address to the Company.
3. The relevant Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is annexed hereto.
4. The Register of members and Share Transfer Books of the Company will remain closed from 27.07.2006 to 29.07.2006 (both days inclusive).
5. All the Documents including Draft Articles of Association are open for inspection at the Registered office of the Company during working hours.

Pursuant to Clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of Mr. Kamlesh Kotak and Mr. Girish Desai are given below :

PARTICULARS	Mr. KAMLESH KOTAK	Mr. GIRISH DESAI
Qualification	B.Com, Chartered Accountant	B.Com, Chartered Accountant
Experience	Accounts, Equity Research	Equity Research, Accounts
Directorship in other Companies	NIL	NIL
Membership/Chairmanship of Committees in public Companies	NIL	NIL

**ANNEXURE TO THE NOTICE
(EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173
OF THE COMPANIES ACT, 1956)**

As required by Section 173 of the Companies Act, 1956, the following explanatory Statement set out all material facts relating to the business mentioned under item Nos. 4 to 9 of the accompanying Notice dated 16th June, 2006.

1) ITEM NO 4

Mr. Girish Desai was appointed as an Additional Director of the Company on 10th January, 2006 as per the provisions of section 260 of the Companies Act, 1956. Mr. Girish Desai, can hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice under section 257 of the companies Act, 1956 in respect of his candidature, proposing his appointment as a Director of the Company alongwith the requisite deposit.

Details regarding the person proposed to be appointed as Director and his brief resume have been given in the Notice. Keeping in view the experience and expertise of Mr. Girish Desai, his appointment as Director of the Company is recommended. Mr. Girish Desai may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other directors is concerned or interested in this item of business.



2) ITEM NO. 5

Mr. Kamlesh Kotak was appointed as an Additional Director of the Company on 10th January, 2006 as per the provisions of section 260 of the Companies Act, 1956. Mr. Kamlesh Kotak, can hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice under section 257 of the companies Act, 1956 in respect of his candidature, proposing his appointment as a Director of the Company along with the requisite deposit.

Details regarding the person proposed to be appointed as Director and his brief resume have been given in the Notice. Keeping in view the experience and expertise of Mr. Kamlesh Kotak, his appointment as Director of the Company is recommended. Mr. Kamlesh Kotak may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other directors *is concerned or interested in this item of business.*

3) ITEM NO. 6

Since many years the Articles of Association of the company could not be amended, and now to keep in line with latest amendments and developments under the Companies Act, the amendment is necessitated. The Board has decided to replace the existing set of the Articles of Association with new set of Articles of Association, which covers all the latest amendments under the Companies Act, 1956 & SEBI rules & regulations. The Draft Articles include all the provisions related to Demat & ESOP.

The draft set of Articles of Association of the Company is available for inspection by the members of the Company at the registered office during the working hours on any working day of the Company. None of the Directors are interested in the Resolution.

4) ITEM NO. 7

The Board of Directors have decided to appoint Mr. Kamlesh Kotak as Executive Director of the Company. The Company proposed to enter agreement with Mr. Kamlesh Kotak for the period of three years from 1st June, 2006 to 31st May, 2009. The terms and Conditions for the remuneration agreement is as under.

Salary : Rs. 27,000/- Per month.

Telephone Expenses : Rs. 1,000/- Per month.

Conveyance Expenses: Rs. 1,500/- Per month.

Books & periodicals: Rs. 500/- Per month.

Staff Welfare Expenses: Rs. 1,000/- Per month.

Travelling Expenses : At Actual. *

*The Company is not providing any other benefits and perquisites to Mr. Kamlesh Kotak.

In compliance with the provisions of the Sections 269, 309 and other applicable provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members for approvals.

The draft Agreement between the Company and Mr. Kamlesh Kotak is available for inspection by the members of the Company at the registered office during the working hours on any working day of the Company.

ABHINAV CAPITAL SERVICES LTD.

Mr. Kamlesh Kotak shall be deemed to be concerned or interested in item no 6 of the Notice.

This may be treated as abstract of the terms of the contract between the Company and Mr. Kamlesh Kotak pursuant to section 302 of the Companies Act, 1956.

5) ITEM NO 8.

Under the provisions of Section 309(2) of the Companies Act, 1956 and the Articles of Association of the Company, a Director may receive remuneration by way of fees for each Meeting or Professional fees for the professional services provided by the independent Director of the Company.

The amended Provisions of Clause 49 (1) (B) of the listing Agreement with the Stock Exchanges, as notified by SEBI vide Circular Nos. SEBI/CFD/DIL/CG/1/2004/12/10 October and compulsorily coming into effect on & from 31st December, 2005, now requires that all fees/compensation paid to the Non Executive Directors shall be fixed by the Board of Directors and shall require previous approval of the members is sought for payment of such increased fees to the Directors for attending any Board Or Committee Meeting or professional fees for professional services rendered by the independent Director, as may be fixed by the Board of Directors within such limits as may from time to time be prescribed under the Companies Act, 1956 and rules framed there under or any amendments thereof.

Your Directors recommend the resolution for the member's approval.

All the Directors are interested in the above resolution except Mr. Kamlesh Kotak, since the above resolution relates to the professional fees for Company's professional assignments & sitting fees for attending the Company's Meeting.

6) ITEM NO 9.

Under Section 163 of the Companies Act, 1956, certain documents, which are normally required to be kept at the registered office of the Company, may be kept at any other place has been approved by a special resolution passed by the Company in the General meeting.

Approval of the members is sought, in terms of section 163 of the Companies Act, 1956 for shifting of the Company's register & index of members and Annual Return, books, certificates and documents pertaining thereto from the registered office of the Company to Registrar & Share transfer Agent of the Company at **M/s Adroit Corporate Services Private Limited, 19 Jaferbhoy Industrial Estate, Makwana Road, Marol, Andheri (East), Mumbai-400 059.**

Your Directors recommend the resolution for the members approval.

None of the Directors are interested in the above resolution.

By Order of the Board of Directors
For Abhinav Capital Services Limited

sd/-
Chetan Karia
Chairman

Mumbai : 16.06.2006

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report of **ABHINAV CAPITAL SERVICES LIMITED** with the Audited Statement of Accounts for the year ended on March 31, 2006.

Financial Highlights:

The financial performance of the Company for the year ended 31st March 2006 is summarized below:

	(Rupees in Lacs)	
	Current Year	Previous Year
Gross Total Income	302.44	86.21
Total Expenditure	62.73	9.14
Profit before Taxation	239.71	77.07
Provision for Taxation/Deferred Taxation	47.92	13.12
Profit After Taxation	191.79	63.95

Performance of the Company

During the year under review, the Company's net Profit was increased by approximately 300% compared to the previous year. The profit after tax for the financial year under review is Rs.191.79 Lacs against Rs.63.95 Lacs for the corresponding previous financial year.

Change of Name

The name of the Company has been changed from **Abhinav Homes & Resorts Limited** to **Abhinav Capital Services Limited** to reflect the main business of the Company. The Company has received fresh certificate of incorporation with change of name from the Registrar of Companies, Mumbai.

Directors

Mr. Avinash Mainkar, Director, has submitted his resignation due to pre occupation on 27th January, 2006. Your Directors have taken on record the efforts and co-operation received from Mr. Avinash. Mr. Girish Desai & Mr. Kamlesh Kotak are appointed as additional Directors with effect from 10th January, 2006. Both of them hold office upto the date of forthcoming Annual general Meeting. The Company has received notice from the members signifying their intention to propose Mr. Girish Desai & Mr. Kamlesh Kotak as candidate for the office of Director. Mr. Amar K. Jain retires by rotation & being eligible to offer himself for re-appointment.



Dividend

In order to utilize the resources available for future benefits, the Directors do not recommend the payment of dividend for the year under review.

Public Deposits

During the year under review, the Company has not accepted any public deposits as defined under section 58A of the Companies Act, 1956.

Particulars regarding Foreign Exchange Earning and outgo, Conservation of Energy and Technology absorption

Information pursuant to Foreign Exchange, Conservation of Energy and Technology absorption as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not applicable to the Company.

Particulars of Employees

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the Company read with the Companies (Particulars of Employees) Rules, 1975.

Auditors

The retiring auditors, M/s. BRV & Associates, Chartered Accountants, retires at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The members are requested to re-appoint them.

Audit Committee

The Company has appointed Audit Committee as required under Section 292A of the Companies Act, 1956. The Audit Committee has met regularly and forwarded its reports. There are no adverse marks given by the Audit Committee.

RBI Guidelines

Your Company is complying with all the requirements of Reserve Bank of India for Non Banking Finance Company.