



Board Of Directors	:	1. Mr. Chetan Karia - Chairman 2. Mr. Kamlesh Kotak – Independent Director 3. Mr. Girish Desai - Independent Director
Bankers	:	Bank of India Stock Exchange Branch, Mumbai-400023.
Auditors	:	M/s B Y & Associates Chartered Accountants 510-513 Appeejay House, 130, Mumbai Samachar Marg, Fort, Mumbai - 400 023.
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:		Athena House, Row house No.4, Rajnigandha, Gokuldham, Goregaon (E.), Mumbai-400063. Tel. 28425907 Fax: 28406189 E-mail: abhinavcapital@yahoo.co.in complaint@abhinavcapital.com

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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 Monday 30th September, 2013 at 11.00 A.M. at Company's Registered Office at Athena House, Row House No. 4, Rajnigandha, Gokuldham, 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 2013 and Balance Sheet as on that date.
2. To appoint a Director in place of Mr. Chetan Karia who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint M/s. B Y & 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

For and on behalf of the Board of Directors,
M/s. Abhinav Capital Services Limited

Place: Mumbai
Date : 27th May, 2013

SD/-
Chetan Karia
Chairman

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 the Residential Address of 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 27.09.2013 to 30.09.2013 (both days inclusive)

**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, 2013.

Financial Highlights:

The financial performance of the Company for the year ended 31st March 2013 is summarized below:

(Rupees in Lakhs)

	Current Year	Previous Year
Gross Total Income	48.47	84.16
Total Expenditure	69.89	23.48
Profit : (Loss) before taxation	(21.41)	60.67
Loss: (Loss) on sale of Investments	--	--
Profit before taxation	(21.41)	60.67
Provision for Taxation/Deferred Taxation	(4.86)	10.61
Fringe benefit Tax	--	--
Profit After Taxation	(26.27)	50.06

Performance of the Company

During the year under review, the Company has incurred loss of Rs.26.27 lakhs in compared to last year profit of Rs 50.06 lakhs. The Company has suffered a loss mainly due to the loss of Rs. 40.40 Lakhs on sale of investments compared to last year profit of Rs.43.23 Lakhs on sale of investments. The Company has also made provision of Rs. 50.56 Lakhs towards Diminution of Investments. This year Company has started making investment in good scrips and Companies. Your Directors expects good turnaround in current financial year.

Future Prospects

The Indian Economy is currently in midst of slowdown & GDP did not recover as expected. Further, Key Economic indicators such as Fiscal & Current Deficit are stressed. However, with the interest rate cycle turning & the Government making an effort to revive stalled projects, some recovery is likely in 2013-14. The outlook for Industrial activity remains subdued because of lack of new investment & existing projects remaining stalled by bottlenecks & implementation gaps. Growth in service & export may remain sluggish too, given that Global growth is unlikely to improve significantly from 2012. The Reserve Bank of India baseline projection of GDP growth for 2012-13 is 5.7%. The Financial Performance of the Company during the current year is expected to show improvement over last year, with a possible pick up likely only in the second half of the year

Directors

Mr Chetan Karia Director is retiring by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment & he has offered himself for re-appointment.

Dividend

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 Companies Act, 1975.

Auditors

The retiring auditors, M/s. B Y & Associates, Chartered Accountants, retire 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 remarks 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. In terms of paragraph 13 of the NBFC Regulations, the particulars as applicable to the company are appended to the Balance sheet.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company do hereby confirm as follows:

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That 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 and of the profit or loss of the Company for that period;
- iii) that 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) That the Directors had prepared the annual accounts on a going concern basis.

Corporate Governance & Management Discussion & Analysis Statement

The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements of the Stock Exchange are complied with. A detailed report on Corporate Governance has been included in this report along with a certificate from the auditors of the company regarding compliance of conditions of Corporate Governance. Further, a separate Management Discussion and Analysis report is also given in this report.

Acknowledgement

Your Directors thank the clients for the confidence in the Company, which has enabled the Company to reach to a new level of customer satisfaction. The Board places acknowledgment to the employees for their teamwork and professional approach for the Company's image.

Your Directors would like to express their gratitude for the continuous support and guidance received from Company's lenders, bankers, the Government departments, and SEBI and Stock Exchange officials.

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

SD/-
Chetan Karia
Chairman

Place: Mumbai
Date: 27th May 2013

**MANAGEMENT DISCUSSION & ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS.****BUSINESS SCENARIO**

Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system because of their complementary as well as competitive role. They act as a critical link in the overall financial system catering to a large market of niche customers. Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further strengthen their presence in retail finance and grow at a reasonably healthy pace.

However, competition continues to be intense, as the Indian and foreign banks have entered the retail lending business in a big way, thereby exerting pressure on margins. NBFCs can sustain in this competitive environment only through optimization of funding costs, identification of potential business areas, widening geographical reach, and use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

India's GDP growth not only remained weak, but also continued to decline throughout FY2013:

5.5% in Q1, 5.3% in Q2, followed by 4.5% in Q3, the last being the lowest quarterly growth in a decade. For FY2013, growth is expected to be around 5%, which is well below the 6.2% achieved in FY2012. As a matter of fact, the country's growth rate has declined by 3.3% over the last eight quarters.

Today, we are looking at low GDP growth; lack of sufficient investments to significantly increase the nation's productive capital stock; a high current account deficit, which is expected to be around 5% for FY2013 and a scenario where wholesale price inflation (WPI) and consumer price inflation (CPI) may remain uncomfortably high which could preclude further rate cuts by the RBI

Declining growth is not the only economic problem. The current account deficit, which stood at 4.2% of GDP for FY 2012, is expected to be around 5% for FY2013. Notably, the deficit for Q3 was a very high 6.7% mainly due to high imports of oil and gold. Both wholesale price inflation (WPI) and consumer price inflation (CPI) have remained uncomfortably high through the better part of the year. The WPI started declining only towards the end of FY2013 with a fall in core Inflation; the CPI, however, continued to remain high on account of food inflation.

Economy Overview

Key Economic indicators such as Fiscal and Current deficit are stressed. However, with the interest rate cycle turning and the Government making an effort to revive stalled projects, some recovery is likely in 2013-14. Economic activity during the current year is expected to show only a modest improvement over last year, with a possible pick up likely only in the second half of the year. The outlook for industrial activity remains subdued because of lack of new investments and existing projects remaining stalled by bottlenecks and implementation gaps. Growth in Services and Exports may remain sluggish too, given that global growth is unlikely to improve significantly from 2013. The Reserve Bank of India baseline projection of GDP growth for 2013-14 is 5.7%.

On the regulatory front, NBFCs are regulated by the Reserve Bank of India (RBI) almost at par with banks. All the prudential norms for asset classification, income recognition, provisioning etc., are applicable to NBFCs in India.

The Company's main object is Non-banking Finance activities. The market for this activity offers high potential for growth. The Company has already started Giving loan & Inter Corporate Deposit to the corporate clients

Company is operating business from Mumbai.

OPPORTUNITIES AND THREATS

The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability. Though the growth projections for FY 2013-14 appear reasonable, there are certain



downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices. There is lot of opportunities for investment in capital market. Your Company is having separate research department, which analyze the market and advice the management in building good portfolio. Our business performance may also be impacted by increased competition from local and global players operating in India, regulatory changes and attrition of employees. With growing presence of players offering advisory service coupled with provision of funds for the clients' needs, we would face competition of unequal proportion. We continuously tackle this situation by providing increasingly superior customized services.

In financial services business, effective risk management has become very crucial. As an NBFC, Your Company is exposed to credit risk, liquidity risk and interest rate risks. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analysed and reviewed at various levels of management through an effective information system.

The Company is having excellent Research Department. The Company is having team of Expert advisor, who is helping the Company in making good Investment. The Company is exposed to all risks & threat which Financial Market & Non Banking Finance Company faces. The company is also facing risk of heavy ups and down in stock market which can be minimize due to risk management system of our company.

While the current year started with a lot of optimism & hope- both globally & in the Indian Market - there have been fears of a second recession since the credit rating of US was downgraded. Global stock markets- a barometer of sentiments- have not done that well.

Review Of Operations

During the year under review, the Company has incurred loss of Rs.26.27 lakhs in compared to last year profit of Rs 50.06 lakhs. The Company has suffered a loss mainly due to the loss of Rs. 40.40 Lakhs on sale of investments compared to last year profit of Rs.43.23 Lakhs on sale of investments. The Company has also made provision of Rs. 50.56 Lakhs towards Diminution of Investments. This year Company has started making investment in good scripts and Companies. The Company is reconstructing its entire business activities. Your Directors expects good turnaround in current financial year.

SEGMENT-WISE PERFORMANCE

The Company's main business is Investments & Inter Corporate Deposit to the Corporate Sector.

During the year under review, the Company has incurred loss of Rs.26.27 lakhs in compared to last year profit of Rs 50.06 lakhs. The Company has suffered a loss mainly due to the loss of Rs. 40.40 Lakhs on sale of investments compared to last year profit of Rs.43.23 Lakhs on sale of investments. . The Company has also made provision of Rs. 50.56 Lakhs towards Diminution of Investments Your Company has started business of loan against securities during the year under review . Company has disbursed loan of RS. 8.23 Crores during the year under review. This year Company has started making investment in good scrips and Companies. Your Directors expects good turnaround in current financial year.

Total investments made by the company were Rs 05.28 Crores. All Investments are made in listed and non-listed securities (As annexed to Note 7 attached with Balance sheet). Your Company's trade receivables for the year ended 31st March, 2013 is RS.8.23 Crores During the year the Company has mainly concentrated on Investment in Stock Market & Capital Market. Further Company is diversifying its activities from Investment in shares to Corporate Loan & deposit.

SUBSIDIARY COMPANY

As there are no subsidiaries of the company, investment made in subsidiaries is NIL

OUTLOOK

Indian economy remains sluggish in current year. Prospects for the coming year continue to remain uncertain.. The fact remains that until the severe fiscal imbalances are corrected, economic growth will continue to suffer. In recent months, the government has made some course corrections by way of policy responses and spelt out a path of fiscal consolidation. The fiscal deficit target for FY13 has been contained



below the revised Budget estimates of 5.3% of GDP and is targeted to come in lower, at 4.8% of GDP in FY14. The RBI, on the other hand, could consider some calibrated easing, encouraged by the prospect of falling inflation and global commodity prices. However, the recent weakening of the Rupee could nullify all the gains and curtail the room for easing.

WPI inflation is expected to be around 5.5% during 2013-14, based on forecasts of domestic demand-supply, global commodity prices and the expectation of a normal monsoon. In summary, the prospect of some monetary easing, a normal monsoon and revival of stalled infrastructure projects could pave the way for a turnaround in the economy. But fiscal prudence and clear policy direction remain critical,

The management is of the view that the company will be able to reasonably perform in the context of given economic environment by continuing its efforts to reach new client segment with the service capability.

RISK MANAGEMENT

Your Company, being in the business of finance, has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk. The stock market the barometer of Economy is not done well. Further it seems that retail investors are not investing in capital market. In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success

Increased competition and market volatility has enhanced the importance of risk management in Share Trading business. The sustainability of the business is derived from the following:

- * Identification of the diverse risks faced by the company.
- * The evolution of appropriate systems and processes to measure and monitor them.
- * Risk management through appropriate mitigation strategies within the policy framework.
- * Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- * Reporting these risk mitigation results to the appropriate managerial levels.

There is the risk of loss from inadequate or failed systems, processes or procedures. These may be attributed to human failure or technical problems given the increased use of technology and staff turnover.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUENCY

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal control is managed by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the, an Information Security Assurance Service is also provided by independent external professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

FULFILMENT OF RBI NORMS AND STANDARDS

The Company has fulfilled all RBI Norms and complied with it.

CAUTIONARY STATEMENT

This report describing the company's activities, projections about future estimates, assumptions with regard to global economic conditions, government policies, etc may contain "forward looking statements" based on the information available with the company. Forward-looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain



risks and uncertainties. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the company's operations are affected by the many external and internal factors, which are beyond the control of the management. Hence the company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

Company follows all Mandatory Accounting Standards.

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

Place: Mumbai

Date: 27th May, 2013

Chetan Karia

Chairman

**REPORT ON CORPORATE GOVERNANCE****CORPORATE GOVERNANCE PHILOSOPHY**

The Company considers Corporate Governance as an important process for conducting & managing its business activities in a transparent & visible manner in the interest of all its stakeholders, besides keeping important segment of the society adequately informed. Abhinav Capital Services Limited adopted good corporate practices all through its existence & oriented its actions in consonance with them. It has been the endeavor of Abhinav Capital Services Limited to give fair & equitable treatment to all its stakeholders including employees, customers & shareholders as also to comply with applicable rules & regulations.

Board of Directors

The company has non-executive chairman and number of non-executive directors is more than 50% of total number of directors.

None of the directors on the board of directors on the board is a member of more than 10 committees or chairman of more than 5 committees as specified in the clause 49 of listing agreement. Necessary disclosures regarding committee positions have been made by the directors.

The strength of the board of directors is 3 directors. The board comprised of non-executive chairman, executive director/ independent directors.

Name of Director	Executive / Non Executive / Independent	No. Of Outsider Directorship		No. Of outside Committee position held	
		Public	Private	Member	Chairman
Mr. Girish Desai	Independent	-	-	-	-
Mr. Chetan Karia	Executive	-	-	-	-
Mr. Kamlesh Kotak	Executive	-	-	-	-

The senior management has made disclosures to the board confirming that there are no material, financial or commercial transactions between them and the company, which could have potential conflict of interest with company at large.

The board met 4 times during the year i.e. 23rd May 2012, 8th August 2012, 9th November 2012 and 4th February 2013.

The following table gives the attendance record of the directors at the board as well as Annual General Meeting.

DIRECTORS	NO. of Board Meetings held	No. of Meeting attended	Attendance at the AGM
Mr. Chetan Karia	04	04	Yes
Mr. Girish Desai	04	04	No
Mr. Kamlesh Kotak	04	04	Yes

Notes

1. None of the Directors are related to any other director
2. None of the Directors holds Directorship in more than 15 public limited Companies nor is a member of more than Ten Committees across all Companies in which he is a Director
3. None of the Directors received any loans or advances from Company during the year

Committees of the Board

The Committees of the Board Constituted when the Code becomes applicable to the Company. The role and the responsibilities of each of the Committee is well defined. The Board has constituted the following Committees.

AUDIT COMMITTEE:

The company has constituted an audit committee in the year 2006. The role, powers and functions of the audit committee are as per guidelines stated in the clause 49 of the listing agreements with the stock exchanges read with