



ABHISHEK CORPORATION

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Annual Report 2010- 2011

- ▶ BOARD OF DIRECTORS** : Mr. Ramchandra Maruti Mohite
(Chairman) (Resigned w.e.f. May 7, 2010)
 Mr. Anasaheb Ramchandra Mohite
(Chairman and Managing Director)
 Mr. Abhishek Anasaheb Mohite
(Director, Marketing & Strategy)
 Mrs. Rama Jawahar Swetta
(Director)
 Mr. Ravi Yashwant Shiralkar
(Independent Director)
 Mr. Shreedhar Vasant Padhye
(Independent Director) (Resigned w.e.f. January 31, 2011)
 Mr. Manohar Dattatraya Kanitkar
(Independent Director)
 Mr. Dhananjay Shripati Charane
(Independent Director) (Appointed w.e.f. July 13, 2011)
- ▶ Company Secretary** : Ms. Anuja Subhash Mallikar
- ▶ BANKERS** : Axis Bank Limited
 Bank of India
 Bank of Baroda
 IDBI Bank Ltd
 Indian Overseas Bank
 Corporation Bank
 Punjab National Bank
 State Bank of Hyderabad
 State Bank of India
 State Bank of Patiala
 Union Bank of India
- ▶ Statutory Auditors** : P. M. Vardhe & Co.
 Chartered Accountants,
 630-E, Shahupuri, 1st lane, Kolhapur – 416001
- ▶ Registered Office & Works** : Gat No. 148, Tamgaon, Kolhapur – Hupari Road,
 Taluka – Karveer, Dist – Kolhapur 416234
- ▶ CITY OFFICE** : ‘Shiv – Parvati’ 17 E’, Nagala Park, Kolhapur – 416003

NOTICE

Notice is hereby given that Eighteenth Annual General Meeting of members of “**Abhishek Corporation Ltd**” will be held on Friday, September 30, 2011 at 11.00 a.m. at the Registered Office of the company situated at Gat No. 148, Tamgaon, Kolhapur – Hupari Road, Tal- Karveer, Dist – Kolhapur 416234 to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rama J. Swetta, who retires by rotation and, being eligible, offers herself for reappointment
3. To appoint the auditors to hold the office from conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

“Resolved that M/s. P. M. Vardhe & Co., Chartered Accountants, be and are hereby reappointed as the Auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors”

Special Business:

4. To consider and, if thought fit, to pass, with or without modification (s) the following resolution as ordinary resolution.

“RESOLVED THAT Mr. Dhananjay Shripati Charane who was appointed as a Director on July 13, 2011 in the casual vacancy caused by the resignation of Mr. Shreedhar V. Padhye and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, along with the requisite deposit proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

for and on Behalf of the Board of Directors

Date: August 12, 2011

Place: Kolhapur

Anasaheb R Mohite
Chairman & Managing Director

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) Of The Companies Act, 1956

Item No. 4

The Board of Directors of the company (the Board) has appointed, pursuant to provisions of section 262 of the Companies Act, 1956 (the Act) and Article 131 of the Articles of Association of the company, Mr. Dhananjay Shripati Charane as a Director on July 13, 2011 in the casual vacancy caused by the resignation of Mr. Shreedhar V. Padhye and whose term of office expires at this Annual General Meeting.

In terms of section 262 of the Act, Mr. Dhananjay Shripati Charane would hold office up to the date of this Annual General Meeting.

Pursuant to section 257 (1) of the Act, the Company has received notice in writing from member along with a deposit of Rs. 500/- proposing the candidature of Mr. Dhananjay Shripati Charane for the office of the Director of the company.

The Board recommends the resolution set out in Item No. 4 of the Notice for your approval.

Save and except Mr. Dhananjay Shripati Charane none of other Directors of the company is, in any way, concerned or interested in the resolution

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

i. Mr. Dhananjay S. Charane, age 58, is the independent director of our Company. He is businessman by profession. He is having experience of around 35 years in the field of Mechanical Organization. Presently, he is proprietor of Charane engineering & Welding Works, Kolhapur and partner of M/s Vijayendra Industries, Kolhapur. Further Mr. Charane was a director in the Board of Director in our Company in the financial year 2000-2001

Mr. Charane does not hold any Directorship/Committee Membership in any other companies.

Mr. Charane is member of Remuneration Committee & Audit Committee of the Company

As on March 31, 2011 Mr. Charane does not hold any shares in the Company

Important Communication

The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April 2011, clarify that as a measure of “Green initiative in Corporate Governance” It will be compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company’s RTA, M/s. Link Intime India Pvt Ltd. at email Id- mumbai@linkintime.co.in and also update the e-mail address as and when there is any change.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 18th Annual Report for the year ended on 31st March 2011.

Financial Results:

The performance of the company for the financial year ended March 31, 2011 is summarized below:

(Rs. in Lacs)

Particulars	2010-11	2009-10
Total Income	4968.33	4043.37
Usual Working Expenses	8480.66	4108.97
Gross Profit/(Loss) before Interest and Depreciation	(3512.33)	(65.60)
Less: Interest	1973.86	2236.89
Depreciation	1502.00	1436.56
Profit/(Loss) Before Tax	(6988.19)	(3739.05)
Less: Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
Provision for Fringe Benefit Tax	-	-
Profit/(Loss) After Tax before Extra Ordinary Items	(6988.19)	(3739.05)
Add: Extra Ordinary Items	4.01	493.28
Profit/(Loss) After Tax & After Extra Ordinary Items	(6984.18)	(3245.77)
Add: Balance brought forward from last Year	213.77	3459.53
Balance Transferred to Balance Sheet	(6770.41)	213.76

Results of Operations

During the year under review sale has been increased by 24.44% from Rs. 3985.71 Lacs in previous year to Rs. 4959.83 Lacs in the current year. Company has started receiving orders gradually. Management is constantly focused on marketing. Due to this only Company has made higher sale as compared to previous year. However current order position is inadequate vis a vis capacity of the Company.

Sale of the Premium quality fabric has increased from last year. Though the sale has been increased but still Company has not been able to sale the Fabric of Premium Quality due to lack of demand. Premium quality fabric gives higher margins. Under utilization of capacity accompanied with higher debt cost, lower margins have resulted into the loss of Rs. 6988.19 Lacs (before Extra Ordinary Item) as against the net loss of Rs. 3739.05 Lacs in previous year.

Dividend :

During the year under review the company has not earned profit hence your Board of Directors' do not recommend any dividend for the year.

Fixed Deposits

During the year under review the company has not raised any amount by way of Fixed Deposits.

Industrial Relations

During the year, industrial relations have been cordial

Directors

Mrs. Rama J Swetta, Director of the Company retires by rotation and being eligible, has offered herself for reappointment at the ensuing Annual General Meeting.

Mr. Dhananjay Shripati Charane was appointed as a Director of the company on July 13, 2011 in the casual vacancy caused by the resignation of Mr. Shreedhar V. Padhye and whose term of office expires at this Annual General Meeting.

Pursuant to section 257 (1) of the Act, the Company has received notices in writing from members along with a deposit of requisite fee proposing the candidature of Mr. Dhananjay Shripati Charane for the office of the Director of the company

Board recommends above appointments.

Corporate Governance

In order to maintain high standards of Corporate Governance and to be complied with the provisions of clause 49 of Listing Agreement the company has formed following committees.

- I. Audit Committee :** The primary objective of Audit Committee is to monitor and effectively supervise the company's financial reporting process with a view to provide accurate, timely and proper disclosures and to maintain integrity and quality of financial reporting. Its Constitution, activities of this committee has been elaborated in the report of Corporate Governance. Report on Corporate Governance along with Auditors certificate on compliance with the conditions of Corporate Governance as stipulated in clause 49 of listing agreement is provided elsewhere in the Annual Report.
- II. Share Transfer and Investor Grievance Committee:** The Board of Directors' has constituted "Share Transfer and Investor Grievance Committee" to look after all the works relating to shares and shareholders grievance, i.e., approval of transfer/transmission/demat/remat of shares, issue of duplicate, split-up, consolidation, renewal of share certificate, non receipt of balance sheet, non receipt of declared dividends etc. Its constitution and activities have been elaborated in the report of Corporate Governance
- III. Remuneration Committee:** The Board of Directors has constituted "Remuneration Committee" to decide and approve the terms and conditions for appointment of Executive Directors of the Company and remuneration payable to other Directors and Executives of the Company and other matters related thereto. Its constitution, activities of this committee have been elaborated in the report of Corporate Governance

Auditors Qualification

- I. In Corporate Governance Certificate:** As on March 31, 2011 the Company complies with all the requirements of Clause 49 of Listing Agreement except provision regarding Board Composition. Pursuant to resignation, Mr. Shreedhar Vasant Padhye has ceased to be a Director of the company from January 31, 2011. Due to this, company did not comply with the requirement of having one-half of the Board of the company consists of Independent Directors. However on July 13, 2011 Board of Directors of the Company by resolution appointed Mr. Dhananjay Shripati Charane, as Director to fill the casual vacancy caused by resignation of Mr. Shreedhar Vasant Padhye. Due to these developments now (as on date of this report) the Company complies with all the provisions of Listing Agreement

II. In Audit Report

Regarding the qualification of Auditor in Audit report, Directors' state as under

Point No. ix a) & b) Due to low turnover, lower capacity utilization with higher debt cost the company is facing liquidity problem and hence there is non – payment of statutory dues in time.

Point No. x: Due to lower capacity utilization, higher debt cost and lower margin the company has incurred loss of Rs. 6988.19 Lacs. However some portion of loss has been adjusted against accumulated profits.

Point No. xi: The lower sale and high fixed cost has adversely affected the liquidity/cash flows of the company resulting into delay in payment of Interest/Installments to Banks.

Directors' Responsibility Statement

Pursuant to requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the Loss of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The Directors have prepared the annual accounts of the Company on a 'Going Concern' basis.

Particulars of Employees

Present limit of salary, increased up to Rs. 60 Lacs p.a., so this becomes inapplicable to our Company.

Auditors

P. M Vardhe and Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and being eligible offered themselves for reappointment.

The company has received letter from M/s. P. M. Vardhe & Co. to the effect that their reappointment if made would be within prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of section 226 of the said Act.

Members are requested to consider their reappointment and fix their remuneration.

Acknowledgement

Your Directors would like to express their grateful appreciation for assistance and co-operation received from Banks, Government Authorities, Customers, Vendors and Members during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of Executives, Staff and Workers of the company.

For and on Behalf of the Board of Directors

Kolhapur
August 12, 2011

Anasaheb R Mohite
Chairman & Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT

- L** Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Director's Report.

A. Conservation of Energy

- a. **Energy Conservation Measures taken:** The Company is continuously taking efforts for conservation of energy. Following measures have been taken to maximize energy conservation.
1. **The machines we have selected and installed are energy efficient .They are well equipped with the optimized energy consuming devices like**
 - a. Variable frequency drives instead of traditional motor starters.
 - b. PLC based process control systems instead of traditional relay/contactor logics.
 - c. PID control systems for heating, cooling, dosing, mixing etc. This will not only improve the process efficiency and repeatability but also uses the energy very precisely without wasting it.
 - d. Digital monitoring system in the process. This will ensure the high accuracy and less wastage in the process due to reading errors.
2. **Saving in electricity in lighting**
 - a. Plant is designed for maximum utilization of daylight. This will save electricity for lighting during day time.
 - b. We have used energy efficient CFL lamps at maximum places.
 - c. We have used electronics ballast instead of conventional copper chokes
 - d. APFC (Automatic power factor controller) panel is used to maintain unity power factor.
This will control the Maximum Demand
3. **Green Energy Initiative:** Last year Company has opted “Green Fuel” for Boiler. This gives dual benefit, saving of fuel cost as well as commitment towards environment by reducing the emission of carbon in the environment.
4. **Water Conservation:** We are recycling the effluent for our own plantation, after doing proper treatment which saves lot of water & energy.
- b. **Energy conservation is ongoing process within the company :** The Company is continuously making efforts for enhancement in capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological term.
- c. **Additional investment / proposals being implemented for reduction of consumption of energy :** Looking to the process cycles and need of utility, we are studying the energy saving possibilities in the plant at various places.
- d. **Impact of measures at (a) & (b) above for reduction in consumption of energy and on cost of production of goods:** The energy conservation helps the company to minimize the cost of production little bit.