

NOTICE

Notice is hereby given that Twentieth Annual General Meeting of members of "Abhishek Corporation Ltd" will be held on Monday, September 30, 2013 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, 2013 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 Mr. Ravi Yashwant Shiralkar, who retires by rotation and, being eligible, offers himself 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. Shrikant & 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"

Date: August 26, 2013

Place: Kolhapur

For and on Behalf of the Board of Directors

Anasaheb R Mohite
Chairman & Managing Director

Notes:

1. A member entitled to attend and vote at the General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be member of the company. The instruments appointing proxy should be deposited at the Registered Office of the company not less than 48 hours before commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Register of the company will remain closed from September 26 to September 30, 2013 (both days inclusive)
4. Members are requested to
 - a) Notify any change in their Registered Address along with pin code numbers.
 - b) Quote their respective Ledger Folios/Client ID and DP on every communication with the company.
 - c) Bring their attendance slip along with their copy of Annual Report to the meeting.

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 20th Annual Report for the year ended on 31st March 2013.

Financial Results:

The performance of the company for the financial year ended March 31, 2013 is summarized below:

(Rs. in Lacs)		
Particulars	2012-13	2011-12
Total Income	2594.75	2115.92
Usual Working Expenses	3551.66	3515.62
Gross Profit/(Loss) before Interest and Depreciation	(956.91)	(1399.70)
Less: Interest	4186.64	5132.89
Depreciation	1503.65	1571.94
Profit /(Loss) Before Tax	(6647.20)	(8104.53)
Less: Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
Provision for Fringe Benefit Tax	-	-
Profit /(Loss) After Tax before Extra Ordinary and Exceptional Items	(6647.20)	(8104.53)
Less: Exceptional Items	-	-
Profit /(Loss) After Tax & After Extra Ordinary Items before Exceptional Items	(6647.20)	(8104.53)
Add: Extra Ordinary Items	-	-
Profit /(Loss) After Tax & After Extra Ordinary & Exceptional Items	(6647.20)	(8104.53)
Add: Balance brought forward from last Year	-	-
Balance Transferred to Balance Sheet	(6647.20)	(8104.53)

Results of Operations

During the year under review sale has been increased by 22.81% from Rs. 2106.59 Lacs in previous year to Rs. 2587.07 Lacs in the current year. Company has started receiving orders gradually. But still orders are very less comparing to production capacity of the company. Management is constantly focused on marketing. Due to lack of funds and lower orders the growth in Company's sale is restricted.

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. 6647.20 Lacs (before Extra Ordinary Item) as against the net loss of Rs. 8104.53 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

Mr. Ravi Yashwant Shiralkar, Director of the Company retires by rotation and being eligible, has offered himself for reappointment at the ensuing Annual General Meeting.

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

- 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. The company is taking necessary steps to pay off its statutory dues.

Point No. x : Due to lower capacity utilization, higher debt cost and lower margin the company has incurred cash loss of Rs. 5143.55 Lacs.

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. The company is exploring different ways of reducing the debt burden.

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, 2013 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

M/s. Shrikant & 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. Shrikant & 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

Anasaheb R Mohite
Chairman & Managing Director

Kolhapur
August 26, 2013

ANNEXURE TO THE DIRECTOR'S REPORT

- I.** 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:** 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.

e. Total Energy consumption and energy consumption per unit.

Particulars	2012-13	2011-12
Purchased:		
Total Units consumed (in lacs)	96.71	72.26
Total Amount (Rs. in lacs)	703.31	478.94
Rate per Unit (Rupees)	7.35	6.63
Own Generation through Diesel Generator Set	N.A.	N.A.
Own Generation through Furnace Oil Generator Set	N.A.	N.A.
Coal	N.A.	N.A.
Furnace Oil	N.A.	N.A.

B. Research and Development

Research and development in processes, methodologies continue to be of importance to us. This allows us to enhance quality, productivity, and overall efficiency and thereby ensure customer satisfaction.

C. Foreign Exchange Earning and Outgo

Particulars	2012-13	2011-12
	Rs. in lacs	Rs. in lacs
Earnings	Nil	197.99
Outgo	Nil	7.35

II. INFORMATION AS REQUIRED UNDER THE MISCELLANEOUS NON- BANKING COMPANIES (RESERVE BANK) DIRECTION, 1972. : NIL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(In this section of annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.)

1. Industry Structure

The Indian Textiles Industry occupies a unique role in the economic life of the country. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST, and women.

Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings.

The abundance of skilled and unskilled labour, availability of labour at low costs, strong base for production of raw materials characterize the textile industry in India. The increase in domestic demand and ability of the units in the industry to process small or customized orders are some of the advantages for the textile industry in India. The textile sector is highly diverse and has hand-spun and hand woven segments at one end of the spectrum, and capital-intensive, sophisticated and modern mills at the other

Indian textile industry has performed remarkably well during the last one decade.

Yarn Segment:

The domestic spinning industry is one of the largest industries in the country and has witnessed a phenomenal growth in the last two decades in terms of installed spindlage and yarn production. Technology-wise, Indian spinning industry has been able to keep pace with the international technology trends to a fair degree and this pace of modernization received a fillip after launching of "Technology Up gradation Fund" by the Government of India.

Abhishek Corporation Ltd (ACL) was set up in year 1999 with modern manufacturing facility of 13104 spindles for 100% combed cotton yarn at Kolhapur in the state of Maharashtra. Within a span of 13 years, the Company has been able to increase its capacity to 36144 Spindles and has been able to provide various value added facilities such as compact spinning, Singeing, Doubling etc. The product range of yarn includes finer counts in the range of 40s to 120s, which is a premium segment, where there are comparatively fewer players due to stringent quality parameters and high level of technology.

"Quality with consistency" has been the guiding philosophy of the ACL and the Promoters which have been mainly responsible for the growth of the Company during the last decade. Due to its high quality, ACL has created a strong presence with export base in European countries like Germany, Italy, Switzerland and other countries including Vietnam, Bahrain, Hong Kong, Russia, Korea and Mauritius.

2. Future Outlook:

India is fast emerging as a key player in the \$395 billion global textiles and clothing market. Clothing accounts for roughly 60 per cent of the market while textiles constitute the balance 40 per cent. Currently the US imports nearly 85 per cent of its clothing needs while the EU imports 60-70 per cent. A key driver of global textile trade is low cost sourcing of textiles and clothing. Global retailing industry is exploring opportunities for outsourcing to deal with pricing pressures. As a result outsourcing budgets of retail giants like Wal-Mart, JC Penny, Tommy Hilfiger, Marks and Spencer, K-Mart and Tesco are on the rise.

Presently, the Company has been exporting a part of its yarn produced from the spinning unit, till the time its weaving and processing operations gets stabilized and in due course, the entire yarn produced shall be completely utilized for our weaving operations.

- 3. Future Challenges:** To Survive and sustain our self in the present recessionary global scenario has been a very challenging task. We have been trying to face this situation by making appropriate changes in the market strategy by temporarily shifting our focus in favour of the domestic markets, but at the same time trying to impress upon the overseas customers about the superior quality of our Products.

4. Internal Control Systems

The company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against significant misuse or loss of Company's assets.

5. Results of Operation

Sr. No.	Particulars	Year Ended on March 31	
		2013 Audited	2012 Audited
1	(a) Revenue from operations	2587.07	2106.59
	(b) Other Income	7.68	9.33
	Total Revenue	2594.75	2115.92
2	Expenditure		
	(a) Cost of material consumed	1666.06	1657.37
	(b) Changes in inventories of finished goods, work in progress & stock in trade	79.98	253.50
	(c) Employees benefit Expenses	447.40	737.82
	(d) Finance Costs	4186.64	5132.89
	(e) Depreciation & Amortization Expenses	1503.65	1571.94
	(f) Operating & Other Expenditures	1358.23	866.92
	Total Expenses:	9241.96	10220.44
3	Profit/(Loss) before exceptional & Extra Ordinary Items & Tax (1-2)	(6647.21)	(8104.52)
4	Exceptional Items	-	-
5	Profit/(Loss) before Extra Ordinary Items & Tax (3-4)	(6647.21)	(8104.52)
6	Extra Ordinary Item (Net)	-	-
7	Profit/(Loss) before Tax (5-6)	(6647.21)	(8104.52)
8	Tax Expenses:	-	-
9	Profit/(Loss) for the period from continuing operations (7-8)	(6647.21)	(8104.52)
10	Profit/(Loss) for the period	(6647.21)	(8104.52)

- a. **Sales:** The total income increased by 22.81% to Rs. 2587.07 Lacs in the current year from Rs. 2106.59 Lacs in the previous year. Still there is burnt of post recessionary phase hence we have entered into domestic market temporarily. There are no revenues from construction division since the project work of Morbe Dam is completed and the company is exploring new avenues for its construction division.
- b. **Profit/Loss before Tax:** During the financial year 2012-13 the company has incurred a loss before tax of Rs. 6647.21 Lacs as against Loss before tax of Rs. 8104.52 Lacs in previous year. The loss is mainly on account of lower sales turnover due to no export orders, huge interest coupled with other fixed overheads.
- c. **Profit/ Loss after Tax:** During the financial year 2012-13 the company has incurred net loss of Rs. 6647.21 Lacs as against Loss after tax of Rs. 8104.52 Lacs in previous year. This is mainly on account of lower capacity utilization and high fixed overheads such as Interest, Depreciation etc.

6. Segments wise Performance

The construction division of the company is inoperative, therefore the whole of the operations of the Company relates only to the Textile unit and hence Segment wise reporting is not necessitated.

7. Human Resources

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain its substantial pool of scientific, technical and managerial resources through a work environment that encourages initiative, provides challenges and opportunities. Adequate facilities and opportunities are also being provided to the technical and professional staffs to update themselves in the fast changing era of technologies. In the fiscal year 2013 the company has as much as 316 employees

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ABHISHEK CORPORATION LTD.

1. We have audited the attached Balance Sheet of **Abhishek Corporation Ltd, Kolhapur** as at 31st March 2013 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. 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.
2. We conducted our 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 our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4-A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in the paragraph (1) above we report that:
 - a) We have obtained all the information and explanations 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 those books.
 - c) The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from Directors, as on 31st March 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give 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 the State of Affairs of the Company as at 31st March, 2013.
 - ii) in the case of Profit and Loss Account of the Loss for the year ended on that date.
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Shrikant and Co.**
FRN: 110186
Chartered Accountants

Shrikant Shirdhonkar
Proprietor
M. No. 015703

Place: Kolhapur
Date: 26/08/2013