

17<sup>th</sup>

# ANNUAL REPORT

2011-12

**ABHISHEK FINLEASE LTD.**

402 , Wall Street-1 , Opp. Orient Club, Nr. Gujarat College, Ellisbridge,  
Ahmedabad-380006

# **ABHISHEK FINLEASE LIMITED**

**17<sup>th</sup> Annual Report – 2011-12**

## **BOARD OF DIRECTORS**

Shri Mahendra M. Shah	Chairman
Shri Vasantbala M. Shah	Director
Shri Sanket M. Shah	Director

### **: REGISTERED OFFICE :**

402, Wall Street-1, Opp. Orient Club,  
Nr. Gujarat College, Ellisbridge,  
Ahmedabad-380006.

### **:AUDITORS:**

Bhagat & Co.  
Ahmedabad

### **: BANKERS:**

Central Bank of India  
Mithakali Branch, Ahmedabad.

Note : Members are requested to bring their copy of Annual Report. As a measure of economy, Annual Reports will not be distributed at the venue of A.G.M.

# **ABHISHEK FINLEASE LIMITED**

## **NOTICE**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of Abhishek Finlease Limited will be held on Tuesday, 25<sup>th</sup> September, 2012 at 10.00 a.m. at the Registered Office of the Company at 402, Wall Street - I, Opp. Orient Club, Nr. Gujarat College, Ellisbridge, Ahmedabad - 380006 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Statement of Profit & Loss for that year together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Mrs. Vasantbala M. Shah who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint M/s. Bhagat & Co. Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board of Directors**

**Mr. Mahendrabhai M. Shah**  
**Chairman and Managing Director**

**Place: Ahmedabad**  
**Date: 09/08/2012**

### **NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) ALL THE DOCUMENTS REFERRED TO IN THIS NOTICE ARE AVAILABLE FOR INSPECTION BY ANY MEMBER OF THE COMPANY DURING WORKING HOURS EXCEPT SUNDAYS AND PUBLIC HOLIDAYS AT THE REGISTERED OFFICE OF THE COMPANY UP TO THE CONCLUSION OF THIS ANNUAL GENERAL MEETING.



## **DIRECTORS' REPORT**

To  
The Members,

Your Directors are pleased to present 17<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31<sup>st</sup> March, 2012.

### **Financial Results**

The summarized financial results for the year ended 31<sup>st</sup> March, 2012 are as under:

Particular	31 <sup>st</sup> March, 2012 Amount in Rs.	31 <sup>st</sup> March, 2011 Amount in Rs.
Profit /(Loss) before Dep. & taxation	210031	259244
Depreciation	133002	144202
Profit /(Loss) before taxation	77029	115042
Provision for Taxation	40000	34000
Profit /(Loss) after taxation	37029	81042
Prior Period expenses and Adjustments	--	--
Balance available for appropriation	37029	81042
Transferred to General Reserve	23613	--
Balance carried to Balance sheet	13416	81042

### **Dividend:**

Due to insufficient profits, your Directors do not recommend any dividend for the year under review.

### **Directors:**

Mrs. Vasantbala M. Shah, Director of the company who is liable to retire by rotation, being eligible for reappointment, offers herself for reappointment.

### **Directors' Responsibility Statement:**

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

1. in preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. the Directors had selected such Accounting Policies and applied them consistently and made judgements 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.
3. 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.



4. the Directors had prepared the Annual Accounts on a going concern basis.

### **Management Discussion and Analysis Report**

The NBFC sector in India is integral to the financial framework of the country. The market conditions is very weak and many companies have given up with the weak situation of the market. We have tried to overcome from this bad scenario of the market. The NBFCs continue to play a key role in the development of the country by being present in under-banked and unbanked regions and participating in inclusive growth.

Your company, Abhishek Finlease Limited is an Investment and Financial Consultant committed to provide the best financial services to our clients. We strongly believe in building a strong financial community. Our goal is to apply the best risk adjusted return which we achieve through diversified investment style.

With the Indian Market continuing to expand and presenting a host of opportunities in the financial services sector, there are many players who are venturing in this business therefore there is threat of even more competition to the Company.

### **Corporate Governance**

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are annexed to this Report.

### **Disclosures under Section 217(1)(d) of the Companies Act, 1956:**

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

### **Transfer to Reserves in terms of Section 217(1)(b) of the Companies Act, 1956:**

For the financial year under review, the Company has not transfer any sum to Reserves except as per the RBI Norms.

### **Particulars of Employees:**

There are no employees in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### **Auditors :**

The Statutory Auditors of the Company, M/s. Bhagat & Co, retire at the conclusion of the ensuing Annual General Meeting, and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to continue. The Board of Directors recommend the reappointment as Statutory Auditors of M/s. Bhagat & Co, Chartered Accountants for the financial year 2012-13 for shareholder's approval.



## Corporate Governance Report for the year 2011-12

### 1. Company's Philosophy on code of governance

ABHISHEK FINELEASE LIMITED has over the years followed the good business practices. The Company believes that good corporate governance is essential to achieve long term corporate goals and to enhance shareholders' value. In the pursuit, the Company is committed to conducting business in accordance with the legal and ethical standards.

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. The Company recognizes that strong Corporate Governance is indispensable for safeguarding the interest of shareholders and other stakeholders.

### 2. Listing of the Company's shares in Stock Exchanges

The Company's Shares were listed on 'Ahmedabad Stock Exchange Limited'

### 3. Board of Directors

The business of the Company is conducted by the management under the directions of the Board. Composition and Memberships of the Directors in other Boards and in Board Committees are as under:

Name of Director	Category of Directorship	Directorship in other Companies	Details of Committee	
			Chairman	Member
Mr. Mahendra M. Shah	Promoter & Executive Director	NIL	NIL	NIL
Mr. Sanket M. Shah	Promoter & Executive Director	NIL	NIL	NIL
Mrs. Vasantbala M. Shah	Promoter & Executive Director	NIL	NIL	NIL

Other directorship do not include alternate directorship, directorship of Private Limited companies and of companies incorporated outside India. Chairmanship/ Membership of Board Committees include membership of Audit and Shareholders / Investors Grievance Committees.

#### a) Composition of the Board

The Board is constituted of Three Executive Directors. The Board is looking forward to have an optimum combination of Executive and Non-Executive Independent Directors.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

**Acknowledgements :**

We thank our Shareholders, bankers and Business associates at all levels for the continuing support during the year. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

**By Order of the Board of Directors**

**Mr. Mahendrabhai M. Shah  
Chairman and Managing Director**

**Place: Ahmedabad  
Date: 09/08/2012**



**b) Board Procedure**

Board met Six times during the year under review on 30<sup>th</sup> April, 2011, 30<sup>th</sup> July, 2011, 5<sup>th</sup> August, 2011, 31<sup>st</sup> October, 2011, 31<sup>st</sup> January, 2012 and 12<sup>th</sup> March, 2012.

During the financial year 2011-12, Six meetings of Board of Directors were held, the information to be made available to the Board as per Annexure IA forming part of Clause 49 has been complied with. The Board Meetings are generally held at the Registered Office of the Company. Calendar of the Board Meeting is fixed in advance for each year. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. The Directors also have access to all the information about the company and are free to recommended inclusion of any matter in the agenda for discussion.

The attendance of each director at the Board Meetings and last Annual General Meeting are as under:

Name of Director	Meetings		Attendance at last AGM
	Held	Attended	
Mr. Mahendra M. Shah	6	6	Yes
Mr. Sanket M. Shah	6	6	Yes
Mrs. Vasantbala M. Shah	6	-	Yes

**c) Code of Conduct:**

Company's Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All Board Members and Senior Management personnel have affirmed compliance of the Code of Conduct.

**e) Disclosures regarding appointment/ re-appointment of Directors**

Mrs. Vasantbala M. Shah is Director retiring at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board has recommended the re-appointment of the retiring Director.

**4. Committees of the Board**

**A) Audit Committee**

**a) Constitution & Composition of Audit Committee:**

The Audit Committee of the Company was constituted as per the provision of the prevailing law. The Audit Committee comprise of two Director of the Company.



The composition of the Audit Committee and details of meetings attended by the members of the Audit Committee are given below:

Name	Category
Mr. Mahendra M. Shah	Executive Director
Mr. Sanket M. Shah	Executive Director

Meeting of Audit Committee was held 4 times during the financial year.

b) **Broad Terms of reference:**

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and re-appointment of the statutory auditor and the fixation of their remuneration.
3. Reviewing and discussing with the management, the annual financial statements before submission to the board with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report.
4. Reviewing the Quarterly and Half yearly financial results and the Annual financial statements before they are submitted to board.
5. Reviewing and discussing with the management.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.
8. Reviewing the Management discussion and analysis of financial condition and results of operations.

9. Reviewing and discussing the Statement of significant related party transactions (as defined by the audit committee), submitted by management.

c) **Remuneration Policy:**

To review the remuneration package of the Executive Director including Perquisites & Allowances and commission payable were within the limits prescribed under the law.

d) **Details of remuneration to the Directors:**

ii) **Executive Directors**

Details of remuneration paid to Chairman & Managing Director during the financial year 2011-12 is as under:

(In Rs.)			
Name	Salary	Perquisites & Allowances	Commission
Mr. Mahendra M. Shah	1,92,000	-	-

iii) **Details of shares of the Company held by Directors as on 31<sup>st</sup> March, 2012 are as under:**

Name	No. of shares held
Mr. Mahendra M. Shah	1233000
Mr. Sanket M. Shah	97400

B) **Shareholders/Investors Grievance Committee**

a) **Constitution & Composition of Shareholders/Investors Grievance Committee:**

The composition of the Shareholders/Investors Grievance Committee is given below:

Name	Category
Mr. Mahendra M. Shah	Executive Director
Mr. Sanket M. Shah	Executive Director

Meeting of Shareholders/Investors Grievance Committee was held 1 times during the financial year.

b) **Brief terms of reference:**

To specially look into redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend, revalidation of dividend warrant or refund order etc., if any.