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18th

ANNUAL REPORT

2012-2013

ABHISHEK FINLEASE LTD.

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

Ahmedabad-380006

ABHISHEK FINLEASE LIMITED

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of Abhishek Finlease Limited will be held on Friday, 27th September, 2013 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 31st March, 2013 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 Mr. Sanket M. Shah who retires by rotation and being eligible, offers himself 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.

SPECIAL BUSINESS

4. To consider, and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Dharmesh Lakhani appointed under Section 260 of the Companies Act, 1956 as an Additional Director of the Company and is eligible to hold office upto ensuing Annual General Meeting, in respect of whom the Company has received a note under section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company."

5. To consider, and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mrs. Lataben D. Lakhani appointed under Section 260 of the Companies Act, 1956 as Additional Director of the Company and is eligible to hold office upto ensuing Annual General Meeting, in respect of whom the Company has received a note under section 257 of the Companies Act, 1956, proposing her candidature, be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors

Mr. Mahendrabhai M. Shah
Chairman and Managing Director

Place: Ahmedabad
Date: 05/08/2013

NOTES:

- (a) THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956 SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NO. 4 AND 5 IS ANNEXED HERETO.
- (b) 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.
- (c) ALL THE DOCUMENTS REFERRED TO IN THIS NOTICE AND EXPLANATORY STATEMENT 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.

By Order of the Board of Directors

Mr. Mahendrabhai M. Shah
Chairman and Managing Director

Place: Ahmedabad
Date: 05/08/2013

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173
OF THE COMPANIES ACT, 1956**

Item No. 4 & 5:

Mr. Dharmesh Lakhani and Mrs. Lataben D. Lakhani were appointed as Additional Directors of the Company by the Board of Directors with effect from 01st of April, 2013 under Section 260 of the Companies Act, 1956. They hold office till the conclusion of the ensuing Annual General Meeting.

The Company has received notices under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Dharmesh Lakhani and Mrs. Lataben D. Lakhani for office of Director under provisions of Section 257 of the Companies Act, 1956.

The Board of Directors recommend the resolution set out in Item No. 4 & 5 of the accompanying notice for approval of members.

Except Mr. Dharmesh Lakhani and Mrs. Lataben D. Lakhani, being an appointee, none of the Directors are concerned / Interested in the resolution except to the extent of they are member of the Company.

By Order of the Board of Directors

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

**Place: Ahmedabad
Date: 05/08/2013**

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present 18th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2013.

Financial Results

The summarized financial results for the year ended 31st March, 2013 are as under:

Particular	31 st March, 2013 Amount in Rs.	31 st March, 2012 Amount in Rs.
Profit /(Loss) before Dep. & taxation	391579	210031
Depreciation	152856	133002
Profit /(Loss) before taxation	238723	77029
Provision for Taxation	68000	40000
Profit /(Loss) after taxation	170723	37029
Prior Period expenses and Adjustments	--	--
Balance available for appropriation	170723	37029
Transferred to General Reserve	34145	23613
Balance carried to Balance sheet	136578	13416

Dividend:

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

Directors:

During the year under review Mrs. Vasantbala M. Shah, Director of the Company have resigned from the Directorship of the Company w.e.f. 01st April, 2013. The Board places on record its gratitude for the services rendered by Mrs. Vasantbala M. Shah during her tenure as member of the Board.

During the year, pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Dharmesh K. Lakhani and Mrs. Lataben D. Lakhani were appointed as Additional Directors w.e.f. 01st April, 2013 and they shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing them for appointment Directors. The Board recommend their appointment as Directors.

Mr. Sanket M. Shah, Director of the company who is liable to retire by rotation, being eligible for reappointment, offers himself for reappointment.

Management Discussion and Analysis Report

The NBFC sector in India is integral to the financial framework of the country. The market conditions are 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.

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.

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 ended 31st March, 2013, the Company had not transfer any sum to Reserves except as per the RBI Norms. Therefore, your Company proposes to transfer the entire amount of profit to Profit and Loss Accounts of the Company.

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 2013-14 for shareholder's approval.

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: 05/08/2013

Corporate Governance Report for the year 2012-13

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
*Mr. Dharmesh K. Lakhani	Independent & Non Executive Director	NIL	NIL	NIL
*Mrs. Lataben D. Lakhani	Independent & Non 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.

* Appointed as Additional and Independent Director w.e.f. 01.04.2013

** Resigned as Director w.e.f. 01.04.2013

a) **Composition of the Board**

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of Code of Corporate Governance. The Board is headed by the Executive Chairman. The Board of Directors of the Company has an optimum combination of 2 Executive Directors, 2 Non-Executive Independent Directors who have in depth knowledge in their areas of specialization.

b) **Board Procedure**

Board met Six times during the year under review on 30th April, 2012, 31st July, 2012, 9th August, 2012, 30th October, 2012, 31st January, 2013 and 13th March, 2013.

During the financial year 2012-13, 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
*Mr. Dharmesh K. Lakhani	N. A.	N. A.	Yes
*Mrs. Lataben D. Lakhani	N. A.	N. A.	Yes

* Appointed as Additional and Independent Director w.e.f. 01.04.2013

** Resigned as Director w.e.f. 01.04.2013

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**

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

Mr. Dharmesh K. Lakhani and Mrs. Lataben D. Lakhani were appointed as an Additional and Independent Director on the Board of the Company with effect from 01.04.2013 and retire pursuant to the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting.

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 on 1st April, 2013 in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956

The Audit Committee comprise of 2 Independent Non-Executive Directors and one Promoter & Executive Director.

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

Name	Category
*Mr. Dharmesh K. Lakhani	Non-Executive & Independent Director
*Mrs. Lataben D. Lakhani	Non-Executive & Independent Director
Mr. Mahendra M. Shah	Promoter & Executive Director

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

* Appointed as Additional and Independent Director w.e.f. 01.04.2013.

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