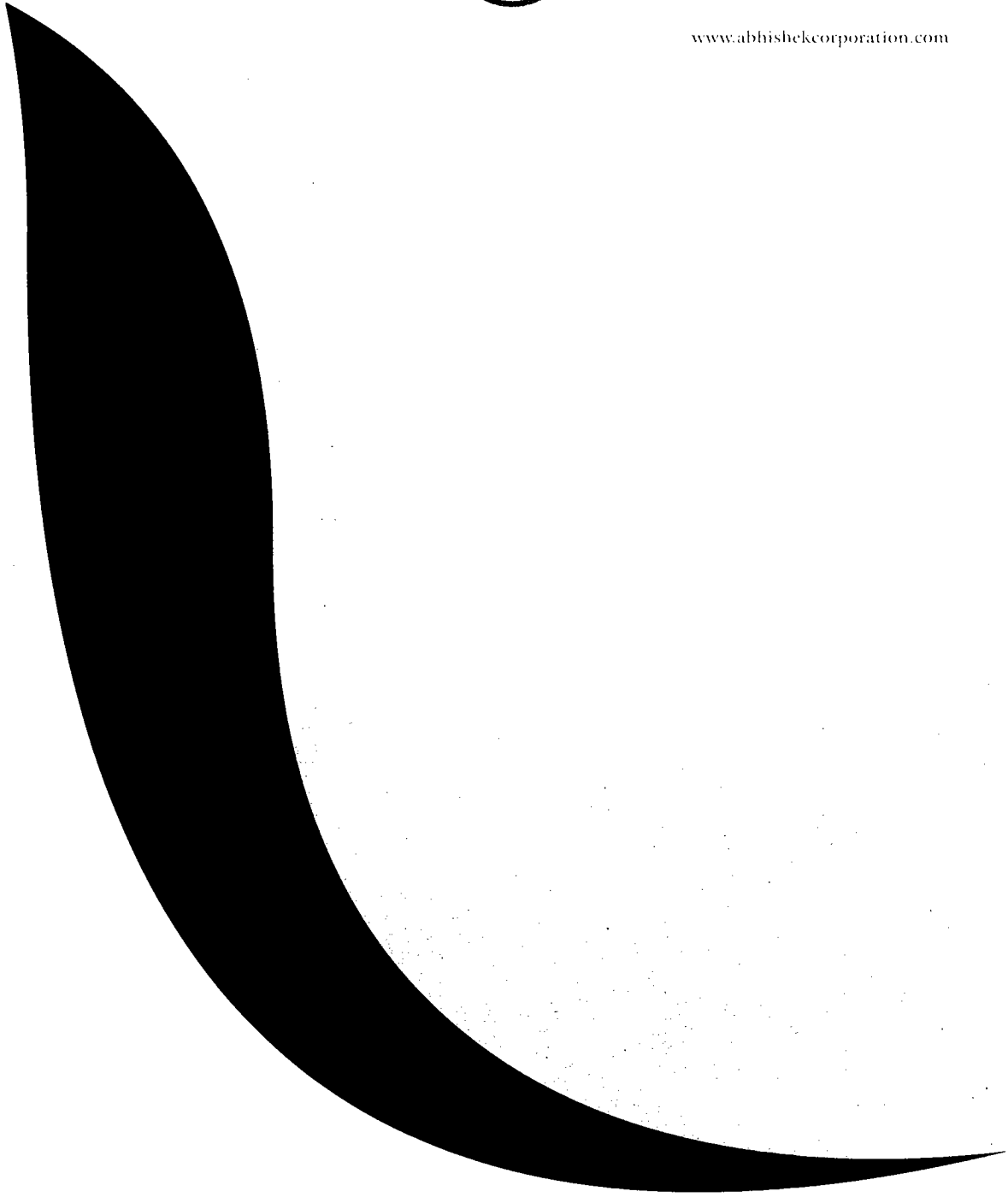




ABHISHEK
CORPORATION

www.abhishekkorporation.com



19th

Annual Report 2011- 2012

▶ **BOARD OF DIRECTORS :**

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. 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 Baroda
Indian Overseas Bank
Punjab National Bank
State Bank of India
State Bank of Patiala
Union Bank of India
Bank of India
IDBI Bank Ltd
Corporation Bank
State Bank of Hyderabad

▶ **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 Nineteenth Annual General Meeting of members of "Abhishek Corporation Ltd" will be held on Friday, September 28, 2012 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, 2012 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. Abhishek A. Mohite, 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. 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 special resolution
"RESOLVED THAT pursuant to provisions of Section 198, 309, 310 and other applicable provisions, if any, and subject to approval of Central Government, read with schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval be and is hereby accorded for renewal of appointment of Mr. Anasaheb R Mohite as a Managing Director of the company w.e.f. October 1, 2012 for a period of 3 years i.e. till September 30, 2015 on such terms and conditions mentioned below.
 - a. **Salary:** - Rs. 4,00,000/- (Rs Four Lac only) per month.
 - b. **Perquisites:** i) Free unfurnished accommodation or alternatively House Rent Allowance @ 20% of the salary. ii) Reimbursement of medical expenses incurred for Managing Director, his wife, dependent children and dependent parents subject to a ceiling of 10% of salary, which can be accumulated upto three years. iii) Leave Travel Concession to the Managing Director and his wife, dependent children and dependent parents, once in a year subject to the ceiling of one month's salary. iv) Personal Accident Insurance, premium of which shall not exceed Rs. 1000/- per annum. v) Fees of clubs subject to maximum of two clubs (Excluding Lifetime membership fees).
 - c. **Retirement Benefits:** i) Provident Fund: Company's contribution towards Provident Fund subject to ceiling of 12% of salary. ii) Company's contribution to Superannuation Fund: -As extends to other Senior Executives of the Company. The Company's contribution in respect of Provident Fund and Superannuation put together shall not exceed limits laid down under Income Tax Act, 1961. iii) Gratuity: A sum not exceeding one month's salary for each completed year of service as Managing Director on the basis of last salary drawn.
 - d. **Other Perquisite:** i) All expenses for the maintenance, running and upkeep of the motorcar for business purpose to be borne and paid by the Company. ii) Telephone at residence, all charges including rental and all charges of the telephone being paid by the company. iii) Leave facilities as applicable to other executives of the Company. iv) Such other benefits or amenities as may be applicable to other Senior Executives of the Company.
 - e. **Commission:** Commission upto 3% p. a. of net profit of the company to be decided by the remuneration committee depending upon performance of the company.

Minimum Remuneration:

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, Mr. Anasaheb R Mohite, Managing Director subject to the approval of a Remuneration Committee of the Directors of the Company shall be paid such remuneration not exceeding the ceiling limits specified under Para 2 of section II, of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment (s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to vary, alter or modify the different components of the above remuneration within the ceiling laid down in Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or reenactment(s) thereof, for the time being in force.”

5. To consider and, if thought fit, to pass, with or without modification (s) the following resolution as special resolution **“RESOLVED THAT** pursuant to provisions of Section 198, 309, 310 and other applicable provisions, if any, and subject to approval of Central Government, read with schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval be and is hereby accorded for renewal of appointment of Mr. Abhishek A. Mohite as a Director (Marketing & Strategy) w.e.f. June 12, 2013 for the period of three years i.e. till June 11 2016 on following terms and conditions.”

- a. **Salary:** - Rs. 1,00,000/- (Rupees One Lac only) per month.
- b. **Perquisites:** Free unfurnished accommodation or alternatively House Rent Allowance @ 20% of the salary. ii) Reimbursement of medical expenses incurred for Director (Marketing & Strategy), and his dependent parents subject to a ceiling of 10% of salary, which can be accumulated upto three years. iii) Leave Travel Concession to the Director (Marketing & Strategy) and his dependent parents, once in a year subject to the ceiling of one month's salary. iv) Personal Accident Insurance, premium of which shall not exceed Rs. 1000/- per annum. v) Fees of clubs subject to maximum of two clubs (Excluding Lifetime membership fees)
- c. **Retirement Benefits:** i) Provident Fund: Company's contribution towards Provident Fund subject to ceiling of 12% of salary. ii) Company's contribution to Superannuation Fund: As extends to other Senior Executives of the Company. The Company's contribution in respect of Provident Fund and Superannuation put together shall not exceed limits laid down under Income Tax Act, 1961. iii) Gratuity: A sum not exceeding one month's salary for each completed year of service on the basis of last salary drawn.
- d. **Other Perquisite:** i) All expenses for the maintenance, running and upkeep of the motorcar for business purpose to be borne and paid by the Company. ii) Telephone at residence, all charges including rental and all charges of the telephone being paid by the company. iii) Leave facilities as applicable to other executives of the Company. iv) Such other benefits or amenities as may be applicable to other Senior Executives of the Company.

Minimum Remuneration:

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, Mr. Abhishek A. Mohite, Director (Marketing & Strategy) subject to the approval of a Remuneration Committee of the Directors of the Company shall be paid such remuneration not exceeding the ceiling limits specified under Para 2 of section II, of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment (s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to vary, alter or modify the different components of the above remuneration within the ceiling laid down in Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or reenactment(s) thereof, for the time being in force.”

Date: July 2, 2012
Place: Kolhapur

For and on Behalf of the Board of Directors

Abhishek A. Mohite
Director (Marketing & Strategy)

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 24 to September 28, 2012 (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.
5. Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.

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.

EXPLANATORY STATEMENT

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

Item No. 4

Mr. Anasaheb R Mohite was reappointed as a Managing Director of the company on October 1, 2009 for a period of 3 years. On September 30, 2012 his tenure as a Managing Director will expire.

Mr. Anasaheb R Mohite, Managing Director of the company has been associated with your company from its inception. He also looks after marketing activities with the active support of Mr. Abhishek A. Mohite, Director (Marketing & Strategy) of the company. He is involved in meetings/negotiation with prospective overseas customers who comprises of noted branded garment manufacturers.

Considering the present scenario of the company, level of responsibilities and efforts undertaken by him and his contribution to the value addition to the company and shareholders, your Board of Directors, on the recommendation of the Remuneration Committee, at its Meeting held on July 2, 2012 has re-appointed Mr. Anasaheb R Mohite as a Managing Director of the company w.e.f. October 1, 2012 for a period of 3 years (i.e. from October 1, 2012 to September 30, 2015).

The abstract pursuant to section 302 of the Companies Act, 1956 regarding the re-appointment of Mr. Anasaheb R Mohite, Managing Director of the company has already dispatched to the members within the time limit specified in the said section. The details of remuneration proposed are given in resolution.

None of the Directors of your Company, except Mr. Anasaheb R Mohite and Mr. Abhishek A. Mohite are interested in respect of the above revision in the terms of appointment.

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

Item No. 5

The Board of Directors of the company (the Board) had appointed Mr. Abhishek A. Mohite as a Director (Marketing & Strategy) on June 12, 2010 for the period of 3 years. His tenure as a Director (Marketing & Strategy) will expire on June 11, 2013.

Considering the level of responsibilities, efforts undertaken by him and for the sake of continuity of present management and for efficient running of the company and on the recommendation of remuneration committee the Board of Directors have re-appointed Mr. Abhishek Mohite as a Director (Marketing & Strategy) of the company for a further period of 3 years w.e.f. June 12, 2013 (i.e. from June 12, 2013 to June 11, 2016)

The abstract pursuant to section 302 of the Companies Act, 1956 regarding the appointment of Mr. Abhishek A. Mohite has already dispatched to the members within the time limit specified in the said section.

None of the Directors of your Company, except Mr. Anasaheb R Mohite and Mr. Abhishek A. Mohite are interested in respect of the above appointment.

The Board recommends the resolution set out in Item No. 5 of the Notice for your approval as a special resolution pursuant to Schedule XIII of the Companies Act, 1956

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 19th Annual Report for the year ended on 31st March 2012.

Financial Results:

The performance of the company for the financial year ended March 31, 2012 is summarized below:

(Rs. in Lacs)

Particulars	2011-12	2010-11
Total Income	2115.92	4968.33
Usual Working Expenses	3515.62	8444.09
Gross Profit/(Loss) before Interest and Depreciation	(1399.70)	(3475.76)
Less: Interest	5132.89	1933.44
Depreciation	1571.94	1574.58
Profit/(Loss) Before Tax	(8104.53)	(6983.78)
Less: Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
Provision for Fringe Benefit Tax	-	-
Profit/(Loss) After Tax before Extra Ordinary and Exceptional Items	(8104.53)	(6983.78)
Less: Exceptional Items	-	-
Profit/(Loss) After Tax & After Extra Ordinary Items before Exceptional Items	(8104.53)	(6983.78)
Add: Extra Ordinary Items	-	4.01
Profit/(Loss) After Tax & After Extra Ordinary & Exceptional Items	(8104.53)	(6979.77)
Add: Balance brought forward from last Year	-	-
Balance Transferred to Balance Sheet	(8104.53)	(6979.77)

Results of Operations

During the year under review sale has been decreased by 57.53% from Rs. 4959.83 Lacs in previous year to Rs. 2106.59 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 Company's sale is decreasing as compared to previous year.

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. 8104.53 Lacs (before Extra Ordinary Item) as against the net loss of Rs. 6979.77 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. Abhishek Anasaheb Mohite, 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. 6532.59 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, 2012 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. 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
July 2, 2012

Abhishek A. Mohite
Director (Marketing & Strategy)

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:** 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.

a. Total Energy consumption and energy consumption per unit.

Particulars	2011-12	2010-11
Purchased:		
Total Units consumed (in lacs)	72.26	182.37
Total Amount (Rs. in lacs)	478.94	860.79
Rate per Unit (Rupees)	6.63	4.72
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.

- Specific areas in which research and development are being carried out:** The Company is engaged in textile and construction activities. Continuous efforts have been made to increase the quality of yarn & Fabric. The research and development are being carried in Yarn & Fabric Production.
- Benefits derived as a result of R & D efforts:** Our R & D efforts enables us to offer premium quality Yarn & Fabric to our customers, with more value addition
- Future Plan of Action:** Company's "New Yarn Dyed Shirting Fabric Project" has been commissioned. This expansion involves increased focus on Research and Development, Quality Control, Value Addition etc. We are taking trials with different types of ringtravellers to identify one with longer life & better running characteristics.
- Expenditure on R & D**
The Company has not incurred any material Research and Development expenditure during the year

C. Technology Absorption, Adoption and Innovation

- Efforts made towards technology absorption, adoption and innovation:** The Company uses latest technology 'State of the Art' machines. More emphasis has been given to adoption and up gradation of new technology.
- Benefits derived as a result of above efforts:** Latest technology machine helps the company to produce high quality yarn & Fabric. The company produces yarn and Fabric of premium quality.

D. Foreign Exchange Earning and Outgo

Particulars	2011-12	2010-11
	Rs. in lacs	Rs. in lacs
Earnings	197.99	853.37
Outgo	7.35	288.49

I. 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 spindle 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 9 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 dramatic 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.

Weaving Segment:

The declining fortunes of the textile processing industry in the US are forcing them to import textile products from other countries. Cotton textile producers such as China, India, Pakistan and Canada stand to gain from the closure of textile mills and the dwindling number of spindles and shuttle less looms in the US. Weaving industry has close ties with the fashion industry and therefore is sensitive to the whims and fancies of the prevailing fashions

ACL has entered into weaving segment with the setting up of its Mega Project – with a total outlay of over Rs. 250 Crores (Approx) which was envisaged, financed and implemented within a record time of two years. A total capacity of 8 million meters fabric per annum has been established with the successful commissioning of the new project, which is a vertical integration from cotton yarn to dyed and processed shirting fabric.

ACL intend to establish itself as a quality yarn dyed fabric exporter. With weaving capacities continuously coming down in most of the developed nations due to their higher cost of production vis-à-vis nations like India, ACL intend to become nominated fabric supplier for readymade garment manufacturers in these developed nations. Once ACL become successful in becoming a nominated fabric supplier, ACL expect to receive repeat order for exports. ACL will also tie up with global sourcing agencies to further boost its exports of yarn dyed shirting fabric.

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

The future prospects for the Indian industry are bright, particularly in the post-quota regime. The industry is in an expansion mode and is likely to benefit from growing demand both in the domestic as well as global markets. Further, the anti-surge mechanism which the WTO has imposed on Chinese exports is expected to benefit India. Turkey is the first country to set quotas on textile and apparel imports from China. The EU is also in the process of adopting measures to avoid surge in imports from China. Even though these tariffs are nominal, it will increase export prices and curb demand for low priced Chinese goods in world markets. This should enable Indian industry to offer competitive products to global markets and increase its share in US and EU markets.

ACL has entered into weaving segment with the setting up of its Mega Project – with a total outlay of over Rs. 270 Crores (approx). 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. The entire fabric production from ACL's weaving operations will be used by the processing house. However, the processing house will have excess capacity for which the Company proposes to procure grey fabric from the market for in house processing. ACL intend to export its final product i.e. Yarn Dyed Shirting Fabric from the Expansion Project. Abhishek Corporation Ltd, with its integrated yarn dyed shirting fabric plant in place, is having the capabilities to export premium quality high end fine fabrics to Europe and the US. However due to the low off-take from these Countries, due to their recent economic crisis and the slow pace of recovery, the exports of fabric could not take place as expected. As an EOU we have restrictions on sale in domestic market. Hence we are considering the possibilities of shifting to EPCG or De-bonding to explore the opportunities available in the domestic markets.

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.

The Government is trying its best to reduce the negative impact of the Global recession by various SOPs such as duty draw backs, service tax exemption , extension of interest subvention, concessional bank interest by way of TUF rebate etc. Further our Company faces normal market competition in its businesses.

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	
		2012 Audited	2011 Audited
1	(a) Revenue from operations	2106.59	4959.83
	(b) Other Income	9.33	8.50
	Total Revenue	2115.92	4968.33
2	Expenditure		
	(a) Cost of material consumed	1657.37	1703.95
	(b) Changes in inventories of finished goods, work in progress & stock in trade	253.50	2979.98
	(c) Employees benefit Expenses	737.82	938.33
	(d) Finance Costs	5132.89	1933.44
	(e) Depreciation & Amortization Expenses	1571.94	1574.58
	(f) Operating & Other Expenditures	866.92	2821.82
	Total Expenses:	10220.44	11952.10
3	Profit/(Loss) before exceptional & Extra Ordinary Items & Tax (1-2)	(8104.52)	(6983.77)
4	Exceptional Items	-	-
5	Profit/(Loss) before Extra Ordinary Items & Tax (3-4)	(8104.52)	(6983.77)
6	Extra Ordinary Item (Net)	-	(4.01)
7	Profit/(Loss) before Tax (5-6)	(8104.52)	(6979.76)
8	Tax Expenses:	-	-
9	Profit/(Loss) for the period from continuing operations (7-8)	(8104.52)	(6979.76)
10	Profit/(Loss) for the period	(8104.52)	(6979.76)

- a. **Sales:** The total income decreased by 57.41% to Rs. 2115.92 Lacs in the current year from Rs. 4968.32 Lacs in the previous year. The decrease in the total income is primarily on account of lack of orders and high operating cost. 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 2011-12 the company has incurred a loss before tax of Rs. 8104.52 Lacs as against Loss before tax of Rs. 6979.76 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 2011-12 the company has incurred net loss of Rs. 8104.52 Lacs as against Loss after tax of Rs. 6979.76 Lacs in previous year. This is mainly on account of lower capacity utilization and high fixed overheads such as Interest, Depreciation etc.

During the year financial 2011-12 the company has suffered huge decrease in sales. As compared to the amount of investments made in the Fabric unit, the company is not able to achieve the expected orders for its product. The underutilization of production capacity being the major problem, the company has suffered huge interest, depreciation and employee cost due to its investment made in fabric unit which amounted to around 270 crs. Further the company has temporarily shifted its focus on Domestic market to solve the problem of underutilization. Also the company is streamlining its marketing setup and expects to achieve maximum capacity utilization in the coming quarters.

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 2012 the company has as much as 360 employees

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ABHISHEK CORPORATION LTD
(Formerly Abhishek Mills Ltd)

1. We have audited the attached Balance Sheet of **Abhishek Corporation Ltd, (formerly Abhishek Mills Limited), Kolhapur** as at 31st March 2012 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 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012.
 - 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 **P. M. VARDHE & CO.**
FRN: 111274W
Chartered Accountants

P. M. Vardhe
Proprietor
M. No. 031817

Place: Kolhapur
Date: 02.07.2012

**ANNEXURE AS REFERRED TO IN PARAGRAPH (3) OF THE AUDITOR'S REPORT TO THE
MEMBERS OF ABHISHEK CORPORATION LTD (FORMERLY ABHISHEK MILLS LIMITED)
FOR THE YEAR ENDED ON 31 MARCH 2012**

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed Assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification by the management.
- c) During the year, the Company has not disposed off a substantial part of fixed assets.
- (ii) In respect of its inventories:
- a) As explained to us, the management at the regular intervals and at end of the year physically verified inventories.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the company has maintained adequate stock record for stock of stores and spares. As explained to us the discrepancies noticed on physical verification of stock of raw material and finished goods were not material.
- (iii) a) During the year, company has obtained a loan of Rs. 1,85,00,000/- from Mr A R Mohite, director of the company. The terms and conditions of this loan are prima facie not prejudicial to the interest of the company.
- b) It is seen that, during the year, repayment of Rs. 35,42,494/- is made. Out of which, Rs. 20,20,000 is by book entry.
- c) The company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301.
- (iv) In our opinion and according to the information and explanation given to us there is generally adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of inventories, fixed assets and with regard to sale of goods. Further, during the course of audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts and arrangement that need to be entered into the register maintained under Sec. 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under Sec. 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.

- (vi) During the year under review the company has not accepted any amount by way of Fixed Deposits pursuant to provisions of section 58A, 58AA, rules there under and the directives issued by RBI.
- (vii) In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act in respect of textile industry and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (ix) a) According to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income Tax, Wealth Tax, Sales Tax, Purchase Tax, Custom Duty, Excise Duty, Cess, Entry Tax & Service Tax except following dues which are due since more than six months but still not paid

i.	Tax Deducted At Source	10,635,440
ii.	Provident Fund	22,158,036
iii.	Professional Tax	1,351,275

b) The disputed statutory dues have not been deposited on account of disputed matters pending before appropriate authorities as on March 31, 2012, are as under:

Sr. No.	Authority	Item	Amount (Rs. In Lacs)
1	High Court, Mumbai	Income Tax Interest- A.Y. 2006-07	14.22
2	C.I.T. (Appeals)	Income Tax Interest- A.Y. 2007-08	333.62

- (x) During the year the Company has incurred cash loss of Rs. 65,32,59,053/- . Further during the previous year the Company has incurred cash losses of Rs. 54,09,19,492/-. Thereby company's net worth has become negative and the company has become a sick unit under the provisions of the Sick Industrial Companies Act.
- (xi) In our opinion and according to the explanations and informations given to us, Corporate Debt Restructuring (CDR) Scheme has failed and withdrawn by the bankers, due to non-compliances of the terms and conditions of the CDR scheme, on the part of the company. Interest on these loans has been provided at the rates as per the original sanctions. In the result company is defaulted in repayment of the following loans:

(Rs. In lacs)

Bank Name	Type of Credit Facility	Balances overdue including interest upto 31/01/2012	Interest for February and March	Others	Total Rs.
Axis Bank	Term Loan	1,805.07	46.94	-	1,852.01
Bank of Baroda	Term Loan	2,676.84	77.59	-	2,754.44
Bank of India	Cash Credit	3,080.19	81.39	-	3,161.58
Bank of India	Term loan	1,949.06	44.10	-	1,993.16
Bank of India	EPD Limit / Packing credit	716.73	14.41	-	731.14
Bank of India	Interest on EPC	105.69	3.42	-	109.11
Corporation Bank	Cash Credit	953.51	24.80	-	978.31
Corporation Bank	Term Loan	1,136.24	29.55	-	1,165.79
Corporation Bank	Working Capital Term loan	610.10	15.86	-	625.96
Corporation Bank	FITL - I	41.10	1.07	-	42.17
Corporation Bank	FITL - II	66.78	1.73	-	68.51
Corporation Bank	FITL - III	64.32	1.67	-	65.99
IDBI Bank	Term loan	863.88	21.07	-	884.95
IDBI Bank	Term loan	215.52	5.70	-	221.22
IDBI Bank	Term loan	132.25	3.02	-	135.27
IDBI Bank	Term loan	91.23	2.72	-	93.95
IDBI Bank	Cash Credit	431.95	19.52	-	451.47
IDBI Bank	Packing Credit	117.85	2.96	-	120.81
IDBI Bank	CAOD / Current	2.13	0.06	-	2.19
Indian Overseas Bank	Term loan	3,341.53	84.06	-	3,425.59
Indian Overseas Bank	Cash Credit	783.72	19.72	11.76	815.20
Indian Overseas Bank	Packing Credit	440.78	11.09	-	451.87
Punjab National Bank	Term Loan	1,901.74	48.65	-	1,950.39
State Bank of Hyderabad	Term loan	1,539.23	32.88	(43.21)	1,528.90
State Bank of Hyderabad	FITL	92.40	1.97	-	94.37
State Bank of India	Term Loan	3,268.86	91.89	-	3,360.75
State Bank of Patiala	Term Loan	1,306.16	37.27	-	1,343.43
Union Bank of India	Term Loan	2,668.31	89.68	-	2,757.99
		30,403.17	814.79	(31.46)	31,186.51

- (xii) As Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable
- (xiii) As the Company is not chit fund/ nidhi / mutual benefit funds / society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.
- (xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) During the year, the company has not obtained any term loan from banks or financial institutions.
- (xvii) In our opinion and according to the explanations and information given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment and vice-versa. However, all the long term loans are recalled and hence re-classified under "Other Current Liabilities".
- (xviii) During the year the Company has not made any preferential allotment of shares.
- (xix) The Company has not issued any debentures during the year.
- (xx) During the year, since the Company has not raised money by way of Public Issue, 4(xx) of the Order is not applicable
- (xxi) Based upon the audit procedure performed and information and explanation given by the management we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended on 31 March, 2012

For **P. M. VARDHE & CO.**
FRN: 111274W
Chartered Accountants

P. M. Vardhe
Proprietor
M. No. 031817

Place: Kolhaur
Date: 02.07.2012

BALANCE SHEET AS AT 3/31/2012

Sr. No.	Particulars	Note No.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
I	EQUITY AND LIABILITIES			
1	SHAREHOLDERS FUNDS			
	(a) SHARE CAPITAL	2	1,600.85	1,600.85
	(b) RESERVES AND SURPLUS	3	(8,993.98)	(880.33)
	(c) MONEY REC. AGST. SHARE WARRANTS		-	-
	TOTAL(1)		<u>(7,393.14)</u>	<u>720.51</u>
2	SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3	NON-CURRENT LIABILITIES			
	(a) LONG TERM BORROWINGS	4	-	17,546.03
	(b) OTHER LONG-TERM LIABILITIES		-	-
	(c) LONG-TERM PROVISIONS		-	-
	TOTAL(3)		<u>-</u>	<u>17,546.03</u>
4	CURRENT LIABILITIES			
	(a) SHORT TERM BORROWINGS	5	9,707.34	9,581.74
	(b) TRADE PAYABLES	6	1,238.95	732.11
	(c) OTHER CURRENT LIABILITIES	7	25,582.80	2,679.52
	(d) SHORT TERM PROVISIONS	8	588.18	359.64
	TOTAL(4)		<u>37,117.26</u>	<u>13,353.00</u>
	TOTAL(1+2+3+4)		<u>29,724.13</u>	<u>31,619.54</u>
II	ASSETS			
1	NON-CURRENT ASSETS			
	(a) FIXED ASSETS			
	(i) TANGIBLE ASSTS	9	22,895.54	24,409.56
	(ii) CAPITAL WORK-IN-PROGRESS		211.13	200.06
	(b) NON-CURRENT INVESTMENTS	10	3.76	3.76
	(c) DEFERRED TAX ASSETS (NET)	11	-	-
	(d) LONG-TERM LOANS AND ADVANCES	12	71.82	71.84
	(e) OTHER NON-CURRENT ASSETS	13	4.41	76.61
	TOTAL(1)		<u>23,186.67</u>	<u>24,761.82</u>
2	CURRENT ASSETS			
	(a) CURRENT INVESTMENTS		-	-
	(b) INVENTORIES	14	3,397.09	3,832.48
	(c) TRADE RECEIVABLES	15	631.53	954.61
	(d) CASH AND CASH EQUIVALENTS	16	176.66	115.75
	(e) SHORT-TERM LOANS AND ADVANCES	17	896.49	1,067.91
	(f) OTHER CURRENT ASSETS	18	1,435.69	886.98
	TOTAL(2)		<u>6,537.46</u>	<u>6,857.72</u>
	TOTAL(1+2)		<u>29,724.13</u>	<u>31,619.54</u>

 SIGNIFICANT ACCOUNTING POLICIES
 AND NOTES TO ACCOUNTS

1 TO 28

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

For P.M. Vardhe & Co.

FRN: 111274W

Chartered Accountants

 P.M VARDHE
 PROPRIETOR
 M NO. 031817

 ABHISHEK A. MOHITE
 DIRECTOR

 RAVI Y. SHIRALKAR
 DIRECTOR

 ANUJA S. MALLIKAR
 COMPANY SECRETARY

PLACE: KOLHAPUR

DATE: 02/07/2012

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 3/31/2012

Sr. No.	Particulars	Note No.	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
REVENUE FROM OPERATIONS				
I	REVENUE FROM OPERATIONS	19	2,106.59	4,959.83
II	OTHER INCOME	20	9.33	8.50
III	TOTAL REVENUE(I+II)		<u>2,115.92</u>	<u>4,968.33</u>
IV	EXPENSES:			
a	COST OF MATERIAL CONSUMED	21	1,657.37	1,703.95
b	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK -IN-TRADE	22	253.50	2,979.98
c	EMPLOYEE BENEFITS EXPENSES	23	737.82	938.33
d	FINANCE COSTS	24	5,132.89	1,933.44
e	DEPRECIATION AND AMORTIZATION EXPENSE	25	1,571.94	1,574.58
f	OPERATING AND OTHER EXPENSES	26	866.93	2,821.82
	TOTAL EXPENSES		<u>10,220.44</u>	<u>11,952.10</u>
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		(8,104.53)	(6,983.78)
VI	EXCEPTIONAL ITEMS		-	-
VII	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		(8,104.53)	(6,983.78)
VIII	EXTRAORDINARY ITEMS	27	-	(4.01)
IX	PROFIT BEFORE TAX (VII-VIII)		(8,104.53)	(6,979.77)
X	TAX EXPENSE			
a	CURRENT TAX		-	-
b	EARLIER YEARS TAX		-	-
c	DEFERRED TAX		-	-
XI	PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)		(8,104.53)	(6,979.77)
XII	PROFIT (LOSS) FOR THE PERIOD (XI+XII)		<u>(8,104.53)</u>	<u>(6,979.77)</u>
XIII	EARNING PER EQUITY SHARE			
a	BASIC		(50.63)	(43.60)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 TO 28

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

For P.M. Vardhe & Co.

FRN: 111274W

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P M VARDHE
PROPRIETOR
M NO. 031817

ABHISHEK A. MOHITE
DIRECTOR

RAVI Y. SHIRALKAR
DIRECTOR

ANUJA S. MALLIKAR
COMPANY SECRETARY

PLACE: KOLHAPUR

DATE: 02/07/2012

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2012

(Rs. In Lacs)

Particulars	Amount	Current Year	Previous Year
A Cash Flow from Operating Activities			
Profit Before Tax and Extra Ordinary Items		(8,104.53)	(6,983.78)
Adjustment For			
Depreciation	1,499.74		1,502.00
Interest Paid	5,132.89		1,973.86
Interest Received	(9.33)		(8.45)
Dividend Received	-		(0.05)
Misc Expenditure	72.20		72.58
Loss on Sale of Asset	8.03		-
Reversal of Fringe Benefit Tax Provision	-	6,703.53	4.01
Operation Profit before Working Capital Changes		(1,401.00)	(3,439.82)
Adjustment For			
Inventories	435.39		3,836.52
Sundry Debtors	323.08		3.03
Loans, Advances and Other Current Assets	(377.28)		(519.57)
Current Liabilities and Provisions	6,256.87	6,638.05	1,230.84
Cash Generated from Operations		5,237.06	1,110.99
Interest Paid		(5,132.89)	(1,973.86)
Cash Flow before Extra Ordinary Items		104.17	(862.87)
Extra Ordinary Items			
Previous Period Expenses	(1.10)		(4.41)
Reversal of Fringe Benefit Tax Provision	-	(1.10)	(4.01)
Net Cash from Operating Activities (A)		103.07	(871.30)
B Cash Flow from Investing Activities			
Purchase of Fixed Assets	(1.25)		(24.70)
(Increase)\Decrease in Capital WIP	(11.07)		(196.55)
Loss on Sale of Assets	(8.03)		-
Proceeds from Sale of Assets	7.50		-
Interest Income	9.33		8.45
Dividend Income	-		0.05
Net Cash from Investing Activities (B)		(3.53)	(212.74)

C Cash Flow from Financing Activities

Proceeds from issue of Share Capital	-	-
Proceeds from Long Term Borrowing	156.15	573.96
Proceeds from Short Term Borrowing	125.60	680.77
Repayment of Long Term Borrowing	(320.39)	(2.25)
Repayment of Short Term Borrowing	-	(210.21)
Net Cash from Financing Activities (C)	<u>(38.63)</u>	<u>1,042.28</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	60.91	(41.76)
Cash and Cash Equivalents (Opening Balance)	115.75	157.51
Cash and Cash Equivalents (Closing Balance)	<u>176.66</u>	<u>115.75</u>

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

For P.M. Vardhe & Co.

FRN: 111274W

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
P M VARDHE
 PROPRIETOR
 M NO. 031817

ABHISHEK A. MOHITE
 DIRECTOR

RAVI Y. SHIRALKAR
 DIRECTOR

ANUJA S. MALLIKAR
 COMPANY SECRETARY

PLACE: KOLHAPUR
DATE: 02/07/2012

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 3/31/2012

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
2		SHARE CAPITAL :		
	1	AUTHORIZED : 2,40,00,000 (Prev. Yr. 2,40,00,000) EQUITY SHARES OF Rs.10/-EACH	2,400.00	2,400.00
	2	ISSUED, SUBSCRIBED & PAID UP SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD 1,60,08,462 (Prev. Yr.1,60,08,462) EQUITY SHARES OF Rs.10/-EACH FULLY PAID UP ADDITIONS DURING THE YEAR (L.Y NIL) EQUITY SHARES OF RS.10/- EACH SHARES AT THE END OF THE ACCOUNTING PERIOD 1,60,08,462 (Prev. Yr.1,60,08,462) EQUITY SHARES OF RS.10/- EACH	1,600.85 <u>1,600.85</u>	1,600.85 <u>1,600.85</u>
		Notes: Subscrubed and Paid up Share Capital includes:		
	a)	Equity shareholder holding more than 5% of equity shares along with the number of equity shares held, is as given below:		
		Name of the Shareholder	As at 31.03.2012 %	As at 31.03.2011 %
			Number of Shares	Number of Shares
		ANASAHEB MOHITE	26.26%	26.26%
			4,204,193	4,204,193
		ANJALI MOHITE	24.84%	18.60%
			3,977,078	2,977,078
		RAMA SWETTA	12.49%	12.49%
			2,000,000	2,000,000
		ABHISHEK MOHITE	10.79%	10.79%
			1,727,131	1,727,116
		BLUE MARK MERCANTILE PRIVATE LIMITED	8.47%	8.47%
			1,356,229	1,356,229
	b)	Out of the above, following shares are pledged or otherwise encumbered:		
		Name of the Shareholder	As at 31.03.2012 %	Number of Shares
		ANASAHEB MOHITE	24.07%	3,852,956
		ANJALI MOHITE	23.29%	3,728,431
		ABHISHEK MOHITE	9.89%	1,582,929
3		RESERVE & SURPLUS:		
	1	GENERAL RESERVE AT THE BEGINNING OF THE ACCOUNTING PERIOD	809.15	-
		TRANSFER FROM CAPITAL REDEMPTION RESERVE	-	809.15
		AT THE END OF THE ACCOUNTING PERIOD	<u>809.15</u>	<u>809.15</u>
	2	CAPITAL REDEMPTION RESERVE AT THE BEGINNING OF THE ACCOUNTING PERIOD	-	809.15
		TRANSFER TO GENERAL RESERVE	-	809.15
		AT THE END OF THE ACCOUNTING PERIOD	<u>-</u>	<u>-</u>
	3	SHARE PREMIUM ACCOUNT AT THE BEGINNING OF THE ACCOUNTING PERIOD	5,080.92	5,080.92
		AT THE END OF THE ACCOUNTING PERIOD	<u>5,080.92</u>	<u>5,080.92</u>
	4.	SURPLUS AT THE BEGINNING OF THE ACCOUNTING PERIOD	(6,770.41)	213.77
		LESS: PRIOR PERIOD EXPENSES	(9.13)	(4.41)
		PROFIT/(LOSS) DURING THE YEAR	(8,104.53)	(6,979.77)
		ALLOCATIONS AND APPROPRIATIONS	-	-
		AT THE END OF THE ACCOUNTING PERIOD	<u>(14,884.06)</u>	<u>(6,770.41)</u>
		GRAND TOTAL	<u>(8,993.98)</u>	<u>(880.33)</u>

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 3/31/2012
(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
4	1	LONG TERM BORROWINGS (Refer Note below)		
		SECURED TERM LOANS FROM BANKS		
		Term Loan from IDBI Bank Ltd. RTL I	-	673.99
		Term Loan from IDBI Bank Ltd. RTL II	-	102.87
		Term Loan from IDBI Bank Ltd. RTL III	-	68.56
		Term Loan from IDBI Bank Ltd. RTL IV	-	165.58
		Term Loan under (TUFS) -Yarn Dyed Shirting Project		
		Term Loan from Indian Overseas Bank	-	2,448.00
		Term Loan from Corporation Bank	-	1,000.00
		Term Loan from State Bank of Hyderabad	-	1,411.00
		Term Loan from State Bank of India	-	2,448.61
		Term Loan from State Bank of Patiala	-	980.00
		Term Loan from Axis Bank Ltd	-	1,470.00
		Term Loan from Bank of India	-	1,470.00
		Term Loan from Bank of Baroda	-	1,957.00
		Term Loan from Punjab National Bank	-	1,430.34
		Term Loan from Union Bank of India	-	1,909.14
		Vehicle Loan from Union Bank of India	-	8.49
		Vehicle Loan from State Bank of Mysore	-	2.45
		(Secured by First Charge on Fixed Assets & Vehicles and Floating Charge on other Movable and Immovable assets, accompanied by personal guarantees of the promoters of the company)		
		TOTAL	-	17,546.03
		2 UNSECURED LONG TERM BORROWINGS:	-	-
		GRAND TOTAL (1+2)	-	17,546.03

Note: Long term Borrowings

On 16/ 12/ 2010 the company opted for CDR and the terms of repayment of Term Loans, Working Capital Loans and Interest thereon were rescheduled accordingly. However the company could not adhere to the terms of the CDR package and hence the banks declared that the CDR package was failed. The same was accepted by CDR EG during its meeting held in January 2012. Considering the above scenario, the term loans for 2011 are classified on the basis of the then existing CDR package. On account of notice under the SARFAESI Act, 2002 (received by the company on 25/ 05/ 2012) recalling the loans, the status of Long Term Loans is changed and shown under Other Current Liabilities.

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
		CURRENT LIABILITIES		
5		SHORT TERM BORROWINGS		
	A	SECURED		
		Packing Credit from IDBI Bank Ltd.	84.85	84.85
		Packing Credit from Corporation Bank	-	597.54
		Packing Credit from Indian Overseas Bank	318.29	318.29
		Packing Credit from Bank of India	600.00	600.00
		Cash Credit from IDBI R'puri	451.47	379.43
		Cash Credit from Indian Overseas Bank	611.26	597.59
		Cash Credit from Corporation Bank	708.72	835.38
		Cash Credit from Bank of India	2,509.00	2,505.67
		(Secured by First Charge on Current Assets and Second Charge on Fixed Assets, accompaied by personal gaurantees of the promoters of the company)		
		Term Loan from Corporation Bank (FITL -I)	40.00	-
		Term Loan from Corporation Bank (FITL -II)	65.00	-
		Term Loan from Corporation Bank (FITL -III)	60.00	-
		Term Loan from State Bank of Hyderabad (FITL)	85.12	-
		WCTL from Corporation bank	564.00	-
		Bill Discounting from Corporation Bank	-	194.24
		(Secured by Letter of B P undertaking executed by the comapny)		
		TOTAL	6,097.70	6,112.99
	B	OTHER LOANS AND ADVANCES FROM RELATED PARTIES		
		UNSECURED		
		From the Directors of the Company	3,302.45	3,161.10
		From the Relatives of Directors of the Company	83.35	83.82
		Inter-corporate Loan	223.83	223.83
		TOTAL	3,609.63	3,468.75
		GRAND TOTAL (A+B)	9,707.34	9,581.74

Note: Secured Short term Borrowings

Working capital facilities are secured against first charge on Current assets, second charge on Fixed Assets and personal gaurantees of directors which are repayable on demand subject to review carried out by banks every year. Funded Interest Term Loan and Working Capital Term Loan accounts created on the basis of CDR package are classified as Short Term Borrowings as they are repayable on demand. All the above loans are recalled by notice under the SARFAESI Act 2002.

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
6		TRADE PAYABLES		
		CREDITORS FOR GOODS AND SERVICES	1,059.79	588.46
		ADVANCE FROM PARTIES-INTEREST FREE	179.16	143.65
			<u>1,238.95</u>	<u>732.11</u>
7		OTHER CURRENT LIABILITIES		
	1	CURRENT MATURITIES OF LONG TERM DEBTS		
		Term Loan from IDBI Bank Ltd. RTL I	688.00	14.01
		Term Loan from IDBI Bank Ltd. RTL II	105.00	2.13
		Term Loan from IDBI Bank Ltd. RTL III	70.00	1.44
		Term Loan from IDBI Bank Ltd. RTL IV	169.00	3.42
		Term Loan from Indian Overseas Bank	2,498.00	50.00
		Term Loan from Corporation Bank	952.46	-
		Term Loan from State Bank of Hyderabad	1,426.00	29.00
		Term Loan from State Bank of India	2,499.61	51.00
		Term Loan from State Bank of Patiala	1,000.00	20.00
		Term Loan from Axis Bank Ltd	1,500.00	30.00
		Term Loan from Bank of India	1,474.72	30.00
		Term Loan from Bank of Baroda	1,997.94	41.00
		Term Loan from Punjab National Bank	1,460.39	30.00
		Term Loan from Union Bank of India	1,905.75	41.00
		Vehicle Loan from HDFC Bank - Used Car Refinance	-	22.45
		Vehicle Loan from Union Bank of India	8.49	9.83
		Vehicle Loan from State Bank of Mysore	2.46	0.76
			<u>17,757.83</u>	<u>376.03</u>
	2	INTEREST ACCRUED BUT NOT DUE ON BORROWINGS	-	179.63
	3	INTEREST ACCRUED AND DUE ON BORROWINGS	7,259.40	1,659.91
	4	UNPAID DIVIDENDS	-	-
	5	TAXES AND OTHER STATUTORY DUES	565.58	463.94
	6	CURRENT YEAR'S TAXES PAYABLE(NET OF ADVANCE TAX)	-	-
			<u>25,582.80</u>	<u>2,679.52</u>
8		SHORT-TERM PROVISIONS		
		(a) PROVISIONS FOR EMPLOYEE BENEFITS	78.34	60.60
		(b) OTHERS	509.84	299.04
			<u>588.18</u>	<u>359.64</u>

Note: On account of notice under the SARFAESI Act, 2002 (received by the company on 25/05/2012) recalling the loans, the status of Long Term Loans is changed and shown under Other Current Liabilities.

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD		FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD	
9	(a)	FIXED ASSETS				
	(i)	TANGIBLE ASSETS GROSS BLOCK ASSETS				
			OP. BALANCE	ADDITION	DELETION	
					TOTAL	
	1	LAND AND LAND DEVELOPMENT/SCAPING	20.45	-	-	20.45
	2	LEASEHOLD LAND	-	-	-	-
	3	FACTORY AND OFFICE BUILDING	6,258.45	-	-	6,258.45
	4	PLANT AND EQUIPMENTS	21,823.81	-	-	21,823.81
	5	ELECTRIC INSTALLATION	1,560.07	-	-	1,560.07
	6	FURNITURE AND FIXTURE	110.38	1.20	-	111.58
	7	VEHICLES	348.65	-	36.33	312.32
	8	OFFICE EQUIPMENTS	41.64	0.05	-	41.69
	9	LAB EQUIPMENTS	167.82	-	-	167.82
	10	COMPUTERS	71.06	-	-	71.06
		TOTAL OF THIS YEAR	30,402.32	1.25	36.33	30,367.24
		TOTAL OF THE PREVIOUS YEAR	30,377.62	24.70	-	30,402.32
		DEPRECIATION BLOCK				
	1	LAND AND LAND DEVELOPMENT/SCAPING	-	-	-	-
	2	LEASEHOLD LAND	-	-	-	-
	3	FACTORY AND OFFICE BUILDING	756.90	206.03	-	962.92
	4	PLANT AND EQUIPMENTS	4,619.32	1,152.30	-	5,771.62
	5	ELECTRIC INSTALLATION	287.20	82.37	-	369.57
	6	FURNITURE AND FIXTURE	39.93	7.01	-	46.94
	7	VEHICLES	141.07	29.67	20.80	149.94
	8	OFFICE EQUIPMENTS	8.96	1.98	-	10.94
	9	LAB EQUIPMENTS	100.23	8.86	-	109.09
	10	COMPUTERS	39.16	11.52	-	50.68
		TOTAL OF THIS YEAR	5,992.76	1,499.74	20.80	7,471.70
		TOTAL OF THE PREVIOUS YEAR	4,490.76	1,502.00	-	5,992.76
		NET BLOCK				
			THIS YEAR		LAST YEAR	
	1	LAND AND LAND DEVELOPMENT/SCAPING	20.45		20.45	
	2	LEASEHOLD LAND	-		-	
	3	FACTORY AND OFFICE BUILDING	5,295.53		5,501.56	
	4	PLANT AND EQUIPMENTS	16,052.19		17,204.48	
	5	ELECTRIC INSTALLATION	1,190.50		1,272.87	
	6	FURNITURE AND FIXTURE	64.64		70.46	
	7	VEHICLES	162.38		207.58	
	8	OFFICE EQUIPMENTS	30.74		32.67	
	9	LAB EQUIPMENTS	58.73		67.59	
	10	COMPUTERS	20.38		31.90	
		TOTAL OF THIS YEAR	22,895.54		24,409.56	
		PREVIOUS YEAR	24,409.56		25,886.86	
	(ii)	CAPITAL WORK IN PROGRESS				
	1	BUILDING UNDER CONSTRUCTION	211.13		200.06	
			211.13		200.06	

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
10		NON CURRENT INVESTMENT:		
		SHARES IN PARSHWANATH CO-OP BANK LTD.	3.50	3.50
		SHARES IN SARASWAT CO-OP BANK LTD.	0.25	0.25
		NATIONAL SAVINGS CERTIFICATE	0.01	0.01
			<u>3.76</u>	<u>3.76</u>
11		DEFERRED TAX ASSETS (NET):	-	-
			-	-
		Note In consideration of prudance, no provision is made in respect of net deferred tax asset, arising due to timing differences after set off of deferred tax liability, against deferred tax asset		
12		LONG TERM LOANS AND ADVANCES:		
		SECURITY DEPOSITS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)	71.82	71.84
			<u>71.82</u>	<u>71.84</u>
		Note: The outstanding balances in respect of Security Deposits are subject to confirmations. The management, however, does not expect any material variation.		
12		LONG TERM LOANS AND ADVANCES:		
		SECURITY DEPOSITS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)	71.82	71.84
			<u>71.82</u>	<u>71.84</u>
		Note: The outstanding balances in respect of Security Deposits are subject to confirmations. The management, however, does not expect any material variation.		
13		OTHER NON-CURRENT ASSETS	-	-
		MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
		PRELIMINARY & PRE OPERATIVE EXPENSES		
		OPENING BALANCE/ADDITION	76.61	149.19
		ADD: ADDITIONS DURING THE YEAR	-	-
		LESS: WRITTEN OFF DURING THE YEAR	72.20	72.58
			4.41	76.61
			<u>4.41</u>	<u>76.61</u>
		CURRENT ASSETS		
14		INVENTORIES: (AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT)		
	1	RAW MATERIALS;	159.05	316.85
	2	WORK IN PROCESS;	1,840.07	1,587.71
	3	FINISHED GOODS;	244.59	840.46
	4	STOCK IN TRADE (IN RESPECT OF GOODS ACQUIRED FOR TRADING);	-	-
	5	STORES, SPARES, PACKING MATERIAL	973.47	997.56
	6	OTHERS; (WASTE STOCK)	179.91	89.90
			<u>3,397.09</u>	<u>3,832.48</u>

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
15		TRADE RECEIVABLES:		
		(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
		(1) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE	596.98	571.12
		(2) OTHER DEBTS	34.55	383.49
			<u>631.53</u>	<u>954.61</u>

Note: Out of the above, debts of Rs. 502.44 lacs is outstanding from R M Mohite and Company, where the promoters hold substantial interest

16		CASH & CASH EQUIVALENTS :		
	A	CASH ON HAND	0.17	21.14
	B	BALANCE WITH BANKS		
		(i) IN CURRENT ACCOUNTS:	168.56	86.68
		(ii) IN FIXED DEPOSITS	7.93	7.93
	C	CHEQUES, DRAFTS ON HAND	-	-
			<u>176.66</u>	<u>115.75</u>

*Directors are interested in 'Subhadra Local Area Bank Ltd.' (Non-scheduled)

17		SHORT TERM LOANS & ADVANCES:		
		(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
		ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
		(1) ADVANCE TO PARTIES	320.92	441.45
		(2) RECEIVABLE FROM REVENUE AUTHORITIES	575.58	626.47
			<u>896.49</u>	<u>1,067.91</u>

Note: The outstanding balances in respect of Loans and Advances are subject to confirmations. Also the claims receivable from revenue authorities are subject to review/assessments by Revenue Authorities. The management, however, does not expect any material variation.

18	(f)	OTHER CURRENT ASSETS:		
		PREPAID EXPENSES	7.53	13.93
		INTEREST RECEIVABLE UNDER TUF SCHEME	1,423.44	869.48
		INTEREST ON MSEB SECURITY DEPOSIT	4.72	3.56
			<u>1,435.69</u>	<u>886.98</u>

Note: Recovery of Interest Receivable under TUF Scheme is dependent on payment of interest on loans to respective bankers.

**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
3/31/2012**

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
19		REVENUE FROM OPERATIONS		
	a	SALE OF PRODUCTS	2,180.53	5,421.46
	b	SALE OF SERVICES	-	-
	c	OTHER OPERATING REVENUES (Exchange Rate Difference)	2.69	-
			2,183.22	5,421.46
	d	LESS: EXCISE DUTY	76.63	461.64
		NET REVENUE FROM OPERATIONS	2,106.59	4,959.83
20		OTHER INCOME:		
		INTEREST INCOME	9.33	8.45
		DIVIDEND INCOME	-	0.05
			9.33	8.50
21		COST OF MATERIALS CONSUMED:		
	a	PURCHASES RAW-MATERIALS	1,499.57	1,141.70
		ADD: OPENING BALANCE OF STOCK	316.85	879.09
			1,816.42	2,020.79
		LESS: CLOSING BALANCE OF STOCK	159.05	316.85
		CONSUMPTION OF RAW MATERIALS	1,657.37	1,703.95
22		CHANGES IN INVENTORIES		
		FINISHED GOODS		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	840.46	2,648.71
		AT THE END OF THE ACCOUNTING PERIOD	244.59	840.46
		(Value of closing stock is after considering Rs. 5.28 crores , being obsolete stock written off)	595.88	1,808.25
		WORK-IN-PROGRESS		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	1,587.71	2,835.52
		AT THE END OF THE ACCOUNTING PERIOD	1,840.07	1,587.71
			(252.37)	1,247.81
		WASTE STOCK		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	89.90	13.82
		AT THE END OF THE ACCOUNTING PERIOD	179.91	89.90
			(90.01)	(76.08)
		GRAND TOTAL	253.50	2,979.98

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
23		EMPLOYEE BENEFITS EXPENSE		
		SALARY AND WAGES		
		SALARY AND WAGES	545.88	693.31
		DIRECTOR'S REMUNERATIONS	60.00	60.00
		DIRECTOR'S SEETING FEES	2.00	3.00
		CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
		CONTRIBUTION TO PROVIDENT FUND	20.93	22.88
		CONTRIBUTION TO PENSION FUND	33.02	36.09
		CONTRIBUTION TO LABOUR WELFARE FUND	0.03	0.59
		OTHER EXPENSES		
		WORKERS AND STAFF WELFARE	4.25	6.57
		BONUS/EX GRATIA	24.80	84.00
		GRATUITY	23.16	-
		PRODUCTION INCENTIVES AND OTHER ALLOWANCES	23.38	28.32
		MEDICAL EXPENSES	0.38	3.57
			<u>737.82</u>	<u>938.33</u>
24		FINANCIAL COSTS:		
	a	INTEREST EXPENSE		
		INTEREST TO BANK	4,859.77	1,848.44
		INTEREST TO BANK ON VEHICLE LOAN	2.63	10.58
	b	LOAN PROCESSING AND DOCUMENTATION CHARGES	207.24	16.92
	c	CDR FEES	63.25	57.50
			<u>5,132.89</u>	<u>1,933.44</u>
25		DEPRECIATION AND AMORTIZATION EXPENSE:		
		DEPRECIATION	1,499.74	1,502.00
		PRELIMINARY & PRE-OPERATIVE EXP.WRITTEN OFF	72.20	72.58
			<u>1,571.94</u>	<u>1,574.58</u>
26		OPERATING AND OTHER EXPENSES:		
	A	OPERATING EXPENSES		
		CONSUMPTION OF STORES AND SPARE PARTS		
		OPENING STOCK	997.56	1,291.85
		ADD: PURCHASES	50.47	1,084.52
		TOTAL	<u>1,048.03</u>	<u>2,376.37</u>
		LESS: CLOSING STOCK	<u>973.47</u>	<u>997.56</u>
			74.56	1,378.80
		TRANSPORTATION	1.73	29.79
		REPAIR TO MACHINERY	16.55	80.99
		REPAIR TO BUILDING	1.01	7.14
		JOB WORK AND OUTWARD LABOUR CHARGES	2.54	42.60
		EXCISE DUTY EXPENSE	0.21	21.48
		POWER AND FUEL EXPENSES	486.09	860.79
		OTHER MANUFACTURING EXPENSES	1.09	4.21
		TOTAL	<u>583.78</u>	<u>2,425.81</u>

(IN RUPEES LACS)

Note No.	Sr. No.	Particulars	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
	B	ADMINISTRATIVE EXPENSE		
		BANK CHARGES AND COMMISSION	5.63	43.71
		CONVEYANCE EXPENSES	0.31	6.56
		DONATION	-	1.00
		FEES & TAXES	1.88	6.01
		FESTIVAL CELEBRATION EXPENSES	0.21	0.55
		FOREIGN EXCHNAGE LOSS	-	1.50
		GENERAL EXPENSES	43.86	20.41
		HOUSEKEEPING CHARGES	4.92	9.53
		LAND RENT	20.25	20.25
		OFFICE RENT	12.00	9.79
		INSURANCE - VEHICLE	1.55	3.49
		INSURANCE - MACHINERY	10.37	8.74
		INSURANCE - STOCK	3.47	4.53
		INTEREST ON TDS AND OTHER STATUTORY DUES	49.36	-
		LEGAL EXPENSES	0.19	0.34
		NEWS PAPER & PERIODICALS	0.06	0.08
		PAYMENT TO THE AUDITORS		
		- AS AUDIT FEES	0.40	0.40
		- AS OTHER SERVICES	0.40	0.30
		POSTAGE & COURIER EXP.	1.48	2.91
		PRINTING & STATIONERY	3.98	14.04
		PROFESSIONAL CHARGES	18.86	20.52
		REPAIR & MAINTENANCE (GENERAL)	4.34	10.83
		SECURITY GUARD EXP.	11.41	14.32
		SUBSCRIPTION/MEMBERSHIP FEES	-	0.14
		TELEPHONE EXP.	6.26	9.75
		TRAVELLING EXPENSES	20.51	37.99
		EXCESS/SHORT PROVISION WRITTEN OFF/BACK	-	19.84
		VEHICLE RUNNING (OTHER THAN CAR)	8.04	21.30
		SELLING & DISTRIBUTION EXPENSE	53.41	107.19
		TOTAL	283.14	396.02
		GRAND TOTAL (A+B)	866.93	2,821.82
27		EXTRAORDINARY ITEMS		
		FRINGE BENEFIT TAX WRITTEN BACK	-	(4.01)
			-	(4.01)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**1. Method of Accounting**

The financial statements are prepared under the historical cost convention and as per mercantile system of accounting

2. Fixed Assets

Fixed assets are stated at cost of acquisition, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition less accumulated depreciation. Capital Work In Progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date. There are no intangible assets

3. Depreciation

The company has used Continuous Process Method on Plant & Machinery, Electrical Installation & Lab Equipment and the other fixed assets are depreciated on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956

4. Investments

Investments are stated at cost

5. Inventories

Raw Material, Work in Process, Finished Goods is valued at Cost or Net Realisable value whichever is lower. Waste stock is valued at market value/net realisable value. Cost comprises of all cost of purchase, cost of conversion and the cost incurred in bringing the inventory to present location and condition. Cost formulae used is "First in First Out"

6. Retirement Benefits

The Company has provided retirement benefits in the form of contribution to provident fund as a fixed percentage of salary and wages to employees. Employees of the Company are covered under Payment of Gratuity Act, 1972. Provision for Gratuity and Leave Encashment is made by the company. Actuarial Valuation reports are not availed.

7. Miscellaneous expenditure

Preliminary expenses and miscellaneous expenditure are being amortised over a period of 5 years. Public Issue Expenses have been written off over a period of 5 years starting from the year in which the new project has commenced trial production

8. Taxes on Income AS – 22

In view of Losses, no taxation Provision is made during the year. In Consideration of prudence, no provision is made in respect of net deferred tax asset, arising due to timing differences after set off of deferred tax liability, against deferred tax asset.

9. Borrowing Cost AS – 16

Interest and other cost in connection with the borrowing of the funds to the extent related/attribution to the acquisition/ construction of qualifying fixed assets are accumulated and capitalised upto the date when such assets are ready for their intended use and other borrowing cost are charged to Profit & Loss Account.

10. Foreign Currency Transaction

Revenue in foreign currency is translated at the exchange rate at the time of negotiation of documents. Expenditure in foreign currency is translated at the rate prevailing at the time of remittance. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are reported using the closing rates as applicable.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Exchange differences in respect of fixed assets acquired, including foreign currency liabilities relating thereto, are recognised as income or expenses in the period in which they arise

11. Revenue Recognition AS – 9

Sales of textile and wastes are recognised upon despatch of goods to customers. There are no revenues from construction division during the year

12. Related Party Transactions AS – 18

1 Promoters	:	Mr. Ramchandra M. Mohite
2 Key Management Personnel	:	Mr. Anasaheb R. Mohite, Chairman & Managing Director
	:	Mr. Abhishek A. Mohite, Director (Marketing & Strategy)
3 Others – Enterprises in which Promoters Directors hold Substantial Interest	:	M/s Maruti Construction M/s R.M. Mohite & Co
4 Relatives to Key Managerial Personnel	:	Mrs. Anjali A Mohite Associate Vice President
5 Relatives	:	Miss. Apurva A Mohite.

Transactions carried out with related parties:
 (Previous year figures are in brackets)

(Rs. In Lacs)

Sr. No.	Nature of Transactions	Promoters	Key Management Personnel	Relatives to Key Managerial Personnel	Total
1.	Managerial Remuneration	- (-)	60.00 (60.00)	- (-)	60.00 (60.00)
2.	Salary paid	- (-)	- (-)	6.00 (6.00)	6.00 (6.00)
3.	Rent paid	0.25 (0.25)	20.00 (20.00)	- (-)	20.25 (20.25)

13. Earnings per Share (EPS)

The basic earnings per share (EPS) is computed by dividing the net profit/(loss) after tax for the year by the number of equity shares outstanding during the year.

Particulars	2011-12	2010-11
Net Loss after tax	81,04,52,560	69,79,76,693
Number of Equity Shares	1,60,08,462	1,60,08,462
Basic EPS	(50.63)	(43.60)

14. Segment information for the year ended 31 March 2012 AS – 17

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.

Note 28 – OTHER NOTES

- a. During the year the Company has made interest refund claim amounting to Rs. 920,32,144/- in respect of term loans granted by Banks under Technology Up-gradation Fund Scheme (TUFS) and during the year the Company has received interest refund amounting to Rs. 366,36,678/-
- b. Factory land is owned by the promoters and their relatives. The company has entered into an agreement with the landowners for lease of land in the year 2000-2001. Factory Land of new project is also owned by promoters and the company has executed lease agreement for new project in the year 2008-09.
- c. The outstanding balances as on 31.03.2012 in respect of Sundry Debtors, Sundry Creditors, Loans & Advances, Deposits are subject to confirmation from respective parties and consequential reconciliation / adjustment arising there from, if any. The Management, however, does not expect any material variation.
- d. We are compiling the information about the status of our suppliers as a Micro, Small and Medium Enterprises and registered under MSMED Act 2006 (Micro, Small and Medium Enterprises Development Act, 2006) hence disclosure under schedule VI of the Companies Act is not made
- e. In the opinion of the Board of Directors, the current assets, loans and advances as well as unquoted investments have realisable value in the ordinary course of business at least equal to the amounts at which they are stated.
- f. Figures of the previous year are regrouped wherever necessary
- g. Figures are rounded off to nearest lack of rupees.
- h. Consumption of Raw Material & Spares

(Rs. in Lakhs)

Particulars	2011-2012		2010-2011	
	Raw Material	Spares	Raw Material	Spares
Imported Material	31.03	1.26	142.38	52.61
Percent %	1.87	1.69	8.36	3.82
Indigenous	1626.34	73.30	1561.57	1326.19
Percent %	98.13	98.31	91.64	96.18

- i. C.I.F. value of Imports

(Rs. in Lakhs)

Particulars	2011-2012	2010-2011
Capital Goods	-	-
Raw Material	-	129.29
Other (Packing & Stores Material)	1.26	124.44

- j. Expenditure in Foreign Currency on account of

(Rs. in Lakhs)

Particulars	2011-2012	2010-2011
Travelling Expenses	-	2.12
Commission on Export Sales	6.09	32.64
Consultancy Charges	-	-

k. Earning in Foreign Currency

(Rs. in Lakhs)

Particulars	2011-2012	2010-2011
On account of Export of goods on F.O.B. basis	197.99	853.37

l. Contingent liabilities are not provided for: (Rs. In Lacs)

1. Guarantee given by bankers Current Year Rs.64.82/- (previous year Rs. 64.82 /-)

m. Central Sales Tax & VAT Assessments are completed up to the accounting year ended on 31.3.2008. The Liability, if any, in respect of pending assessments and appeals, is unascertainable, hence not provided for.

n. Income Tax assessments are completed up to Assessment year 2009-10 (relevant to the Accounting Year ended on 31.3.2009). The Liability, if any, in respect of pending assessments and appeals under the Income Tax Act 1961 is unascertainable, hence not provided for.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For **P.M. Vardhe & Co.**
Chartered Accountants**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****P M VARDHE & Co.**
PROPRIETOR
M NO. 031817**ABHISHEK A. MOHITE**
DIRECTOR (Marketing & Strategy)**RAVI Y. SHIRALKAR**
DIRECTOR**ANUJA S. MALLIKAR**
COMPANY SECRETARY**PLACE: KOLHAPUR**
DATE: 02/07/2012**PLACE: KOLHAPUR**
DATE: 02/07/2012

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Board of Directors,

We have examined the compliance of conditions of Corporate Governance by **Abhishek Corporation Ltd**, (formerly Abhishek Mills Limited), as stipulated in clause 49 of the Listing Agreement, for the year ended on March 31, 2012.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the information and according to the explanation given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance of the listing agreement executed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

We further state that the compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For P. M. Vardhe & Co
FRN: 111274W
Chartered Accountants

July 2, 2012
Kolhapur

P. M. Vardhe
Proprietor
M. No.: 031817

REPORT ON CORPORATE GOVERNANCE

1. A brief statement on company's philosophy on code of governance.

The Company's perspective on Corporate Governance is attainment of high level of transparency and fairness in all facets of its operations. Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value over a sustained period of time.

The Board of Directors is at the core of our corporate governance practice. We believe that an active, well informed and Independent Board is necessary to ensure highest standards of corporate governance. As on March 31, 2012 the company had 6 Directors out of which 3 were Independent Directors. Pursuant to provisions of Listing Agreement, company needs 50% of its Directors as Independent Directors. So out of 6 directors 3 directors are independent directors. Further we have Audit, Remuneration and Investor Grievance Committees whose composition & functioning is as per the provisions of Listing Agreement.

2. Board of Directors:

i. Composition and category of Directors

Promoter Director (Executive)	Mr. Anasaheb R Mohite (Chairman & Managing Director) Mr. Abhishek A. Mohite [Director (Marketing & Strategy)]
Non Executive Director	Mrs. Rama J. Swetta
Independent Directors	Mr. Ravi Y. Shiralkar Mr. Manohar Dattatraya Kanitkar Mr. Dhananjay Shripati Charane (Appointed w.e.f. July 13, 2011)

ii. Attendance of Directors at the Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of the committee of each Director in various companies.

Name of the Director	Attendance		Other Directorships	**Committee Memberships	**Committee Chairmanships
	Board Meetings	Last AGM			
Mr. A. R. Mohite	6	Yes	4	2	1
Mr. A. A. Mohite	6	Yes	2	2	-
Mrs. R. J. Swetta	6	No	2	3	1
Mr. R. Y. Shiralkar	4	Yes	-	2	2
Mr. M. D. Kanitkar	0	No	1	-	-
Mr. D. S. Charane #	N. A.	N. A.	-	2	-

Mr. D. S. Charane was appointed as a Director of the company w.e.f July 13, 2011

** Committee membership and chairmanship includes committee membership and chairmanship in Abhishek Corporation Limited

During the financial year 2011-12, the Board of Directors met Six times on the following dates: 14-06-2011, 13-07-2011, 12-08-2011, 24-09-2011, 15-11-2011 and 20-02-2012

3. Brief resume of all Directors, nature of their expertise in specific functional area and names of companies in which they hold directorship and committee membership/chairmanship are provided below.

- i. **Mr. Anasaheb Ramchandra Mohite**, age 53, is a Chairman & Managing Director of the company. He is a qualified civil engineer. He started his professional career under the guidance of his father Mr. Ramchandra M. Mohite He has handled big civil construction projects independently and has travelled widely across India and abroad. He has also been associated with textile business for last 21 years and Abhishek Corporation Ltd - a diversification into textiles - has been his brainchild. He had an in-depth study undertaken for different avenues open for the diversification activity and after much fieldwork, he zeroed in on a spinning project, which is being followed by a weaving and processing project. He has over 33 years of experience in construction industry and around 21 years in textile industry. He has operational experience of implementing various construction projects in the state of Maharashtra, mainly irrigation projects and medium sized earthen dams. His continual marketing thrust for gaining niche in export market lead to the recognition of the unit as export oriented undertaking. He is currently in charge of over all Management of the Company. He is presently involved in setting up a plant for weaving and processing, which has huge potential in the export market. He provides strategic direction in selection of technology, machineries and in setting up of new manufacturing facilities, improvement of production processes and new ventures.

In addition to Abhishek Corporation Ltd, Mr. Anasaheb Mohite holds directorship in Shri Devchand Sugars Limited, Mohite Builders Private Limited, Mohite Aviations Private Limited and Mohite Inns Private Limited.

He also holds membership of Investor Grievance Committee of the company.

Mr. Anasaheb Mohite also holds membership of audit committee in Shri Devchand Sugars Limited.

As on March 31, 2012 Mr. Anasaheb R Mohite, holds 42,04,193 shares of the company.

Mr. Anasaheb R Mohite is son of Mr. R. M. Mohite, past Chairman of the company. Further Mr. Anasaheb R Mohite is father of Mr. Abhishek Mohite who is Director (Marketing & Strategy) of the company.

- ii. **Mr. Abhishek Anasaheb Mohite**, age 27, is Director (Marketing & Strategy) of company. He has done graduation in business administration from Troy University, Alabama, United States of America. He has started his professional career under the guidance of his father Mr. Anasaheb R Mohite and presently looks after the company's marketing activities.

Mr. Abhishek Mohite holds membership of Investor Grievance Committee of the company

In addition to Abhishek Corporation Ltd., Mr. Abhishek Mohite holds directorship in Shri Devchand Sugars Limited and Mohite Aviations Private Limited

As on March 31, 2012 Mr. Abhishek Mohite, holds 17,27,131 shares of the company.

Mr. Abhishek Mohite is grandson of Mr. R. M. Mohite, past Chairman of the company. Further Mr. Abhishek Mohite is son of Mr. Anasaheb Mohite, Chairman & Managing Director of the company.

- iii. **Mrs. Rama Jawahar Swetta**, age 63, is the Director of Company. She is a fashion designer by profession and owns a boutique at Bandra (West), Mumbai.

Mrs. Rama J. Swetta holds membership in Remuneration Committee and Audit Committee of the company. She also holds chairmanship of Investor Grievance committee of the company.

Mrs. Rama J. Swetta holds Directorship in Shri Devchand Sugars Ltd and Gogi Exports Private Limited. She also holds membership of Audit Committee of Shri Devchand Sugars Ltd

As on March 31, 2012 Mrs. Rama J. Swetta holds 20,00,000 equity shares of the company

- iv. **Mr. Ravi Yashwant Shiralkar**, age 46, is the independent director of our Company. He is an Advocate by profession. Having experience of around 21 years in the field of law. Presently, apart from practicing law, Mr. Shiralkar is a lecturer with Shivaji University, Kolhapur and is a member of the management council of D. Y. Patil University, Kolhapur.

Mr. Shiralkar holds chairmanship of Audit Committee & Chairmanship of Remuneration Committee of the company.

Mr. Shiralkar does not hold any directorship/committee membership in any other companies.

As on March 31, 2012 Mr. Shiralkar does not hold any shares in the Company

- v. **Mr. Manohar Dattatraya Kanitkar**, Age 65, is independent Director of the company. He was appointed on May 17, 2010. He has done L. T. M. from VJI, Mumbai. He has got rich experience in starting spinning mills and preparation / implementation of reorganization & modernization schemes.

He has travelled all over the world during 46 years of experience and attended ITMA, Techtexil, Heimtextil as well as other similar exhibitions in Europe, USA, Japan, China etc .

Mr. Kanitkar holds Directorship in M/s Vardhman Polytex Limited.

As on March 31, 2012 Mr. Kanitkar does not hold any shares in the Company

- vi. **Mr. Dhananjay Sripati Charane**, age 59, is the independent director of our Company. He is businessman by profession. He is having experience of around 36 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, 2012 Mr. Charane does not hold any shares in the Company

4. Audit Committee:

Pursuant to Section 292A of the Companies Act 1956 and listing agreement the Company has constituted Audit Committee. Audit committee consists of three Directors and majority being Independent Directors namely

Mr. Ravi Y. Shiralkar, Chairperson
 Mrs. Rama J. Swetta
 Mr. Dhananjay S. Charane (w.e.f. 13th July, 2011)
 Ms. Anuja S. Mallikar is Secretary to the 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 appropriate, timely and proper disclosures and the integrity and quality of financial reporting.

The scope of audit committee specified by the board is as under

- Authority to investigate any matter pertaining to the items specified in section 292A of the Companies Act or referred to it by the Board
- Investigate any activity within its terms of reference
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Reviewing with management the financial statements
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Reviewing the Company's financial and risk management policies
- Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board."

During the financial year 2011-12, Audit Committee met four times on 12-08-2011, 24-09-2011, 15-11-2011 and 20-02-2012.

Name	No. of Meetings	
	Held	Attended
Mr., Ravi Y. Shiralkar	4	4
Mrs. Rama J. Swetta	4	4
Mr. Dhananjay S. Charane	4	4

5. Remuneration Committee:

Our remuneration committee comprises of three directors. They are

Mr. Ravi Y. Shiralkar, Chairperson
 Mrs. Rama J. Swetta
 Mr. Dhananjay S. Charane (w.e.f. 13th July, 2011)

The Committee has been formed 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

Details of remuneration and pecuniary benefits given to the entire Directors' during the year 2011-12 are detailed below:
 (Amount in Rupees)

Name o Director	Salary	Perquisites	Sitting Fee	Total
Mr. Anasaheb R Mohite	4,800,000	-	-	4,800,000
Mr. Abhishek A. Mohite	1,200,000	-	-	12,00,000
Mrs. Rama J Swetta	-	-	1,20,000	1,20,000
Mr. Ravi Y Shiralkar	-	-	80,000	80,000
Mr. Manohar D. Kanitkar	-	-	-	-
Mr. Dhananjay S. Charane	-	-	-	-
Total	60,00,000	-	2,00,000	62,00,000

One remuneration committee meeting was held on September 24, 2011 during the year, ended on March 31, 2012

Name	No. of Meetings	
	Held	Attended
Mr. Ravi Y. Shiralkar, Chairperson	1	1
Mrs. Rama J. Swetta	1	1
Mr. Dhananjay S. Charane	1	1

6. Investor Grievance Committee

Our investor grievance committee comprises of three directors. They are:

Mrs. Rama J. Swetta, Chairperson

Mr. Anasaheb R Mohite

Mr. Abhishek A. Mohite

The scope of Share Transfer & Investor Grievance Committee is to specifically look into 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.

Ms. Anuja Subhash Mallikar, Company Secretary of the company is the compliance officer of the company. The status of Complaints received and resolved during the year 2011-12 are as follows.

Opening Complaints	0
Received during the year	0
Resolved during the year	0
Closing	0

Four Investor Grievance Committee meetings were held during the year, ended on March 31, 2012 on 12-08-2011, 24-09-2011, 15-11-2011 and 20-02-2012.

Name	No. of Meetings	
	Held	Attended
Mrs. Rama J. Swetta	4	4
Mr. Anasaheb R Mohite	4	4
Mr. Abhishek Mohite	4	4

7. General Body meetings:

i. Location and Time of Last Three meetings

Year	Location	Date	Time
2010-11	Gat No. 148, Tamgaon, Kolhapur – Hupari Road,	September 30, 2011	11.00 a.m.
2009-10	Tal – Karveer, Dist – Kolhapur 416234	September 17, 2010	4.00 p.m.
2008-09		September 29, 2009	4.00 p.m.

ii. Following resolution were passed in the previous 3 Annual General Meetings

Year		Description of resolution	Type of resolution
2010-11	1.	Appointment of Mr. Dhananjay Charane as a Director of the company	Ordinary
2009-10	1.	Appointment of Mr. Shreedhar Padhye as a Director of the company	Ordinary
2008-09	1.	Renewal of appointment of Mr. Anasaheb R Mohite as a Managing Director of the company w.e.f. October 1, 2009 for a period of 3 years i.e. till September 30, 2012	Special
	2.	renewal of appointment of Mr. Abhishek A. Mohite as a Director (Marketing & Strategy) w.e.f. June 12, 2010 for the period of three years i.e. till June 11 2013	Special
	3.	Appointment of Mrs. Anjali A. Mohite as an Associate Vice President	Special

For the financial year 2012-13, if resolutions are to be conducted through the Postal Ballot procedure, those will be taken up at the appropriate time.

8. Disclosures:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

None of the transactions with any of the related parties were in conflict with the interest of the company. Attention of the members is drawn to the disclosures of transaction with related parties set out in Notes on Accounts forming part of Annual Report.

ii. Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There have been no instances of non-compliance by the company on any matter related to capital markets during the last three years and hence the stock exchange or SEBI or any other authority has imposed no penalties or strictures.

iii. Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee:

We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairperson of the audit committee in the exceptional cases. We further affirm that during the financial year 2011-12, no employee has been denied access to the audit committee.

iv. Compliance with non – mandatory requirements of clause 49 of the listing agreement.

The company complies following non-mandatory requirements of clause of the Listing Agreement as on 31.03.2012.

i) The Board

None of the Independent Directors' on our Board have served for a period exceeding nine years from the date when the new clause 49 became effective.

ii) Remuneration Committee

We have formed remuneration committee and a detailed note on the same is provided elsewhere in the report.

iii) Whistle Blower policy

We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the chairperson of the Audit Committee. We further affirm that during the year 2011-12, no employees have been denied access to the audit committee.

9. Means of communication:

i. Quarterly results: Quarterly results are published in "Financial Express" and "Sakal" The results are also made available on the website of the company i.e. www.abhishekcprorpoation.com

ii. Half Yearly Results: Half Yearly results are published in "Financial Express" and "Sakal" The results are also made available on the website of the company i.e. www.abhishekcprorpoation.com

iii. News Release, Presentation: : Official News Release and presentation made to media, analysts, institutional investors, if any, are displayed on the company's website www.abhishekcprorpoation.com

iv. Annual Reports: Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to the members of the company and others entitled thereto plus available on BSE and NSE site. The Management Discussion and Analysis Report forms part of the Annual Report.

10. General Shareholder information:

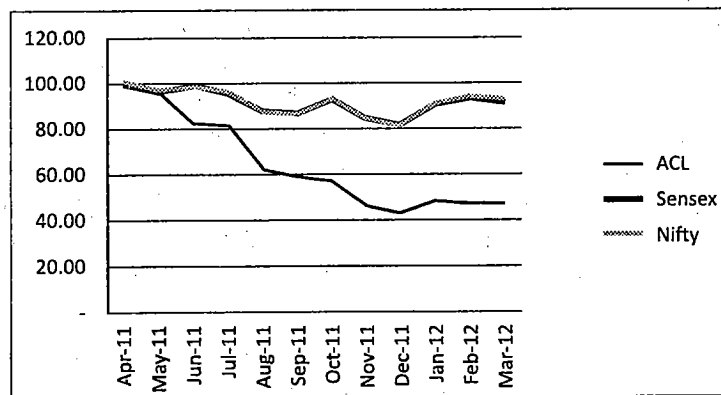
a AGM: Date, time and venue : Friday, September 28, 2012 at 11.00 a.m. at the registered office of the company situated at Gat. No. 148, Tamgaon, Kolhapur – Hupari Road, Tal - Karveer, Dist – Kolhapur 416234

- b Financial Calendar (tentative)
- Financial year : April 1, 2012 – March 31, 2013
- Results for the quarter ending June 30, 2012 : On or before August 15, 2012
- September 30, 2012 : On or before November 15, 2012
- December 31, 2012 : On or before February 15, 2013
- March 31, 2013 : On or before May 30, 2013
- Annual General Meeting : On or before September 30, 2013
- c Date of Book closure : 24-09-2012 to 28-09-2012 (Both days inclusive)
- d Listing on Stock Exchanges : Bombay Stock Exchange Limited
National Stock Exchange of India Limited
(Listing Fee for the year 2012-13 has been paid in full for both the exchanges)
- e Stock Code : (BSE scrip Code: 532831) (NSE Scrip Code: ABHISHEK)
- f Market Price Data : Monthly highs, lows and trading volume

Month	Stock Exchanges						
	BSE			NSE			Total Volume
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)	BSE & NSE (No.)
Apr	18.00	15.45	92740	18.50	14.10	361461	454201
May	19.75	14.95	69107	18.50	14.60	283063	352170
June	16.20	13.05	55878	16.10	13.00	205075	260953
July	14.80	13.06	30523	14.50	13.00	110030	140553
Aug	14.20	9.22	58777	14.30	9.15	175256	234033
Sep	11.40	9.06	38271	11.40	9.60	65952	104223
Oct	10.40	8.90	30178	10.50	8.30	32048	62226
Nov	10.99	7.68	28549	9.90	7.50	33674	62223
Dec	8.45	6.71	97752	8.75	6.65	74677	172429
Jan	8.69	6.71	49907	9.20	6.65	128266	178173
Feb	9.00	7.70	46468	9.35	7.60	80879	127347
Mar	8.48	6.60	54051	9.05	6.75	90191	144242
Total	* 19.75	* 6.60	* 652201	* 18.50	* 6.65	* 1640572	* 2292773

* Represents yearly high and yearly low of equity shares

g. Performance in comparison with BSE Sensex & S&P CNX NIFTY



Month ended
Base 100 = April 2011

- h. Registrar and Transfer Agents : Link Intime India Private Limited (formerly Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078
- i. Share Transfer System : The company has appointed M/s Link Intime India Pvt Ltd as Registrar and Transfer Agent. The share transfers forms are processed and the share certificates returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects.
- j. **Distribution of shareholding**

➤ **By Size**

Category of Shares	No. of shareholders	% of total	Share Amount	% of total
1-5000	3569	79.40%	5773870	3.61%
5001-10000	485	10.79%	3997990	2.50%
10001-20000	209	4.65%	3282260	2.05%
20001-30000	81	1.80%	2076330	1.30%
30001-40000	28	0.62%	1009480	0.63%
40001-50000	35	0.78%	1624250	1.01%
50001-100000	41	0.91%	2944410	1.84%
Above 100000	47	1.05%	139376030	87.06%
Total	4495	100%	160084620	100.00%

➤ **By Share Ownership**

Category	March 31, 2012			March 31, 2011		
	Shareholders (no.)	Voting Strength %	No. of Shares Held	Shareholders (no.)	Voting Strength %	No. of Shares Held
Promoters & Promoter Group	8	61.97%	99,20,417	6	61.97%	99,20,417
Other Bodies Corporate	156	11.67%	18,68,214	165	5.90%	9,44,937
Clearing Members	41	0.22%	35674	41	0.32%	50,768
Indian Public	4263	25.98%	41,58,997	4279	31.64%	50,64,998
NRI	23	0.13%	20,733	22	0.12%	19,095
NRN	4	0.03%	4,427	6	0.05%	8,247
Total	4495	100.00%	16008462	4519	100.00%	1,60,08,462

➤ **By Dematerialized and physical shares**

Sr. No.	Category	Dematerialized		Physical		Total		
		Shares	Holders	Shares	Holders	Shares	Value	Percent
1	Promoters & Promoter Group	99,20,417	6	-	-	99,20,417	9,92,04,170	61.97%
2	Other Bodies Corporate	18,68,214	165	-	-	18,68,214	1,86,82,140	11.67%
3	Clearing Members	35674	41	-	-	35674	356740	0.22%
4	Indian Public	41,58,948	4279	49	5	41,58,997	4,15,89,970	25.98%
5	NRI	20,733	22	-	-	20,733	2,07,330	0.13%
6	NRN	4,427	6	-	-	4,427	44,270	0.03%
	Total	1,60,08,413	4519	49	5	1,60,08,462	16,00,84,620	100.00%

i. Dematerialization of shares and liquidity:

Total share capital of the company is Rs. 1,60,084,620 divided into 16,008,462 shares of Rs. 10/- each. As on March 31, 2012 out of 1,60,08,462 shares 1,60,08,413 (99.99%) are in dematerialized form. Remaining 49 shares are in physical form.

ii. Outstanding GDRs / ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs / ADRs/ Warrants or any Convertible instruments.

iii. Plant Location:

Abhishek Corporation Ltd. Gat No. 148, Tamgaon, Kolhapur – Hupari Road, Tal - Karveer, Dist – Kolhapur, 416234

iv. Address for correspondence

Registered Office :

Abhishek Corporation Ltd.
Gat No. 148, Tamgaon, Kolhapur – Hupari Road,
Tal - Karveer, Dist – Kolhapur, 416234

Registrar and Transfer Agent :

Link Intime India Private Limited,
Formerly Intime Spectrum Registry Ltd
(Unit: Abhishek Corporation Ltd)
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai – 400 078

DECLARATION REGARDING COMPLIANCES WITH CODE OF CONDUCT AND ETHICS POLICY OF THE COMPANY BY THE BOARD MEMBERS AND SENIOR MANAGERS

This is to confirm that the company has adopted code of conduct for Board Members and Senior Managers, which is available at www.abhishekkorporation.com

I declare that the Board Members and Senior Mangers have affirmed compliance with Code of Conduct Policy of the company.

Place: Kolhapur
Date: July 2, 2012

Abhishek A. Mohite
Director (Marketing & Strategy)

CHIEF EXECUTIVE OFFICER CERTIFICATION

This is to certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the company during the year that is fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and
 - a. we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and
 - b. we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
 - a. Significant changes in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c. There were no Instances of significant fraud, which has involvement of the management or an employee having a significant role in the company's internal control system over financial reporting.

Abhishek A. Mohite
Director (Marketing & Strategy)

Anant Y. Bhide
Chief Executive Officer

Kolhapur
July 2, 2012

**Additional Information as required under Part IV of
 Schedule VI to the Companies Act, 1956**

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details		
Registration No.	:	73706 of 1993
State Code	:	11
Balance Sheet Date	:	31-03-2012
II. Capital raised during the year		(Rs. in 000's)
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
III. Position of mobilisation and deployment of funds		(Rs. in 000's)
Total Liabilities	:	42,21,549
Total Assets	:	42,21,549
Sources of Funds		
Paid-up Capital	:	1,60,085
Share Application Money	:	-
Reserves & Surplus	:	5,89,008
Secured Loans	:	31,11,493
Unsecured Loans	:	3,60,963
Deferred Tax Liabilities	:	-
Application of funds		
Net Fixed Assets	:	23,10,667
Investments	:	376
Net Current Assets	:	4,21,659
Misc. Expenditure	:	441
Accumulated Losses	:	14,88,406
IV. Performance of Company		(Rs. in 000's)
Turnover	:	2,11,592
Total Expenditure	:	10,22,045
Profit / (Loss) before Tax	:	(8,10,453)
Profit / (Loss) after Tax	:	(8,10,453)
Earning per share (in Rs.)	:	(50.63)
Dividend Rate % (annualised)	:	-
V. Generic Names of Principal Products of Company		
Item Code No.	:	5205 & 5208
Product	:	Yarn & Fabric

For and on behalf of the Board of Directors

Place: Kolhapur
 Date: 02.07.2012

Abhishek A Mohite
 Director (Marketing & Strategy)

Ravi Y. Shiralkar
 Director

Anuja S. Mallikar
 Company Secretary

Abhishek Corporation Ltd.

Registered Office : Gat No. 148, Tamgaon, Kolhjapur - Hupari Road,
Tal - Karveer, Dist. - Kolhapur - 416 234, Maharashtra, India.

Proxy Form

Regd. Folio No. / DP ID / Client ID :

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I / We _____ Of _____ in the district of _____
Being a member /members of the company hereby appoint
_____ Of _____ in the district of _____
as my / our proxy to vote for me / us on my / our at the Nineteenth Annual General Meeting of the company to be held on Friday, September 28, 2012 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 and at any adjournment(s) thereof.

Signed this _____ Day of _____ 2012.

Affix Re. 1/-
Revenue stamp

This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the company, not less than 48 hours before the meeting.

✂ Please tear here ✂

Abhishek Corporation Ltd.

Registered Office : Gat No. 148, Tamgaon, Kolhjapur - Hupari Road,
Tal - Karveer, Dist. - Kolhapur - 416 234, Maharashtra, India.

Attendance Slip

Nineteenth Annual General Meeting - September 28, 2012.

Regd. Folio No. / DP ID / Client ID :

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No of Shares Held :

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I Certify that I am a member / proxy for the member of the company.

I hereby record my presence at the Nineteenth Annual General Meeting of the company at the Registered Office of the company situated at Gat No. 148, Tamgaon, Kolhapur Hupari Road, Tal- Karveer, Dist Kolhapur on Friday, September 28, 2012 at 11.00 a.m.

Name of the member / proxy
(In BLOCK Letters)

Signature of member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

Abhishek Corporation Limited
Regd Office : Gat no 148, Tamgaon, Kolhapur-Hupri Road, Tal. Karveer,
Kolhapur - 416 234, INDIA Ph.:+91-231-2676191, Fax: +91-231-2676194
City Office : 'Shiv-parvati', 17'E' Nagala Park, Kolhapur - 416 003, INDIA
Ph.:+91-231-2651364 Email : admin@abhishekccorporation.com

