

► BOARD OF DIRECTORS :**Mr. Anasaheb Ramchandra Mohite***(Chairman and Managing Director)***Mr. Abhishek Anasaheb Mohite***(Director- Marketing & Strategy) (Resigned w.e.f. August 26, 2013)***Mrs. Rama Jawahar Swetta***(Director)***Mr. Ravi Yashwant Shiralkar***(Independent Director)***Mr. Manohar Dattatraya Kanitkar***(Independent Director) (Resigned w.e.f. June 15, 2013)***Mr. Dhananjay Shripati Charane***(Independent Director)***► Company Secretary :**

Ms. Anuja Subhash Mallikar

► 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**► 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**M/S Shrikant & Co.
Chartered
Accountants,
1031/K-2, E Ward,
Sterling Tower,
Kolhapur - 416001

NOTICE

Notice is hereby given that Twentieth Annual General Meeting of members of "Abhishek Corporation Ltd" will be held on Monday, September 30, 2013 at 11.00 a.m. at the Registered Office of the company situated at Gat No. 148, Tamgaon, Kolhapur – Hupari Road, Tal- Karveer, Dist – Kolhapur 416234 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Yashwant Shiralkar, who retires by rotation and, being eligible, offers himself for reappointment
3. To appoint the auditors to hold the office from conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:
"Resolved that M/S. Shrikant & Co., Chartered Accountants, be and are hereby reappointed as the Auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors"

Date: August 26, 2013

Place: Kolhapur

For and on Behalf of the Board of Directors

Anasaheb R Mohite
Chairman & Managing Director

Notes:

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

Important Communication

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 20th Annual Report for the year ended on 31st March 2013.

Financial Results:

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

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

Results of Operations

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

Company has not been able to sale the Fabric of Premium Quality due to lack of demand. Premium quality fabric gives higher margins. Under utilization of capacity accompanied with higher debt cost, lower margins have resulted into the loss of Rs. 6647.20 Lacs (before Extra Ordinary Item) as against the net loss of Rs. 8104.53 Lacs in previous year.

Dividend:

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

Fixed Deposits

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

Industrial Relations

During the year, industrial relations have been cordial

Directors

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

Board recommends above appointments.

Corporate Governance

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

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

Auditors Qualification

- In Audit Report

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

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

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

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

Directors' Responsibility Statement

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

- i. In preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the Loss of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The Directors have prepared the annual accounts of the Company on a 'Going Concern' basis.

Particulars of Employees

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

Auditors

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

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

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

Acknowledgement

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

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

For and on Behalf of the Board of Directors

Anasaheb R Mohite
Chairman & Managing Director

Kolhapur
August 26, 2013

ANNEXURE TO THE DIRECTOR'S REPORT

- I. Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Director's Report.
- A. Conservation of Energy**
- a. **Energy Conservation Measures taken:** The Company is continuously taking efforts for conservation of energy. Following measures have been taken to maximize energy conservation.
1. **The machines we have selected and installed are energy efficient .They are well equipped with the optimized energy consuming devices like**
 - a. Variable frequency drives instead of traditional motor starters.
 - b. PLC based process control systems instead of traditional relay/contactor logics.
 - c. PID control systems for heating, cooling, dosing, mixing etc. This will not only improve the process efficiency and repeatability but also uses the energy very precisely without wasting it.
 - d. Digital monitoring system in the process. This will ensure the high accuracy and less wastage in the process due to reading errors.
 2. **Saving in electricity in lighting**
 - a. Plant is designed for maximum utilization of daylight. This will save electricity for lighting during day time.
 - b. We have used energy efficient CFL lamps at maximum places.
 - c. We have used electronics ballast instead of conventional copper chokes
 - d. APFC (Automatic power factor controller) panel is used to maintain unity power factor.
This will control the Maximum Demand
 3. **Green Energy Initiative:** Company has opted "Green Fuel" for Boiler. This gives dual benefit, saving of fuel cost as well as commitment towards environment by reducing the emission of carbon in the environment.
 4. **Water Conservation:** We are recycling the effluent for our own plantation, after doing proper treatment which saves lot of water & energy.
- b. **Energy conservation is ongoing process within the company:** The Company is continuously making efforts for enhancement in capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological term.
- c. **Additional investment / proposals being implemented for reduction of consumption of energy:** Looking to the process cycles and need of utility, we are studying the energy saving possibilities in the plant at various places.
- d. **Impact of measures at (a) & (b) above for reduction in consumption of energy and on cost of production of goods:** The energy conservation helps the company to minimize the cost of production little bit.

e. Total Energy consumption and energy consumption per unit.

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

B. Research and Development

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

C. Foreign Exchange Earning and Outgo

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

1. Industry Structure

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

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

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

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

Yarn Segment:

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

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

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

2. Future Outlook:

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

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

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

4. Internal Control Systems

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

5. Results of Operation

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

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

6. Segments wise Performance

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

7. Human Resources

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

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ABHISHEK CORPORATION LTD.

1. We have audited the attached Balance Sheet of **Abhishek Corporation Ltd, Kolhapur** as at 31st March 2013 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4-A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in the paragraph (1) above we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination those books.
 - c) The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from Directors, as on 31st March 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013.
 - ii) in the case of Profit and Loss Account of the Loss for the year ended on that date.
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Shrikant Shirdhonkar
Proprietor
M. No. 015703

Place: Kolhapur
Date: 26/08/2013

**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 2013**

- (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. 3,00,000/- 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. 61,54,901/- is made.
 - 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 | 1,14,27,607/- |
| ii. | Provident Fund | 6,31,197/- |
| iii. | Professional Tax | 18,43,550/- |

- b) The disputed statutory dues have not been deposited on account of disputed matters pending before appropriate authorities as on March 31, 2013, are as under:

| Sr. No. | Authority | Item | Amount (Rs. in Lacs) |
|---------|--|----------------|----------------------|
| 1 | Additional Commissioner of Central Excise | Central Excise | 15.70 |

- (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 | Total Liability including interest |
|-------------------------|----------------------------------|------------------------------------|
| Axis Bank | Term Loan | 2,156.21 |
| Bank of Baroda | Term Loan | 3,253.40 |
| Bank of India | Cash Credit | 3,693.20 |
| Bank of India | Term loan | 2,276.16 |
| Bank of India | EPD Limit / Packing credit | 822.90 |
| Bank of India | Interest on EPC | 131.68 |
| Corporation Bank | PCL Cum FBDN - Cum - Cash Credit | 1,131.43 |
| Corporation Bank | Term Loan | 1,357.25 |
| Corporation Bank | Working Capital Term loan | 728.78 |
| Corporation Bank | FITL - I | 49.09 |
| Corporation Bank | FITL - II | 79.76 |
| Corporation Bank | FITL - III | 76.84 |
| IDBI Bank | Term loan - I | 1,021.88 |
| IDBI Bank | Term loan - IV | 259.10 |
| IDBI Bank | Term loan - II | 156.60 |
| IDBI Bank | Term loan - III | 112.02 |
| IDBI Bank | Cash Credit | 539.40 |
| IDBI Bank | Packing Credit | 139.98 |
| IDBI Bank | CAOD / Current | 2.54 |
| IOB | Term loan | 3,969.06 |
| IOB | Cash Credit | 870.97 |
| IOB | Packing Credit | 605.08 |
| Punjab National Bank | Term Loan | 2,265.27 |
| State Bank of Hyderabad | Term loan | 1,733.35 |
| State Bank of Hyderabad | FITL | 106.99 |
| State Bank of India | Term Loan | 3,960.01 |
| State Bank of Patiala | Term Loan | 1,586.79 |
| Union Bank of India | Term Loan | 3,352.35 |

- (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, 2013

For Shrikant & CO.
FRN : 110186
Chartered Accountants

Place: Kolhaur
Date: 26/08/2013

Shrikant Shirdhonkar
Proprietor
M. No. 015073

BALANCE SHEET AS AT 31st MARCH 2013

| 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 | | | |
| | SHARE CAPITAL | 2 | 1,600.85 | 1,600.85 |
| | RESERVES AND SURPLUS | 3 | (15,641.19) | (8,993.98) |
| | MONEY REC. AGST. SHARE WARRANTS | | - | - |
| | TOTAL(1) | | (14,040.34) | (7,393.14) |
| 2 | SHARE APPLICATION MONEY PENDING ALLOTMENT | | - | - |
| 3 | NON-CURRENT LIABILITIES | | | |
| | LONG TERM BORROWINGS | | - | - |
| | OTHER LONG-TERM LIABILITIES | | - | - |
| | LONG-TERM PROVISIONS | | - | - |
| | TOTAL(3) | | - | - |
| 4 | CURRENT LIABILITIES | | | |
| | SHORT TERM BORROWINGS | 4 | 9,744.69 | 9,707.34 |
| | TRADE PAYABLES | 5 | 1,894.69 | 1,238.95 |
| | OTHER CURRENT LIABILITIES | 6 | 30,629.68 | 25,582.80 |
| | SHORT TERM PROVISIONS | 7 | 621.71 | 588.18 |
| | TOTAL(4) | | 42,890.76 | 37,117.26 |
| | TOTAL(1+2+3+4) | | 28,850.42 | 29,724.13 |
| II | ASSETS | | | |
| 1 | NON-CURRENT ASSETS | | | |
| | FIXED ASSETS | | | |
| | TANGIBLE ASSETS | 8 | 21,395.75 | 22,895.54 |
| | INTANGIBLE ASSETS | | - | - |
| | CAPITAL WORK-IN-PROGRESS | | 211.13 | 211.13 |
| | NON-CURRENT INVESTMENTS | 9 | 3.76 | 3.76 |
| | DEFERRED TAX ASSETS (NET) | 10 | - | - |
| | LONG-TERM LOANS AND ADVANCES | 11 | 78.04 | 71.82 |
| | OTHER NON-CURRENT ASSETS | 12 | 0.55 | 4.41 |
| | TOTAL(1) | | 21,689.24 | 23,186.67 |
| 2 | CURRENT ASSETS | | | |
| | CURRENT INVESTMENTS | | - | - |
| | INVENTORIES | 13 | 2,892.87 | 3,397.09 |
| | TRADE RECEIVABLES | 14 | 678.12 | 631.53 |
| | CASH AND CASH EQUIVALENTS | 15 | 151.16 | 176.66 |
| | SHORT-TERM LOANS AND ADVANCES | 16 | 1,123.29 | 896.49 |
| | OTHER CURRENT ASSETS | 17 | 2,315.74 | 1,435.69 |
| | TOTAL(2) | | 7,161.18 | 6,537.46 |
| | TOTAL(1+2) | | 28,850.42 | 29,724.13 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 1 TO 26

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Statutory Auditors

M/S Shrikant & Co.

FRN : 110186

Chartered Accountants

SHRIKANT SHIRDHONKAR
M No. : 015073
Proprietor

RAMA J. SWETTA
DIRECTOR

ANASAHEB R MOHITE
CHAIRMAN & MANAGING DIRECTOR

ANUJA S. MALLIKAR
COMPANY SECRETARY

PLACE: KOLHAPUR

DATE: August 26, 2013

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

| Sr. No. | Particulars | Note No. | FIGURES FOR THE YEAR ENDING ON 31/3/2013 | FIGURES FOR THE YEAR ENDING ON 31/3/2012 |
|--------------------------------|--|----------|--|--|
| REVENUE FROM OPERATIONS | | | | |
| I | REVENUE FROM OPERATIONS | 18 | 2,587.07 | 2,106.59 |
| II | OTHER INCOME | 19 | 7.68 | 9.33 |
| III | TOTAL REVENUE(I+II) | | 2,594.75 | 2,115.92 |
| IV EXPENSES: | | | | |
| a | COST OF MATERIAL CONSUMED | 20 | 1,666.06 | 1,657.37 |
| b | CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK -IN-TRADE | 21 | 79.98 | 253.50 |
| c | EMPLOYEE BENEFITS EXPENSES | 22 | 447.40 | 737.82 |
| d | FINANCE COSTS | 23 | 4,186.64 | 5,132.89 |
| e | DEPRECIATION AND AMORTIZATION EXPENSE | 24 | 1,503.65 | 1,571.94 |
| f | OPERATING AND OTHER EXPENSES | 25 | 1,358.23 | 866.93 |
| | TOTAL EXPENSES | | 9,241.96 | 10,220.44 |
| V | PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV) | | (6,647.21) | (8,104.53) |
| VI | EXCEPTIONAL ITEMS | | | |
| VII | PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI) | | (6,647.21) | (8,104.53) |
| VIII | EXTRAORDINARY ITEMS | | | |
| IX | PROFIT BEFORE TAX (VII-VIII) | | (6,647.21) | (8,104.53) |
| X | TAX EXPENSE | | | |
| a | CURRENT TAX | | | |
| b | EARLIER YEARS TAX | | | |
| c | DEFERRED TAX | | | |
| XI | PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII) | | (6,647.21) | (8,104.53) |
| XII | PROFIT (LOSS) FOR THE PERIOD (XI+XII) | | (6,647.21) | (8,104.53) |
| XIII | EARNING PER EQUITY SHARE | | | |
| a | BASIC | | (41.52) | (50.63) |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 1 TO 26

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

Statutory Auditors

M/S Shrikant & Co.

FRN : 110186

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SHRIKANT SHIRDHONKAR
M No. : 015073
Proprietor

RAMA J. SWETTA
DIRECTOR

ANASAHEB R MOHITE
CHAIRMAN & MANAGING DIRECTOR

ANUJA S. MALLIKAR
COMPANY SECRETARY

PLACE: KOLHAPUR
DATE: August 26, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2013

(Rs. In Lacs)

| Sr. No. | Particulars | Amount | Current Year | Previous Year |
|----------|--|------------|-------------------|-------------------|
| A | Cash Flow from Operating Activities | | | |
| | Profit Before Tax and Extra Ordinary Items | | (6,647.21) | (8,104.53) |
| | Adjustment For | | | |
| | Depreciation | 1,499.79 | | 1,499.74 |
| | Interest Paid | 4,186.64 | | 5,132.89 |
| | Interest Received | (7.58) | | (9.33) |
| | Dividend Received | (0.10) | | - |
| | Misc Expenditure | 3.86 | | 72.20 |
| | Loss on Sale of Asset | - | 5,682.62 | 8.03 |
| | Operation Profit before Working Capital Changes | | (964.59) | (1,401.00) |
| | Adjustment For Changes in Working Capital | | | |
| | Inventories | 504.21 | | 435.39 |
| | Sundry Debtors | (46.59) | | 323.08 |
| | Loans, Advances and Other Current Assets | (1,113.07) | | (377.28) |
| | Current Liabilities and Provisions | 5,736.15 | 5,080.71 | 6,256.87 |
| | Cash Generated from Operations | | 4,116.12 | 5,237.06 |
| | Interest Paid | | (4,186.64) | (5,132.89) |
| | Cash Flow before Extra Ordinary Items | | (70.52) | 104.17 |
| | Extra Ordinary Items | | | |
| | Previous Period Expenses | | - | (1.10) |
| | Net Cash from Operating Activities (A) | | (70.52) | 103.07 |
| B | Cash Flow from Investing Activities | | | |
| | Purchase of Fixed Assets | - | | (1.25) |
| | (Increase)\Decrease in Capital WIP | - | | (11.07) |
| | Loss on Sale of Assets | - | | (8.03) |
| | Proceeds from Sale of Assets | - | | 7.50 |
| | Interest Income | 7.58 | | 9.33 |
| | Dividend Income | 0.10 | 7.68 | - |
| | Net Cash from Investing Activities (B) | | 7.68 | (3.53) |

C Cash Flow from Financing Activities

| | | |
|--|----------------|----------------|
| Proceeds from issue of Share Capital | - | - |
| Proceeds from Long Term Borrowing | - | 156.15 |
| Proceeds from Short Term Borrowing | 37.35 | 125.60 |
| Repayment of Long Term Borrowing | - | (320.39) |
| Repayment of Short Term Borrowing | - | 37.35 |
| Net Cash from Financing Activities (C) | 37.35 | (38.63) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | (25.50) | 60.91 |
| Cash and Cash Equivalents (Opening Balance) | 176.66 | 115.75 |
| Cash and Cash Equivalents (Closing Balance) | 151.16 | 176.66 |

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

Statutory Auditors

M/S Shrikant & Co.

FRN: 110186

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
SHRIKANT SHIRDHONKAR
 M No. : 015073
 Proprietor

Mrs. RAMA J. SWETTA
 DIRECTOR

ANASAHEB R MOHITE
 CHAIRMAN & MANAGING DIRECTOR

ANUJA S. MALLIKAR
 COMPANY SECRETARY

PLACE: KOLHAPUR
DATE: August 26, 2013

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2013

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES AS AT THE END OF CURRENT REPORTING | FIGURES AS AT THE END OF PREVIOUS REPORTING |
|---------------|--|--|---|
| 2 | SHARE CAPITAL: | | |
| | AUTHORIZED: | | |
| | 2,40,00,000 (Prev. Yr. 2,40,00,000) | 2,400.00 | 2,400.00 |
| | EQUITY SHARES OF Rs.10/-EACH | | |
| | ISSUED, SUBSCRIBED& PAID UP | | |
| | SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD | | |
| | 1,60,08,462 (Prev. Yr.1,60,08,462) | 1,600.85 | 1,600.85 |
| | EQUITY SHARES OF Rs.10/-EACH FULLY PAID UP | | |
| | ADDITIONS DURING THE YEAR (LY NIL) | | |
| | (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 | <u>1,600.85</u> | <u>1,600.85</u> |
| Notes: | Subscribed 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 31.03.2013 | As at 31.03.2012 |
| | | % | % |
| | | Number of Shares | Number of Shares |
| | ANNA SAHEB MOHITE | 26.26% | 26.26% |
| | | 4,204,193.00 | 4,204,193.00 |
| | ANJALI MOHITE | 24.84% | 18.60% |
| | | 3,977,078.00 | 2,977,078.00 |
| | RAMA SWETTA | 12.49% | 12.49% |
| | | 2,000,000.00 | 2,000,000.00 |
| | ABHISHEK MOHITE | 10.79% | 10.79% |
| | | 1,727,131.00 | 1,727,116.00 |
| | BLUE MARK MERCANTILE PRIVATE LIMITED | 8.47% | 8.47% |
| | | 1,356,229.00 | 1,356,229.00 |
| b) | Out of the above, following shares are pledged or otherwise encumbered: | | |
| | Name of the Shareholder | As at 31.03.2013 | |
| | | % | |
| | | Number of Shares | |
| | ANNA SAHEB MOHITE | 24.07% | |
| | | 3,852,956.00 | |
| | ANJALI MOHITE | 23.29% | |
| | | 3,728,431.00 | |
| | ABHISHEK MOHITE | 9.89% | |
| | | 1,582,929.00 | |
| 3 | RESERVE & SURPLUS: | | |
| A | GENERAL RESERVE | | |
| | AT THE BEGINNING OF THE ACCOUNTING PERIOD | 809.15 | 809.15 |
| | AT THE END OF THE ACCOUNTING PERIOD | <u>809.15</u> | <u>809.15</u> |
| B | 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> |
| C | SURPLUS | | |
| | AT THE BEGINNING OF THE ACCOUNTING PERIOD | (14,884.06) | (6,770.41) |
| | LESS: PRIOR PERIOD EXPENSES | - | (9.13) |
| | PROFIT/(LOSS) DURING THE YEAR | (6,647.21) | (8,104.53) |
| | ALLOCATIONS AND APPROPRIATIONS | - | - |
| | AT THE END OF THE ACCOUNTING PERIOD | <u>(21,531.27)</u> | <u>(14,884.06)</u> |
| | GRAND TOTAL (A+B+C) | <u>(15,641.19)</u> | <u>(8,993.98)</u> |

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2013

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES AS AT THE END OF CURRENT REPORTING | FIGURES AS AT THE END OF PREVIOUS REPORTING |
|----------|--|--|---|
| 4 | SHORT TERM BORROWINGS | | |
| A | SECURED | | |
| | Packing Credit from IDBI Bank Ltd. | 84.85 | 84.85 |
| | Packing Credit from Corporation Bank | - | - |
| | 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 | 539.40 | 451.47 |
| | Cash Credit from Indian Overseas Bank | 619.23 | 611.26 |
| | Cash Credit from Corporation Bank | 708.72 | 708.72 |
| | Cash Credit from Bank of India | 2,509.00 | 2,509.00 |
| | Term Loan from Corporation Bank (FITL -I) | 40.00 | 40.00 |
| | Term Loan from Corporation Bank (FITL -II) | 65.00 | 65.00 |
| | Term Loan from Corporation Bank (FITL -III) | 60.00 | 60.00 |
| | Term Loan from State Bank of Hyderabad (FITL) | 85.12 | 85.12 |
| | WCTL from Corporation bank | 564.00 | 564.00 |
| | TOTAL | 6,193.60 | 6,097.70 |
| | B | | |
| | UNSECURED | | |
| | FROM RELATED PARTIES:- | | |
| | From the Directors of the Company | 1,499.86 | 3,302.45 |
| | From the Relatives of Directors of the Company | 1,827.39 | 83.35 |
| | Inter-corporate Loan | 223.83 | 223.83 |
| | TOTAL | 3,551.08 | 3,609.63 |
| | GRAND TOTAL (A+B) | 9,744.69 | 9,707.34 |
| | CURRENT LIABILITIES | | |
| 5 | TRADE PAYABLES | | |
| | CREDITORS FOR GOODS AND SERVICES | 1,717.11 | 1,059.79 |
| | CREDITORS FOR SERVICES | - | - |
| | ADVANCE FROM PARTIES-INTEREST FREE | 177.58 | 179.16 |
| | TOTAL | 1,894.69 | 1,238.95 |

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2013

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES AS AT THE END OF CURRENT REPORTING | FIGURES AS AT THE END OF PREVIOUS REPORTING |
|----------|--|--|---|
| 6 | OTHER CURRENT LIABILITIES | | |
| A | CURRENT MATURITIES OF LONG TERM DEBTS | | |
| | Term Loan from IDBI Bank Ltd. RTL I | 688.00 | 688.00 |
| | Term Loan from IDBI Bank Ltd. RTL II | 105.00 | 105.00 |
| | Term Loan from IDBI Bank Ltd. RTL III | 70.00 | 70.00 |
| | Term Loan from IDBI Bank Ltd. RTL IV | 169.00 | 169.00 |
| | Term Loan from Indian Overseas Bank | 2,498.00 | 2,498.00 |
| | Term Loan from Corporation Bank | 952.46 | 952.46 |
| | Term Loan from State Bank of Hyderabad | 1,426.00 | 1,426.00 |
| | Term Loan from State Bank of India | 2,499.61 | 2,499.61 |
| | Term Loan from State Bank of Patiala | 1,000.00 | 1,000.00 |
| | Term Loan from Axis Bank Ltd | 1,500.00 | 1,500.00 |
| | Term Loan from Bank of India | 1,474.72 | 1,474.72 |
| | Term Loan from Bank of Baroda | 1,997.94 | 1,997.94 |
| | Term Loan from Punjab National Bank | 1,460.39 | 1,460.39 |
| | Term Loan from Union Bank of India | 1,905.75 | 1,905.75 |
| | Vehicle Loan from Union Bank of India | 6.70 | 8.49 |
| | Vehicle Loan from State Bank of Mysore | 1.74 | 2.46 |
| | TOTAL | <u>17,755.32</u> | <u>17,757.83</u> |
| B | OTHERS | | |
| | INTEREST ACCRUED BUT NOT DUE ON BORROWINGS | - | - |
| | INTEREST ACCRUED AND DUE ON BORROWINGS | 12,409.90 | 7,259.40 |
| | UNPAID DIVIDENDS | - | - |
| | TAXES AND OTHER STATUTORY DUES | 464.46 | 565.58 |
| | CURRENT YEAR'S TAXES PAYABLE(NET OF ADVANCE TAX) | - | - |
| | TOTAL | <u>12,874.36</u> | <u>7,824.97</u> |
| | TOTAL (A+B) | <u>30,629.68</u> | <u>25,582.80</u> |
| 7 | SHORT-TERM PROVISIONS | | |
| | PROVISIONS FOR EMPLOYEE BENEFITS | 144.72 | 78.34 |
| | OTHERS | 476.99 | 509.84 |
| | TOTAL | <u>621.71</u> | <u>588.18</u> |

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2013

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES AS AT THE END OF CURRENT REPORTING | | | FIGURES AS AT THE END OF PREVIOUS REPORTING |
|--------------|--|--|---------------|----------|---|
| | | OP. BALANCE | ADDITION | DELETION | TOTAL |
| 8 A | FIXED ASSETS | | | | |
| (i) | TANGIBLE ASSETS | | | | |
| | GROSS BLOCK ASSETS | | | | |
| | LAND AND LAND DEVELOPMENT/SCAPING | 20.45 | - | - | 20.45 |
| | FACTORY AND OFFICE BUILDING | 6,258.45 | - | - | 6,258.45 |
| | PLANT AND EQUIPMENTS | 21,823.81 | - | - | 21,823.81 |
| | ELECTRIC INSTALLATION | 1,560.07 | - | - | 1,560.07 |
| | FURNITURE AND FIXTURE | 111.58 | - | - | 111.58 |
| | VEHICLES | 312.32 | - | - | 312.32 |
| | OFFICE EQUIPMENTS | 41.69 | - | - | 41.69 |
| | LAB EQUIPMENTS | 167.82 | - | - | 167.82 |
| | COMPUTERS | 71.06 | - | - | 71.06 |
| | TOTAL OF THIS YEAR | 30,367.24 | - | - | 30,367.24 |
| | TOTAL OF THE PREVIOUS YEAR | 30,402.32 | 1.25 | 36.33 | 30,367.24 |
| | DEPRECIATION BLOCK | | | | |
| | LAND AND LAND DEVELOPMENT/SCAPING | - | - | - | - |
| | FACTORY AND OFFICE BUILDING | 962.92 | 206.03 | - | 1,168.95 |
| | PLANT AND EQUIPMENTS | 5,771.62 | 1,152.30 | - | 6,923.92 |
| | ELECTRIC INSTALLATION | 369.57 | 82.37 | - | 451.94 |
| | FURNITURE AND FIXTURE | 46.94 | 7.06 | - | 54.00 |
| | VEHICLES | 149.94 | 29.67 | - | 179.61 |
| | OFFICE EQUIPMENTS | 10.94 | 1.98 | - | 12.92 |
| | LAB EQUIPMENTS | 109.09 | 8.86 | - | 117.95 |
| | COMPUTERS | 50.68 | 11.52 | - | 62.20 |
| | TOTAL OF THIS YEAR | 7,471.70 | 1,499.79 | - | 8,971.48 |
| | TOTAL OF THE PREVIOUS YEAR | 5,992.76 | 1,499.74 | 20.80 | 7,471.70 |
| | NET BLOCK | | THIS YEAR | | LAST YEAR |
| | LAND AND LAND DEVELOPMENT/SCAPING | | 20.45 | | 20.45 |
| | FACTORY AND OFFICE BUILDING | | 5,089.50 | | 5,295.53 |
| | PLANT AND EQUIPMENTS | | 14,899.89 | | 16,052.19 |
| | ELECTRIC INSTALLATION | | 1,108.13 | | 1,190.50 |
| | FURNITURE AND FIXTURE | | 57.58 | | 64.64 |
| | VEHICLES | | 132.71 | | 162.38 |
| | OFFICE EQUIPMENTS | | 28.76 | | 30.74 |
| | LAB EQUIPMENTS | | 49.87 | | 58.73 |
| | COMPUTERS | | 8.86 | | 20.38 |
| | TOTAL OF THIS YEAR | | 21,395.75 | | 22,895.54 |
| | TOTAL OF THE PREVIOUS YEAR | | 22,895.54 | | 24,409.56 |
| (ii) | INTANGIBLE ASSETS | | | | |
| (iii) | CAPITAL WORK IN PROGRESS | | | | |
| | BUILDING UNDER CONSTRUCTION | | 211.13 | | 200.06 |
| | | | 211.13 | | 200.06 |
| (iv) | INTANGIBLE ASSETS UNDER DEVELOPMENT | | | | |

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2013

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES AS AT THE END OF CURRENT REPORTING | FIGURES AS AT THE END OF PREVIOUS REPORTING |
|-----------|---|---|--|
| 9 | 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> |
| 10 | DEFERRED TAX ASSETS (NET): | - | - |
| | | - | - |
| | | - | - |
| | Notes 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 | | |
| 11 | LONG TERM LOANS AND ADVANCES: | | |
| | SECURITY DEPOSITS | 78.04 | 71.82 |
| | (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED) | | |
| | | <u>78.04</u> | <u>71.82</u> |
| | Notes The outstanding balances in respect of Security Deposits are subject to confirmations. The management, however, does not expect any material variation. | | |
| 12 | OTHER NON-CURRENT ASSETS | | |
| | MISC : EXPENDITURE | | |
| | (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED) | | |
| | PRELIMINARY & PRE OPERATIVE EXPENSES | | |
| | OPENING BALANCE/ADDITION | 4.41 | 76.61 |
| | ADD: ADDITIONS DURING THE YEAR | - | - |
| | LESS: WRITTEN OFF DURING THE YEAR | 3.86 | 72.20 |
| | | <u>0.55</u> | <u>4.41</u> |
| | TOTAL | <u>0.55</u> | <u>4.41</u> |
| | CURRENT ASSETS | | |
| | (a) CURRENT INVESTMENTS | | |
| 13 | INVENTORIES: | | |
| | (AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT) | | |
| 1 | RAW MATERIALS; | 146.20 | 159.05 |
| 2 | WORK IN PROCESS; | 1,797.00 | 1,840.07 |
| 3 | FINISHED GOODS; | 58.81 | 244.59 |
| 4 | STOCK IN TRADE (IN RESPECT OF GOODS ACQUIRED FOR TRADING); | - | - |
| 5 | STORES, SPARES, PACKING MATERIAL | 562.09 | 973.47 |
| 6 | OTHERS; (WASTE STOCK) | 328.78 | 179.91 |
| | | <u>2,892.87</u> | <u>3,397.09</u> |

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2013

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES AS AT THE END OF CURRENT REPORTING | FIGURES AS AT THE END OF PREVIOUS REPORTING |
|---------------|--|--|---|
| 14 | TRADE RECEIVABLES: | | |
| | (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED) | | |
| | (1) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE | 660.14 | 596.98 |
| | (2) OTHER DEBTS | 17.98 | 34.55 |
| | | <u>678.12</u> | <u>631.53</u> |
| Notes | Out of the above, debts of Rs. 502.44 lacs is outstanding from R M Mohite and Company, where the promoters hold substantial interest | | |
| 15 | CASH & CASH EQUIVALENTS : | | |
| A | CASH ON HAND | 0.26 | 0.17 |
| B | BALANCE WITH BANKS | - | - |
| | (i) IN CURRENT ACCOUNTS: | 142.97 | 168.56 |
| | (ii) IN FIXED DEPOSITS | 7.93 | 7.93 |
| C | CHEQUES, DRAFTS ON HAND | - | - |
| | | <u>151.16</u> | <u>176.66</u> |
| 16 | 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 | 499.56 | 320.92 |
| | (2) RECEIVABLE FROM REVENUE AUTHORITIES | 623.73 | 575.58 |
| | | <u>1,123.29</u> | <u>896.49</u> |
| Notes | 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. | | |
| 17 (f) | OTHER CURRENT ASSETS: | | |
| | PREPAID EXPENSES | 6.21 | 7.53 |
| | INTEREST RECEIVABLE UNDER TUF SCHEME | 2,303.33 | 1,423.44 |
| | INTEREST ON MSEB SECURITY DEPOSIT | 6.20 | 4.72 |
| | | <u>2,315.74</u> | <u>1,435.69</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
3/31/2013**

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES FOR THE YEAR ENDING ON 3/31/2013 | FIGURES FOR THE YEAR ENDING ON 3/31/2012 |
|-----------|---|--|--|
| 18 | REVENUE FROM OPERATIONS | | |
| a | SALE OF PRODUCTS | 2,644.12 | 2,180.53 |
| b | SALE OF SERVICES | - | - |
| c | OTHER OPERATING REVENUES (Exchange Rate Difference) | - | 2.69 |
| | | <u>2,644.12</u> | <u>2,183.22</u> |
| d | LESS: EXCISE DUTY | 57.05 | 76.63 |
| | NET REVENUE FROM OPERATIONS | <u>2,587.07</u> | <u>2,106.59</u> |
| 19 | OTHER INCOME: | | |
| | INTEREST INCOME | 7.58 | 9.33 |
| | DIVIDEND INCOME | 0.10 | - |
| | | <u>7.68</u> | <u>9.33</u> |
| 20 | COST OF MATERIALS CONSUMED: | | |
| a | PURCHASES RAW-MATERIALS | 1,653.20 | 1,499.57 |
| | ADD: OPENING BALANCE OF STOCK | 159.05 | 316.85 |
| | | <u>1,812.26</u> | <u>1,816.42</u> |
| | LESS: CLOSING BALANCE OF STOCK | 146.20 | 159.05 |
| | CONSUMPTION OF RAW MATERIALS | <u>1,666.06</u> | <u>1,657.37</u> |
| 21 | CHANGES IN INVENTORIES | | |
| | FINISHED GOODS | | |
| | AT THE BEGINNING OF THE ACCOUNTING PERIOD | 244.59 | 840.46 |
| | AT THE END OF THE ACCOUNTING PERIOD | 58.81 | 244.59 |
| | (Value of closing stock is after considering Rs. 5.28 crores , being obsolete stock written off) | | |
| | | <u>185.77</u> | <u>595.88</u> |
| | WORK-IN-PROGRESS | | |
| | AT THE BEGINNING OF THE ACCOUNTING PERIOD | 1,840.07 | 1,587.71 |
| | AT THE END OF THE ACCOUNTING PERIOD | 1,797.00 | 1,840.07 |
| | | <u>43.08</u> | <u>(252.37)</u> |
| | WASTE STOCK | | |
| | AT THE BEGINNING OF THE ACCOUNTING PERIOD | 179.91 | 89.90 |
| | AT THE END OF THE ACCOUNTING PERIOD | 328.78 | 179.91 |
| | | <u>(148.87)</u> | <u>(90.01)</u> |
| | GRAND TOTAL | <u>79.98</u> | <u>253.50</u> |

**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
3/31/2013** (IN RUPEES LACS)

| Note No. | Particulars | FIGURES FOR THE YEAR ENDING ON 3/31/2013 | FIGURES FOR THE YEAR ENDING ON 3/31/2012 |
|-----------|---|--|--|
| 22 | EMPLOYEE BENEFITS EXPENSE | | |
| | SALARY AND WAGES | | |
| | SALARY AND WAGES | 309.94 | 545.88 |
| | DIRECTOR'S REMUNERATIONS | - | 60.00 |
| | DIRECTOR'S SEETING FEES | 1.00 | 2.00 |
| | CONTRIBUTION TO PROVIDENT AND OTHER FUNDS | | |
| | CONTRIBUTION TO PROVIDENT/PENSION FUND | 27.57 | 53.94 |
| | CONTRIBUTION TO LABOUR WELFARE FUND | 0.63 | 0.03 |
| | OTHER EXPENSES | - | - |
| | WORKERS AND STAFF WELFARE | 1.97 | 4.25 |
| | BONUS/EX GRATIA | 26.56 | 24.80 |
| | GRATUITY | 46.89 | 23.16 |
| | PRODUCTION INCENTIVES AND OTHER ALLOWANCES | 32.82 | 23.38 |
| | MEDICAL EXPENSES | 0.03 | 0.38 |
| | | <u>447.40</u> | <u>737.82</u> |
| 23 | FINANCIAL COSTS: | | |
| a | INTEREST EXPENSE | | |
| | INTEREST TO BANK | 4,392.10 | 4,859.77 |
| | INTEREST TO BANK ON VEHICLE LOAN | 1.78 | 2.63 |
| b | LOAN PROCESSING AND DOCUMENTATION CHARGES | (207.24) | 207.24 |
| c | CDR FEES | - | 63.25 |
| | | <u>4,186.64</u> | <u>5,132.89</u> |
| 24 | DEPRECIATION AND AMORTIZATION EXPENSE: | | |
| | DEPRECIATION | 1,499.79 | 1,499.74 |
| | PRELIMINARY & PRE-OPERATIVE EXPWRITTEN OFF | 3.86 | 72.20 |
| | | <u>1,503.65</u> | <u>1,571.94</u> |
| 25 | OPERATING AND OTHER EXPENSES: | | |
| A | OPERATING EXPENSES | | |
| | CONSUMPTION OF STORES AND SPARE PARTS | 443.59 | 74.56 |
| | TRANSPORTATION | 0.38 | 1.73 |
| | REPAIR TO MACHINERY | 5.19 | 16.55 |
| | REPAIR TO BUILDING | 0.16 | 1.01 |
| | JOB WORK AND OUTWARD LABOUR CHARGES | - | 2.54 |
| | EXCISE DUTY EXPENSE | 12.38 | 0.21 |
| | POWER AND FUEL EXPENSES | 703.31 | 486.09 |
| | OTHER MANUFACTURING EXPENSES | 0 | 1.09 |
| | TOTAL | <u>1,165.02</u> | <u>583.78</u> |

**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
3/31/2013**

(IN RUPEES LACS)

| Note No. | Particulars | FIGURES FOR THE YEAR ENDING ON 3/31/2013 | FIGURES FOR THE YEAR ENDING ON 3/31/2012 |
|----------|--|--|--|
| B | ADMINISTRATIVE EXPENSE | | |
| | BANK CHARGES AND COMMISSION | 0.28 | 5.63 |
| | CONVEYANCE EXPENSES | 0.12 | 0.31 |
| | DONATION | - | - |
| | FEES & TAXES | 1.15 | 1.88 |
| | FESTIVAL CELEBRATION EXPENSES | 0.04 | 0.21 |
| | FOREIGN EXCHNAGE LOSS | - | - |
| | GENERAL EXPENSES | 4.56 | 43.86 |
| | HOUSEKEEPING CHARGES | 5.82 | 4.92 |
| | LAND RENT | 20.25 | 20.25 |
| | OFFICE RENT | 12.20 | 12.00 |
| | INSURANCE - VEHICLE | 0.20 | 1.55 |
| | INSURANCE - MACHINERY | 8.31 | 10.37 |
| | INSURANCE - STOCK | 0.21 | 3.47 |
| | INTEREST ON TDS AND OTHER STATUTORY DUES | 62.54 | 49.36 |
| | LEGAL EXPENSES | 0.20 | 0.19 |
| | NEWS PAPER & PERIODICALS | 0.13 | 0.06 |
| | PAYMENT TO THE AUDITORS | | |
| | - AS AUDIT FEES | 0.40 | 0.40 |
| | - AS OTHER SERVICES | 0.20 | 0.40 |
| | POSTAGE & COURIER EXP. | 0.78 | 1.48 |
| | PRINTING & STATIONERY | 1.89 | 3.98 |
| | PROFESSIONAL CHARGES | 15.43 | 18.86 |
| | REPAIR & MAINTENANCE (GENERAL) | 1.56 | 4.34 |
| | SECURITY GUARD EXP. | 12.89 | 11.41 |
| | SUBSCRIPTION/MEMBERSHIP FEES | 0.06 | - |
| | TELEPHONE EXP. | 6.01 | 6.26 |
| | TRAVELLING EXPENSES | 15.60 | 20.51 |
| | EXCESS/SHORT PROVISION WRITTEN OFF/BACK | - | - |
| | VEHICLE RUNNING (OTHER THAN CAR) | 4.21 | 8.04 |
| | SELLING & DISTRIBUTION EXPENSE | 18.19 | 53.41 |
| | TOTAL | <u>193.20</u> | <u>283.14</u> |
| | GRAND TOTAL (A+B) | <u>1,358.23</u> | <u>866.93</u> |

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.

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 |
| 1 | Promoters | : | Mr. Ramchandra M. Mohite |
| 2 | Key Management Personnel | : | Mr. Anasaheb R Mohite, 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 |
| | | : | 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) |
| 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 | 2012-13 | 2011-12 |
|-------------------------|--------------|--------------|
| Net Loss after tax | 66,47,20,608 | 81,04,52,560 |
| Number of Equity Shares | 1,60,08,462 | 1,60,08,462 |
| Basic EPS | (41.52) | (50.63) |

14. Segment information for the year ended 31 March 2013 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. 8,79,89,174/- in respect of term loans granted by Banks under Technology Up-gradation Fund Scheme (TUFS) and during the year the Company has not received any interest refund.
- 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 key management personnel 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, Packing & Spares

(Rs. in Lakhs)

| Particulars | 2012-2013 | | 2011-2012 | |
|-------------------|--------------|--------|--------------|--------|
| | Raw Material | Spares | Raw Material | Spares |
| Imported Material | Nil | Nil | 31.03 | 1.26 |
| Percent % | 0.00 | 0.00 | 1.87 | 3.69 |
| Indigenous | 1666.06 | 443.59 | 1626.34 | 73.30 |
| Percent % | 100% | 100% | 98.13 | 98.31 |

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

(Rs. in Lakhs)

| Particulars | 2012-2013 | 2011-2012 |
|-----------------------------------|-----------|-----------|
| Capital Goods | - | - |
| Raw Material | - | - |
| Other (Packing & Stores Material) | - | 1.26 |

- j. Expenditure in Foreign Currency on account of

(Rs. in Lakhs)

| Particulars | 2012-2013 | 2011-2012 |
|----------------------------|-----------|-----------|
| Travelling Expenses | - | - |
| Commission on Export Sales | - | 6.09 |
| Consultancy Charges | - | - |

k. Earning in Foreign Currency

(Rs. in Lakhs)

| Particulars | 2012-2013 | 2011-2012 |
|---|-----------|-----------|
| On account of Export of goods on F.O.B. basis | - | 197.99 |

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 Shrikant & Co.

For and on behalf of Board of Directors

Chartered Accountants

SHRIKANT SHIRDHONKAR

Rama J. Swetta

Anasaheb R Mohite

Anuja Mallikar

Proprietor

Director

Chairman & MD

Company Secretary

M. No. 015703

Place: Kolhapur

Place: Kolhapur

Date: 26/08/2013

Date: 26/08/2013

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, 2013.

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 Shrikant & CO.
FRN : 110186
Chartered Accountants

Place: Kolhaur
Date: 26/08/2013

Shrikant Shirdhonkar
Proprietor
M. No. 015073

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, 2013 the company had 4 Directors out of which 2 was Independent Director and 1 was non executive director. 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)] (Resigned w.e.f August 22, 2013) |
| Non Executive Director | Mrs. Rama J. Swetta |
| Independent Directors | Mr. Ravi Y. Shiralkar Mr. Manohar Dattatraya Kanitkar (Resigned w.e.f. June 15, 2013) 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 | 5 | Yes | 4 | 2 | 1 |
| Mr. A. A. Mohite | 5 | Yes | 2 | 2 | - |
| Mrs. R. J. Swetta | 5 | Yes | 2 | 3 | 1 |
| Mr. R. Y. Shiralkar | 5 | Yes | - | 2 | 2 |
| Mr. M. D. Kanitkar | 0 | No | 1 | - | - |
| Mr. D. S. Charane # | 5 | Yes | - | 2 | - |

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

During the financial year 2012-13, the Board of Directors met Six times on the following dates: 01-06-2012, 02-07-2012, 16-08-2012, 21-09-2012, 12-11-2012 and 15-02-2013

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 54, 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 22 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 34 years of experience in construction industry and around 22 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 led to the recognition of the unit as export oriented undertaking. He is currently in charge of overall Management of the Company. 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, 2013 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 28, 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, 2013 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.

He resigned from the post of Director of the Company w.e.f. August 26, 2013.

- iii. **Mrs. Rama Jawahar Swetta**, age 64, 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, 2013 Mrs. Rama J. Swetta holds 20,00,000 equity shares of the company

- iv. **Mr. Ravi Yashwant Shiralkar**, age 47, is the independent director of our Company. He is an Advocate by profession. Having experience of around 22 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, 2013 Mr. Shiralkar does not hold any shares in the Company

- v. **Mr. Manohar Dattatraya Kanitkar**, Age 66, is independent Director of the company. He was appointed on May 17, 2010. He has done L. T. M. from VJTI, 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 47 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. He resigned from the post of Director of the Company w.e.f. June, 15, 2013.

As on March 31, 2013 Mr. Kanitkar does not hold any shares in the Company

- vi. **Mr. Dhananjay Sripati Charane**, age 60, is the independent director of our Company. He is businessman by profession. He is having experience of around 37 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, 2013 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 2012-13, Audit Committee met four times on 02-07-2012, 16-08-2012, 12-11-2012 and 15-02-2013.

| 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

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 theretom

Details of remuneration and pecuniary benefits given to the entire Directors' during the year 2012-13 are detailed below:

(Amount in Rupees)

| Name o Director | Salary | Perquisites | Sitting Fee | Total |
|--------------------------|----------|-------------|--------------|--------------|
| Mr. Anasaheb R Mohite | 0 | - | - | 0 |
| Mr. Abhishek A. Mohite | 0 | - | - | 0 |
| Mrs. Rama J Swetta | - | - | 30000 | 30000 |
| Mr. Ravi Y Shiralkar | - | - | 20000 | 20000 |
| Mr. Manohar D. Kanitkar | - | - | - | - |
| Mr. Dhananjay S. Charane | - | - | - | - |
| Total | 0 | - | 50000 | 50000 |

One remuneration committee meeting was held on April 5, 2012 during the year, ended on March 31, 2013

| 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 2012-13 are as follows.

| | |
|--------------------------|---|
| Opening Complaints | 0 |
| Received during the year | 1 |
| Resolved during the year | 1 |
| Closing | 0 |

Four Investor Grievance Committee meetings were held during the year, ended on March 31, 2013 on 02-07-2012, 16-08-2012, 12-11-2012 and 15-02-2013.

| 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 |
|---------|--|--------------------|------------|
| 2011-12 | Gat No. 148, Tamgaon, Kolhapur – Hupari Road, Tal – Karveer, Dist – Kolhapur 416234 | September 28, 2012 | 11.00 a.m. |
| 2010-11 | | September 30, 2011 | 11.00 a.m. |
| 2009-10 | | September 17, 2010 | 4.00 p.m. |

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

| Year | | Description of resolution | Type of resolution |
|---------|----|---|--------------------|
| 2011-12 | 1. | 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 | Special |
| | 2. | 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 | Special |
| 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 |

For the financial year 2013-14, 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 2012-13, 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 31.03.2013.

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 2012-13, no employees have been denied access to the audit committee.

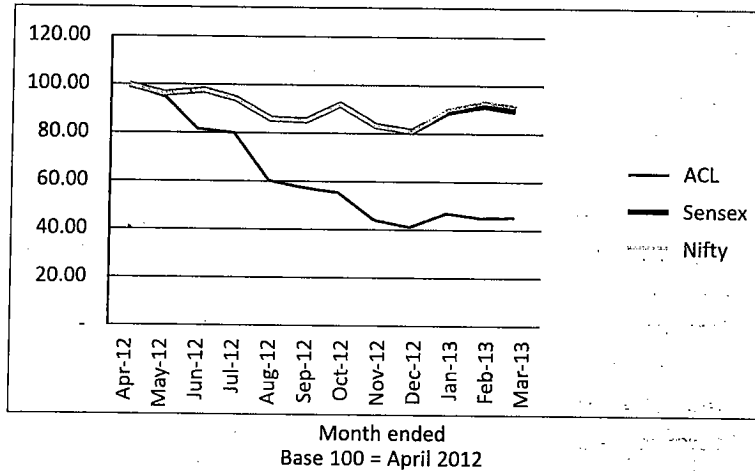
9. General Shareholder information:

- a AGM: Date, time and venue : Monday, September 30, 2013 at 11.00 a.m. at the registered office of the company situated at Gat. No. 148, Tamgaon, Kolhapur – Hupari Road, Tal - Karveer, Dist – Kolhapur. 416234
- b Financial Calendar (tentative)
- Financial year : April 1, 2013 – March 31, 2014
- Results for the quarter ending
- June 30, 2012 : On or before August 15, 2013
- September 30, 2012 : On or before November 15, 2013
- December 31, 2012 : On or before February 15, 2014
- March 31, 2013 : On or before May 30, 2014
- Annual General Meeting : On or before September 30, 2014
- c Date of Book closure : 26-09-2013 to 30-09.2013 (Both days inclusive)
- d Listing on Stock Exchanges : Bombay Stock Exchange Limited
National Stock Exchange of India Limited
- 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 BSE & NSE (No.) |
| | High (Rs.) | Low (Rs.) | Volume (No.) | High (Rs.) | Low (Rs.) | Volume (No.) | |
| Apr | 8.40 | 7.30 | 57,059 | 8.60 | 7.50 | 79986 | 137,045 |
| May | 7.96 | 7.11 | 57,265 | 7.80 | 7.15 | 89846 | 147,111 |
| June | 9.15 | 7.00 | 80,678 | 9.20 | 7.12 | 93798 | 174,476 |
| July | 9.00 | 7.10 | 39,924 | 8.75 | 8.24 | 23706 | 63,630 |
| Aug | 7.55 | 6.80 | 93,112 | 7.20 | 6.90 | 78504 | 171,616 |
| Sep | 7.85 | 6.90 | 18,160 | 7.45 | 7.14 | 26979 | 45,139 |
| Oct | 7.70 | 6.50 | 29,463 | 7.57 | 6.80 | 43687 | 73,150 |
| Nov | 7.25 | 6.29 | 37,347 | 7.38 | 6.55 | 54309 | 91,656 |
| Dec | 7.28 | 6.25 | 30,055 | 7.20 | 6.20 | 50296 | 80,351 |
| Jan | 6.85 | 5.70 | 25,617 | 6.90 | 5.90 | 39145 | 64,762 |
| Feb | 6.35 | 4.95 | 29,330 | 6.55 | 5.00 | 47531 | 76,861 |
| Mar | 5.09 | 4.10 | 12,192 | 5.23 | 4.25 | 22,187 | 34,379 |
| Total | *9.15 | *4.10 | 510,202 | *9.20 | *4.25 | 649974 | 1,160,176 |

* Represents yearly high and yearly low of equity shares

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



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 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 | 3337 | 78.93% | 5384380 | 3.36% |
| 5001-10000 | 477 | 11.28% | 3904150 | 2.44% |
| 10001-20000 | 189 | 4.47% | 2954460 | 1.85% |
| 20001-30000 | 78 | 1.84% | 1989510 | 1.24% |
| 30001-40000 | 35 | 0.83% | 1258720 | 0.79% |
| 40001-50000 | 37 | 0.88% | 1703370 | 1.06% |
| 50001-100000 | 33 | 0.78% | 2386260 | 1.49% |
| Above 100000 | 42 | 0.99% | 140503770 | 87.77% |
| Total | 4228 | 100% | 1600084620 | 100.00% |

► By Share Ownership

| Category | March 31, 2013 | | | March 31, 2012 | | |
|----------------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|
| | Shareholders (no.) | Voting Strength % | No. of Shares Held | Shareholders (no.) | Voting Strength % | No. of Shares Held |
| Promoters & Promoter Group | 7 | 61.97% | 99,20,417 | 8 | 61.97% | 99,20,417 |
| Other Bodies Corporate | 138 | 12% | 1920310 | 156 | 11.67% | 18,68,214 |
| Clearing Members | 23 | 0.23% | 31576 | 41 | 0.22% | 35674 |
| Indian Public | 4059 | 25.68% | 4116758 | 4263 | 25.98% | 41,58,997 |
| NRI | 18 | 0.09% | 14974 | 23 | 0.13% | 20,733 |
| NRN | 3 | 0.03% | 4,427 | 4 | 0.03% | 4,427 |
| Total | 4248 | 100.00% | 16008462 | 4495 | 100.00% | 16008462 |

► 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 | 7 | - | - | 99,20,417 | 99,20,4170 | 61.97% |
| 2 | Other Bodies Corporate | 1920310 | 138 | - | - | 1920310 | 19203100 | 12% |
| 3 | Clearing Members | 31576 | 23 | - | - | 31576 | 315760 | 0.23% |
| 4 | Indian Public | 4116709 | 4059 | 49 | 5 | 4116758 | 41167580 | 25.68% |
| 5 | NRI | 14974 | 18 | - | - | 14974 | 149740 | 0.09% |
| 6 | NRN | 4427 | 3 | - | - | 4427 | 44270 | 0.03% |
| | Total | 16,08,413 | 4248 | 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, 2013 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

iii. 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 Managers have affirmed compliance with Code of Conduct Policy of the company.

Place: Kolhapur
Date: August 26, 2013

Anasaheb R Mohite
Chairman & Managing Director

**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 | : | 31-03-2013 |
| 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 | : | 47,40,083 |
| Total Assets | : | 47,40,083 |
| Sources of Funds | | |
| Paid-up Capital | : | 1,60,085 |
| Share Application Money | : | - |
| Reserves & Surplus | : | 5,89,008 |
| Secured Loans | : | 39,90,991 |
| Unsecured Loans | : | 3,55,108 |
| Deferred Tax Liabilities | : | - |
| Application of funds | | |
| Net Fixed Assets | : | 21,53,127 |
| Investments | : | 376 |
| Net Current Assets | : | 4,25,837 |
| Misc. Expenditure | : | 55 |
| Accumulated Losses | : | 21,53,127 |
| IV. Performance of Company | | (Rs. in 000's) |
| Turnover | : | 2,59,475 |
| Total Expenditure | : | 9,24,196 |
| Profit / (Loss) before Tax | : | (6,64,721) |
| Profit / (Loss) after Tax | : | (6,64,721) |
| Earnings per share (in Rs.) | : | (41.52) |
| 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: 26.08.2013

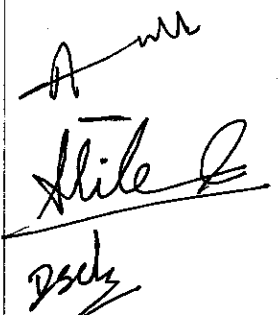
Anasaheb R Mohite
Chairman & Managing Director

Rama J. Swetta
Director

Anuja S. Mallikar
Company Secretary

FORM B

Format of covering letter of the annual audit report to be filed with the Stock exchanges

| | | |
|---|--|---|
| 1 | Name of the Company: | Abhishek Corporation Limited |
| 2 | Annual financial statements for the year ended | 31st March 2013 |
| 3 | Type of Audit qualification | Qualified |
| 4 | Frequency of qualification | repetitive from financial year 2009-10 |
| 5 | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report: | Qualification is about pending statutory dues, cash losses and pending installment and interest of Secured Loan (page No. 13 & 14) Board Give their response in directors report as low turnover, lower capacity utilization with higher debt cost company is facing liquidity problem. (page No. 4) |
| 6 | Additional comments from the board/audit committee chair: | Board is taking drastic steps for recovery. |
| 7 | To be signed by- <input checked="" type="checkbox"/> CEO/Managing Director <input type="checkbox"/> CFO <input type="checkbox"/> Auditor of the company <input type="checkbox"/> Audit Committee Chairman" |  |