



**28th Annual Report  
2012-13**



**Avishkar Finance Company Limited**

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### **28th Annual General Meeting**

Date	12 <sup>th</sup> August, 2013
Day	Monday
Time	11:00 A.M.
Place	304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi 110002

## ***CORPORATE INFORMATION SNAPSHOT***

### **BOARD OF DIRECTORS**

**Mr. Rajesh Agrawal**  
Managing Director

**Mr. Shyam Kamati**  
Promoter Director

**Mr. Arvind Agrawal**  
Independent Director

**Mr. Kuldip Singh**  
Independent Director

**Mr. Devendra Kumar Parida**  
Director

### **AUDITORS**

M/s. Singh Agarwal & Associates  
Chartered Accountants  
30, Ashok Marg, Near Gomti Bridge,  
Lucknow-226001

### **ADVISORS**

RSJ CapitalVentures Private Limited,  
2/11 B, Basement, Jangpura Block – A,  
New Delhi Pin Code-110 014

### **BANKERS OF THE COMPANY**

HDFC Bank  
Corporation Bank

### **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s Skyline Financial Services Private Limited  
1st Floor, D-153A, Okhla Industrial Area, Phase I,  
New Delhi Pin Code 110 020, INDIA

### **LISTED AT**

Delhi Stock Exchange Limited

### **REGISTERED OFFICE**

304, EMCA House, 23/23B, Ansari Road,  
Darya Ganj, Delhi 110002

### **EMAIL ID**

Company and Investor Grievances: -  
avishkar.finance@gmail.com

## NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 28th Annual General Meeting of the members of the Company will be held on Monday, 12th Day of August, 2013 at 11:00 A.M. at the registered office of the Company at 304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi 110002 to transact the following business:

### ORDINARY BUSINESS:-

1. To consider and adopt the balance Sheet as at 31st March 2013, the profit and Loss Account for the year ended on that date and the report of Directors and Auditors thereon.
2. To declare final dividend for the financial year ended on 31st March 2013.
3. To consider the retirement of Mr. Devendra Kumar Parida, who retires by rotation and does not seek re-appointment.
4. To consider the retirement of Auditor, M/s Singh Agarwal & Associates, Chartered Accountant, who does not seek re-appointment and to consider the appointment of Nitin Mittal & Co., Chartered Accountants, having FRN 017642N, as the statutory Auditors of the Company.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the Memorandum and Article of Association of the Company, Mr. Arvind Agrawal, who was appointed as an Additional Director of the company, by the board under Section 260 of the Companies Act 1956 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and given his consent and not disqualified to act as Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorised to sign the e-form 32 and make arrangement to file the same with Registrar of Companies and to take such other steps as may be necessary in this regard.”

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

**“RESOLVED THAT** pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the Memorandum and Article of Association of the Company, Mr. Rajesh Agrawal, who was appointed as an Additional Director of the company, by the board under Section 260 of the Companies Act 1956 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and given his consent and not disqualified to act as Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorised to sign the e-form 32 and make arrangement to file the same with Registrar of Companies and to take such other steps as may be necessary in this regard.”

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

**“RESOLVED THAT** pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the Memorandum and Article of Association of the Company, Mr. Kuldip Singh, who was appointed as an Additional Director of the Company, by the board under Section 260 of the Companies Act 1956 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and given his consent and not disqualified to act as Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to sign the e-form 32 and make arrangement to file the same with Registrar of Companies and to take such other steps as may be necessary in this regard.”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

**“RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the provisions of Memorandum and Articles of Association of the Company, the Articles of Association of the Company be and are hereby altered/amended by substitution and/or addition and/or deletion as the case may be in the following manner:

- i. Article 3 (a) of Article of Association appearing under the head Capital and Shares shall be replaced by following:

3(a) The Authorised Share Capital of the Company shall be the Authorised Share capital as referred to in Clause namely Capital Clause of Memorandum of Association of the Company.

ii. After Article 9 following article shall be inserted:

12A. Dematerialisation of Securities

(a) The provisions of this Article shall apply only in respect of Securities held in Depository mode and the provisions of the other Articles shall be construed accordingly:

(b) for the purpose of this Article

“Beneficial Owner” means the beneficial owner as defined in Clause (a) of Sub-section 1 of Section 2 of the Depositories Act, 1996.

“Depository” means a Depository as defined under Clause (e) of Sub-section 1 of Section 2 of the Depositories Act, 1996.

“Depositories Act, 1996” shall include any Statutory modification(s) or reenactment(s) thereof, for the time being in force.

“SEBI” means Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992.

“Security” has the meaning assigned to it in Section 2 of the Securities Contracts (Regulation) Act, 1956 or any statutory modification or reenactment thereof for the time being in force.

**Power to dematerialize:**

Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialise its existing shares, debentures and other securities and also rematerialize its shares, debentures and other securities held in Demat Mode and/or offer securities in dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under.

**Options for investors:**

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates in accordance with provisions of the other Articles or to hold the same with a Depository.

Such a person who is the beneficial owner of the securities may at any time opt out of the Depository, if permitted by Law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed therein, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of security, and on the receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

**Securities in Depositories to be in fungible form:**

- (a) All the Securities held by a Depository shall be dematerialized and be in fungible form.
- (b) Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the said Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

**Rights of Depositories and Beneficial Owners of Securities:**

- (a) Notwithstanding anything to the contrary contained in the said Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company.
- (d) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities of a member in respect of his securities, which are held by a Depository.

**Furnishing of information by Depository:**

- (a) Notwithstanding anything contained in the said Act or these Articles where securities are held in a depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or in such other manner as may be practicable.

**Transfer of Securities:**

- (a) Nothing contained in Section 108 of the said Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- (b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

**Distinctive numbers of Securities held in a Depository:**

Nothing contained in the said Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the Securities held with a Depository. Every forfeited or surrendered share held in a material form shall continue to bear the number by which the same was originally distinguished.

**Register and index of beneficial owners:**

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

- iii. Existing Article No. 139(1) be and is hereby amended as follows:

The word "Any General Meeting may" as appearing in article 139(1) shall be substituted by words "The Board of directors (which the term shall include any committee thereof) in their complete discretion may in any Board Meeting."

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to sign and file all necessary forms, documents, deeds and returns with the concerned Registrar of Companies, Stock Exchange and all other appropriate authorities and to take such further steps and to do all acts deeds as may be necessary to give effect to the aforesaid purpose."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of section 94 (1) and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of the Memorandum and Articles of Association of the Company the Authorised share capital of the Company be increased from Rs. 2,500,000 (Rupees Twenty five Lakh only) divided into 250,000 (Two Lakh Fifty thousand) Equity shares of Rs. 10/- (Rupees Ten each) to Rs. 50,000,000 (Rupees Five Crore only) divided into 5,000,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten each);

**RESOLVED FURTHER THAT** the clause V of the Memorandum of Association of the Company be replaced by the inserting the following clause:

- V. The Authorised Share Capital of the Company is Rs. 50,000,000 (Rupees Five Crore only) comprises of 5,000,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Each).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to sign and file all the required forms, documents with concerned Registrar of Companies, Stock Exchange and any other appropriate authority as required under any law."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

**"RESOLVED THAT** pursuant to the provision of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (the Act), including any statutory modifications or re-enactments thereof for the time being in force, and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the provisions of any rules/regulations/guidelines framed/issued by the Securities and Exchange Board of India ("SEBI") (including any amendments thereto or any re-enactment thereof for the time being in force), the provisions of the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed, the provisions of applicable statutes, guidelines, regulations and subject to the approvals, consents, permissions or sanctions of the Central Government, the Reserve Bank of India ("RBI"), SEBI, Stock Exchanges and any other appropriate and / or concerned authorities, institutions or bodies (the "Approvals"); and such conditions or modifications as may be prescribed by any of them while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution); the Company be and is hereby authorised to, offer, issue and allot 2,030,565 (Twenty Lacs Thirty Thousand Five Hundred Sixty Five Only) Equity Shares of the face value of Rs. 10/- each (Rupees Ten each), ranking pari-passu with the existing equity shares of the Company, for cash, at such price being not less than the price determined in accordance with Chapter VII of ICDR Regulations 2009 or in any other manner prescribed under the act, rules and regulation, in one or more tranches to persons as specified in the list attached in the explanatory statement, subject to compliance with all applicable laws, rules, regulations, guidelines and

approvals in such manner and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion;

**RESOLVED FURTHER THAT** the price of the equity shares so issued shall be determined as per the SEBI Regulations in the below mentioned manner:

As your Company is not listed any nationwide Stock Exchange, hence, trading of equity shares of the company is not available. The Company is listed only on Delhi stock Exchange Limited, therefore, in the absence of market price of the share, Issue price would be determined on the basis of clause (e) of sub Regulation (2) of Regulation 8 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**RESOLVED FURTHER THAT** the "Relevant Date" for the pricing of equity shares to be allotted as per ICDR Regulations, will be 13th July, 2013, being the date 30 days prior to the date of Annual General Meeting.

**RESOLVED FURTHER THAT** pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009, the fresh equity shares allotted on preferential basis to the non promoters shall be locked in for a period of one year from the date of allotment and that the equity Shares shall not be sold, transferred, hypothecated, encumbered or otherwise disposed off in any manner what so ever during the period of lock-in;

**RESOLVED FURTHER THAT** for the purpose of issue and allotment of Equity share and listing thereof with the Stock Exchange(s), Mr. Rajesh Agrawal, the Managing Director of the Company and/or any other person authorised by the Board from time to time be and is hereby authorised to do the all such acts and things as may be necessary in connection therewith and incidental and ancillary thereto on the behalf of the Company.

- a. To enter into and execute all such agreements/ arrangements as the case may be with any authorities / agencies, listing of the Equity Share to be issued and allotted;
  - b. To settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit;
  - c. To do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements with the allottee/s;
  - d. To delegate from time to time, all or any of the powers conferred herein upon the Board to any Committee of the Board or any other Director or any other Officer or Officers of the Company."
11. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, 311, Article 113 of Article of Association of the Company, Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force, or subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded for the appointment of Mr. Rajesh Agrawal, as the Managing Director of the Company, for a period of five years with effect from June 18th 2013, on such terms and conditions as the Board may consider appropriate.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized jointly and/or severally to take such steps as may be necessary for approvals, statutory or otherwise, if required, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

**By Order of Board of Director  
Avishkar Finance Company Limited**

**Sd/-  
Rajesh Agrawal  
Managing Director**

**Date: 12.07.2013  
Place: Delhi**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS HIS / HER PROXY TO ATTEND AND VOTE (IN CASE OF POLL) INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH ADMISSION SLIP.**
2. Corporate members are requested to send the Company a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 08th day of August, 2013 to Monday, 12th Day of August, 2013. (both days inclusive) for the payment of Dividend.
4. As a measure of economy and a step toward green initiative, Members are requested to bring their copy of Annual Report to the meeting. Members/ Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members are requested to write their folio number in the attendance slip for attending the meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to and inclusive of the date of the Annual General Meeting.

### **The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 5, 6, 7, 8, 9, 10 and 11**

5. Mr. Arvind Agrawal was appointed as an Additional Director by the Board of Directors of the Company in their Meeting held on 01st March, 2013 in terms of Section 260 of the Companies Act, 1956.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the term of office of the said Additional Directors expires at the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Arvind Agrawal for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

The Board considers it desirable that the Company should continue to avail the services of Mr. Arvind Agrawal.

The Board of Directors accordingly recommends the resolution set out in item no. 5 of accompanying notice for the approval of the Members.

None of the Directors of the Company, except Mr. Arvind Agrawal, is in any way concerned or interested in this resolution.

6. Mr. Rajesh Agrawal was appointed as an Additional Director by the Board of Directors of the Company in their Meeting held on 01st March, 2013 in terms of Section 260 of the Companies Act, 1956.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the term of office of the said Additional Directors expires at the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Rajesh Agrawal for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

The Board considers it desirable that the Company should continue to avail the services of Mr. Rajesh Agrawal.

The Board of Directors accordingly recommends the resolution set out in item no. 6 of accompanying notice for the approval of the Members.

None of the Directors of the Company, except Mr. Rajesh Agrawal, is in any way concerned or interested in this resolution.

7. Mr. Kuldip Singh was appointed as an Additional Director by the Board of Directors of the Company in their Meeting held on 14th June 2013 in terms of Section 260 of the Companies Act, 1956.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the term of office of the said Additional Directors expires at the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Kuldip Singh for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

The Board considers it desirable that the Company should continue to avail the services of Mr. Kuldip Singh.

The Board of Directors accordingly recommends the resolution set out in item no. 7 of accompanying notice for the approval of the Members.

None of the Directors of the Company, except Mr. Kuldip Singh, is in any way concerned or interested in this resolution.



8. At present Articles No. 3 of the Articles of Association of your Company is required to be altered every time as and when the Capital Clause of the Memorandum of Association of the Company is altered. Therefore, the Article No. 3 relating to the authorized share capital should be modified so that it is not required to be altered at the time of alteration to the Capital Clause of the Memorandum of Association.

To cope-up with the dynamic environment and to ensure empowerment of Board of Directors to work toward increment of Shareholder's wealth and to necessitate ease in operation. It is thought expedient to alter the clauses 139(1) as mentioned in the abovementioned resolution.

The proposed alteration requires approval of shareholders by way of special resolution. Accordingly, the approval of members is being sought by passing the Special Resolutions as set out in Item No. 8 in the Notice.

None of the Directors is interested in this resolution.

9. To give effect to the recommendations of preferential issue of Equity shares as provided in the resolution under Item No. 10, and to meet any future requirements, the Authorised Share Capital of the Company needs to be increased from present Authorised Capital Rs. 2,500,000/- to 50,000,000/-. This requires amendment of Capital Clause V of Memorandum of Association with the approval of the members by way of Ordinary Resolution.

The proposed Increase in Authorised Share Capital needs the approval of members of the Company. Accordingly, the approval of members is being sought by passing the Ordinary Resolutions as set out in Item No. 9 in the Notice.

None of the Directors is interested in this resolution.

10. The members are hereby informed that taking into consideration, the performance and positive outlook of the Company, as well as the growth plan, and in order to finance the ongoing expansion programme and augmenting the working capital, it is considered prudent to raise the capital on long term basis. It is, therefore, proposed to raise further capital by way of preferential issue in accordance with the provisions chapter VII of the Securities and Exchange Board of India (Issue of capital and Disclosure requirements) Regulations, 2009 ("SEBI ICDR Regulations") and the Companies Act, 1956. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI ICDR Regulations, the relevant disclosures/details are given below:

#### Objects of the preferential issue

The object of the issue of the Equity Shares by way of the proposed preferential allotment is to finance the ongoing expansion program, to meet the capital expenditure, and to augment its working capital for growth and for other corporate purposes.

#### Intention of the Promoters / Directors / Key Management Persons to subscribe to the offer

None of the Promoter and Other Promoter Group / Directors / Key Management Persons would be subscribing to the preferential issue authorised by the resolution.

#### Pre & Post Issue Shareholding Pattern

SHAREHOLDING PATTERN					
Sl. No.	Category	Pre-Issue as on 12.07.2013		Post-Issue after proposed preferential allotment	
		No. of Shares	% of Capital	No. of Shares	% of Capital
A	Promoters holding				
(1)	Indian Promoters	12100	4.89	12100	0.53
(2)	Foreign Promoters	0	0.00	0	0.00
	<b>Sub Total (A)</b>	<b>12100</b>	<b>4.89</b>	<b>12100</b>	<b>0.53</b>
B	Public Shareholding				
(1)	Institution	0	0.00	0	0.00
(2)	Non Institution				
(a)	Bodies Corporate	0	0.00	0	0.00
(b)	Individual	197300	79.72	2059115	90.39
(c)	Any other (HUF)	38100	15.39	206850	9.08
	<b>Sub Total (B)</b>	<b>235400</b>	<b>95.11</b>	<b>2265965</b>	<b>99.47</b>
	<b>Grand Total (A+B)</b>	<b>247500</b>	<b>100.00</b>	<b>2278065</b>	<b>100.00</b>

**Proposed time within which the allotment shall be completed**

The allotment of the Equity Shares are proposed to be completed within 15 days of the date of passing of the above resolutions, provided that where the allotment is pending on account of pendency of any regulatory authority, the allotment shall be completed within 15 days from the date of receipt of such approval(s).

**Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them**

Identity of the proposed allottees	Category	Pre-Issue Shareholding		Allotment	Post Issue(after allotment of Equity Shares)	
		N.P.*	No. of shares	%	No. of Equity Shares	No. of shares
Akshit Gupta	N.P.	0	0.00	33750	33750	1.48
Shiv Kumar & Sons HUF	N.P.	0	0.00	67500	67500	2.96
Shiv Kumar	N.P.	0	0.00	33750	33750	1.48
Babita Gupta	N.P.	0	0.00	33750	33750	1.48
Satish Chand Singla	N.P.	0	0.00	65000	65000	2.85
Brij Bhushan Dhamija	N.P.	0	0.00	33750	33750	1.48
Reeta Singhal	N.P.	0	0.00	33750	33750	1.48
Pawan Kumar Singhal	N.P.	0	0.00	33750	33750	1.48
Rakesh Pal Bansal	N.P.	0	0.00	33750	33750	1.48
Pawan Kumar Singhal HUF	N.P.	0	0.00	33750	33750	1.48
Akansha Singhal	N.P.	0	0.00	33750	33750	1.48
Geeta Katyal	N.P.	0	0.00	40000	40000	1.76
Honey Katyal	N.P.	0	0.00	40000	40000	1.76
Sunny Katyal	N.P.	0	0.00	40000	40000	1.76
Sakshi Katyal	N.P.	0	0.00	37500	37500	1.65
Ram Katori Devi	N.P.	0	0.00	33750	33750	1.48
Kartik Jindal	N.P.	0	0.00	33750	33750	1.48
Bhabna Surti Kant Jindal	N.P.	0	0.00	34315	34315	1.51
Shadab Khan	N.P.	0	0.00	37500	37500	1.65
Munish Gupta	N.P.	0	0.00	33750	33750	1.48
Anupam Rathi	N.P.	0	0.00	33750	33750	1.48
Anurag Rathi	N.P.	0	0.00	33750	33750	1.48
Kamlesh Kumar Rathi	N.P.	0	0.00	33750	33750	1.48
Uddhav Rathi	N.P.	0	0.00	33750	33750	1.48
Usha Raheja	N.P.	0	0.00	37500	37500	1.65
Ranjan Kumar	N.P.	0	0.00	37500	37500	1.65
Virender Singh	N.P.	0	0.00	37500	37500	1.65
Santosh Gupta	N.P.	0	0.00	33750	33750	1.48
Anju Goyal	N.P.	0	0.00	33750	33750	1.48
Pawan Bhatia	N.P.	0	0.00	33750	33750	1.48
Himanshu Bhatia	N.P.	0	0.00	33750	33750	1.48
Yash Bhatia	N.P.	0	0.00	33750	33750	1.48
Arvind Kumar Kotawala	N.P.	0	0.00	33750	33750	1.48
Suresh Kumar Gupta	N.P.	0	0.00	33750	33750	1.48
Naresh Kumar Tomar	N.P.	0	0.00	37500	37500	1.65
Mohammad Asif	N.P.	0	0.00	33750	33750	1.48
Rakhee Yadav	N.P.	0	0.00	168750	168750	7.41
Manan Chopra	N.P.	0	0.00	67500	67500	2.96
Kamaljit Kaur	N.P.	0	0.00	33750	33750	1.48
Achhru Ram Sharma	N.P.	0	0.00	33750	33750	1.48
Nirmala Sharma	N.P.	0	0.00	33750	33750	1.48
Amrit Deep Singh Dhillon	N.P.	0	0.00	33750	33750	1.48
Inder Kumar Hissaria	N.P.	0	0.00	33750	33750	1.48
Hemendra Agarwal	N.P.	0	0.00	67500	67500	2.96
Aman deep Goel	N.P.	0	0.00	33750	33750	1.48
Neeraj Bansal	N.P.	0	0.00	33750	33750	1.48
Deepak Agrawal HUF	N.P.	0	0.00	67500	67500	2.96
Manoj Jain	N.P.	0	0.00	33750	33750	1.48
Joginder Singh	N.P.	0	0.00	67500	67500	2.96

· NP—Non Promoter

**Change in Control**

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

**Undertakings**

In terms of SEBI (ICDR) Regulations, 2009, issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

**Auditor's Certificate**

A Certificate from Singh Agarwal & Associates, Chartered Accountants, the Statutory Auditors of the Company certifying that the issue of Equity Shares by way of the proposed preferential allotment is being made in accordance with the requirements of SEBI's guidelines for preferential issue as contained under Regulation 73(2) in Chapter VII of SEBI (ICDR) Regulations 2009, the Auditors' certificate will be available for inspection at the Registered office of the Company between 11:00 A.M. to 1:00 P.M. on any working day except Saturday and public holidays upto the date of Annual General Meeting.

**Lock-in**

The proposed allotment shall be subject to lock in for a period of one year from the date of allotment. The promoter further undertakes that the entire pre-preferential share holding of proposed allottees, if any, shall be locked in from the relevant date upto a period of 6 months from the date of preferential allotment

The Directors recommend the resolution No. 10 as set out in the Notice for your approval by way of Special Resolution.

None of the Director is deemed to be interested in the proposed resolution.

- 11. In Compliance with the provisions of Section 269 of the Companies Act 1956, the Board recommends for the appointment of Mr. Rajesh Agarwal, as the Managing Director of the Company for a period of five years with effect from 18<sup>th</sup> June, 2013. The appointment as Managing Director is subject to the approval of shareholders.

The Directors recommend the resolution No. 11 as set out in the Notice for your approval by way of Ordinary Resolution.

None of the Directors is deemed to be interested in the proposed resolution except Mr. Rajesh Agarwal

**By Order of Board of Director  
Avishkar Finance Company Limited**

**Sd/-  
Rajesh Agrawal  
Managing Director**

**Date: 12.07.2013  
Place: Delhi**

**Details of Directors seeking Appointment or Re-appointment at the Annual General Meeting  
(In pursuance of Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Mr. Arvind Agrawal</b>	<b>Mr. Kuldip Singh</b>	<b>Mr. Rajesh Agrawal</b>
Date of Birth	16.10.1981	15.08.1943	25.02.1964
Age (Years)	31 year	69 year	49 years
Date of Appointment	01.03.2013	14.06.2013	01.03.2013
Qualification	M.B.A.	Chartered Accountants	Graduation
Expertise in specific functional areas	He has good experience in Administration and Management.	He has rich experience in Accounts, Tax and Financial Market.	He has more than 20 years experience in Capital Market, Merchant Banking, Portfolio Management, mutual fund, dealing in securities and administration.
Directorship held in Other Companies as on date	Four	Three	One
Chairman/ Member of the Committee of the Board of Directors of the Company	Two(Member in Audit Committee Share Grievance Committee)	Two(Chairman in Audit Committee and Member in Share Grievance Committee)	Two(Member in Audit Committee and Share Grievance Committee)
Committee Positions* in other Public Companies	Two	Nil	One
Number of Shares held	Nil	Nil	Nil

\* Committee positions of only Audit and Shareholders'/Investors' Grievance Committee included.

## REPORT OF THE BOARD OF DIRECTORS

Dear Stakeholders,

Your Directors present herewith the 28<sup>th</sup> Annual Report of the company for the year ended 31st March, 2013.

### FINANCIAL RESULTS

(In Rupees)

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Sales	4213327.00	2780000.00
Other Income	1000.00	16166.00
Total Income	4214327.00	2796166.00
Total Expenditure	3950982.00	2778844.00
Profit/(Loss) before tax	263345.00	17322.00
Provision for Tax	81065.00	360.00
Net Profit/(Loss)	182280.00	16962.00
Paid Up Share Capital	2475000.00	2475000.00

### FINANCIAL HIGHLIGHTS

During the year under review your Company's performance was good as compared to previous year. The Company has earned the total revenue of Rs. 4,214,327 including other income as compared to Rs. 2,796,166 in previous Financial Year and thereby registered an increase of 50.72%. The Net Profit after tax of the Company for the year under consideration is Rs. 182,280 which is more than 10 times of the Profit after tax for previous Financial Year. Your Company hopes to increase its presence in the business in whole market in the coming years, which will significantly increase the top line and also its profitability.

### DIVIDEND

In view of the better performance of the Company in comparison of previous year, Your Director recommends dividend of Re. 0.50 per share that is 5% of the Face Value of Equity Share.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with stock exchanges in India, is presented in a separate section forming part of the Annual Report.

### DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Company's Articles of Association, Mr. Devendra Kumar Parida, the Director of the Company retires by rotation and shown his unwillingness for Re-appointment. Mr. Arvind Agrawal, Mr. Rajesh Agrawal and Mr. Kuldip Singh who were appointed as the Additional Director of the Company by the Board of Directors and their office shall be determined at this Annual General meeting sought their regularization in this Annual General Meeting; the Board recommends the regularization of Mr. Arvind Agrawal, Mr. Rajesh Agrawal and Mr. Kuldip Singh.

Mr. R. S. Arora has resigned from the Board of Company due to his personal reason w.e.f. 25<sup>th</sup> March 2013.

Brief resume of Director proposed to be appointed, nature of their experience in their specific functional areas, name of the Companies in which they hold directorship and membership / chairmanship of the Board Committees, Shareholding as stipulated under Clause 49 of the Listing agreement with the stock exchanges forms part of the Notice.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 regarding the Directors' Responsibility Statement, it is hereby stated:

- i. In the preparation of annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31<sup>st</sup> 2013 and of the profit or loss of the Company for that period.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts on a going concern basis.

#### **PARTICULARS OF EMPLOYEES**

During the period under review, the company does not have any employee who is covered under Section 217(2A) of the Companies Act, 1956.

#### **PUBLIC DEPOSIT**

During the year under review, your company has not invited any deposits from the Public and has not accepted deposits in any manner.

#### **CORPORATE GOVERNANCE**

It has been the endeavor of your company to follow and implement the best practices in corporate governance, in letter and spirit. The report of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual report.

#### **COMPLIANCE CERTIFICATE**

Compliance Certificate is forming part of this report.

#### **AUDITORS**

The Auditors, Singh Agarwal & Associates, Chartered Accountants, the Statutory Auditors of the Company who holds office until the conclusion of the ensuing Annual General Meeting and has shown his unwillingness for re-appointment.

The Board recommends the appointment of Nitin Mittal & Co., Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2013-14.

#### **AUDITORS' REPORT**

Auditors Report in respect of the Financial Statement for the current Financial Year is self Explanatory and does not warrant any further comments, explanation from the Directors under section 217 (3) of the Companies Act, 1956.

#### **LISTING OF SHARES**

Equity Shares of the Company are listed only on the Delhi Stock Exchange Limited.

#### **DEMATERIALISATION OF EQUITY SHARES**

Directors have considered the Dematerialisation of the Equity Shares of the Company in the interest of the Members in order to provide them safer mode of holding the equity shares and also the faster mode of share transfer. The Directors have taken effective steps for joining the National Securities Depository Limited.

#### **NAME CHANGE OF THE COMPANY**

In present scenario where the competition is very high, it is not enough for the survival of a company to remain dependent only on a single Business activity therefore recently your Company has added more business activities through Postal Ballot. The Board of Directors of the Company is of the view that the name of the Company should be in consonance to the new main objects of the Company. Therefore, the Board of Directors of the Company decided to change the name of the Company. However matter is under process with Registrar of Companies.

#### **OBJECT CHANGE**

The Company is under process to change its Main Object clause in the Memorandum of Association of the Company in order to enlarge its area of operation. The following Businesses added to the Main Clause of the Memorandum of Association of the Company.

1. Textile Business
2. Dealing and Trading in all kind of Securities
3. Consultancy Services
4. Real Estate
5. Merchandising

#### **GREEN INITIATIVE IN THE CORPORATE GOVERNANCE**

In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its circular no. 17/2011 dated 21<sup>st</sup> April 2011, all members of the Company are requested to register their e-mail IDs with the Company, so as to enable the company to send all notices/ reports/documents/ intimations and other correspondences etc. through e-mails, in the electronic mode instead of receiving physical copies of the same.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.**

Information required to be given pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Directors) Rules, 1988 and forming part of the Director's report for the year ended 31<sup>st</sup> March, 2013 are given below :

**A. CONSERVATION OF ENERGY**

The provisions related conservation of energy does not apply to the Company, therefore, the information as provided in Performa given in Form A under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not given. However, the Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. We emphasis towards a safe and clean environment and continue to adhere to all regulatory requirements and guidelines.

**B. RESEARCH & DEVELOPMENT**

Your Company has not imported any technology for any research and development.

**C. TECHNOLOGY ABSORPTION**

Your Company has not imported any technology. However, we believe and use information technology extensively in all spheres of our activities to improve efficiency levels.

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Details of Foreign Exchange, earnings and Outgo are given as below:-

	Year 2013 (Amt.)	Year 2012 (Amt.)
Foreign Exchange earning	Nil	Nil
Foreign Exchange outgoing	Nil	Nil

**APPRECIATION**

Directors wish to place on record their deep thanks and gratitude to;

- a) The Central and the State Government as well as their respective Departments and Development Authorities connected with the business of the Company, the Bankers of the Company as well as other Institutions for their co-operation and continued support.
- b) The Shareholders, Suppliers and the Contractors for the trust and confidence reposed and to the Customers for their valued patronage.
- c) The Board also takes this opportunity to express its sincere appreciation for the efforts put in by the officers and employees at all levels in achieving the results and hopes that they would continue their sincere and dedicated endeavour towards attainment of better working results during the current year.

**By Order of Board of Director  
Avishkar Finance Company Limited**

**Sd/-  
Rajesh Agrawal  
Managing Director**

**Date: 08.07.2013  
Place: Delhi**

## COMPLIANCE CERTIFICATE

CIN No: L74899DL1984PLC019733  
Nominal Capital: Rs. 25,00,000/-

To,  
The Members  
**AVISHKAR FINANCE COMPANY LIMITED**  
B- 1/9, Lajpat Nagar  
New Delhi- 110024

We have examined the registers, records, books and papers of **AVISHKAR FINANCE COMPANY LIMITED** as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31-03-2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company comments are not required.
4. The Board of Directors duly met **8** times respectively on 15/05/2012, 09/06/2012, 07/08/2012, 06/10/2012, 07/11/2012, 09/02/2013, 01/03/2013, and 25/03/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members 29/09/2012 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2012 was held on 29/09/2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not made fresh loans to any of the parties mentioned in Section 295 of the Act during the year under review.
9. According to the information and explanation given to us, no purchase of materials and services have been made from Companies/ Firms listed in the Register maintained under Section 301 of the Act hence the Provisions of Section 297 of the Act do not attract.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - (i) not allotted any fresh shares and has received proposal for transfer of shares during the year under review and no request has been received for transmission during the year under review;
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
  - (iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year;
  - (iv) not transferred the amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection fund as there were no such amounts outstanding during the financial year under review;
  - (v) duly complied with the requirements of section 217 of the Act.



14. The Board of directors of the company is duly constituted. Two additional director Mr. Rajesh Agrawal and Mr. Arvind Agrawal were appointed in the Board and one director, Mr. R. S. Arora, has resigned from the directorship apart from this no alternate directors has been appointed during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made borrowings during the financial year.
25. The Company has complied with the provisions of section 372A regarding making loans and investments, or giving guarantees or providing securities to other bodies corporate and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deposit any amounts towards provident fund.1956.

**For RSJ ASSOCIATES**  
Company Secretaries

**Date: 20.05.2013**  
**Place: New Delhi**

**Sd/-**  
**RUKMINI DASGUPTA**  
**C.P. No.7329**

**Annexure A**

Registers as maintained by the Company

**Statutory Registers**

1. Register of Charges.
2. Register of Members u/s 150 of the Companies Act, 1956.
3. Minutes of the Meeting of Shareholders of the Company u/s 193 of the Companies Act, 1956.
4. Minutes of the Meeting of Board of Directors of the Company u/s 193 of the Companies Act, 1956.
5. Books of Accounts u/s 209 of the Companies Act, 1956.
6. Register as per section 297 of the Companies Act, 1956.
7. Register of Directors, Managing Director, Manager and Secretary u/s 303 of the Companies Act, 1956.
8. Register of Directors' Shareholdings u/s 307 of the Companies Act, 1956.
9. Register of Loans & Investment u/s 372A of the Companies Act, 1956.

**Annexure - B**

Form and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2013.

SL. No.	Form No.	Purpose of Filing	Filed under section	Date of filing
1	Form 66(Compliance Certificate)	For the financial year ended 31.03.2012	383A	23.11.2012
2	Form 20B(Annual Return)	For the financial year ended 31.03.2012	159	23.11.2012
3	Form 23ACA(Profit & Loss A/c)	For the financial year ended 31.03.2012	220	19.12.2012
4	Form 23AC (Balance Sheet)	For the financial year ended 31.03.2012	220	19.12.2012

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors presents before you the Company's Management Discussion and Analysis Report for the year ended on 31.03.2013

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

### FINANCIAL SERVICES SECTOR

#### OVERVIEW

The operations of the Company are centered in the Finance Industry. From the last few years, the contribution of Infrastructure Finance to the total bank credit has increased, principally owing to a large number of projects in the power, telecom and road sectors. The improved performance of the finance sector and strong capital inflows witnessed good growth in finance sector and is expected to hold in the coming years.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

The finance industry where the company is also involved, major development have been taken place for past few decades in view of the fact that plethora of finance companies have come into existence with various finance products and there has been growth due to foreign collaboration, foreign equity participation etc, under Finance Division, dealing in equity shares and stock is the main activity of the company.

#### OPPORTUNITIES AND THREATS

##### Opportunities

Some of the key changes in the Industry which are favorable to the Company are:

Reduction in the inflationary pressure

Improved Liquidity in the Market

Expected buoyancy in the Capital Market & further increased FII inflow.

##### Threats

Some of the key changes in the industry unfavorable to the company are:

Heightened competition

Increasing cost of the product

High Regulatory frameworks and Compliances

#### OUTLOOK

The continual growth in the Finance sector is expected to give the necessary support to the Finance industry. The Company is making all efforts to accelerate growth in its business. It expects to improve its position in the market, however sole dependency on single sector is not sufficient.

#### RISK & CONCERN

The performance of finance market in India has a direct correlation with the prospect of economic growth and political stability. In financial services business, effective risk management has become very crucial. Your Company is exposed to credit risk, liquidity risk and interest rate risks. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analyzed and reviewed at various levels of management through an effective information system.

### TEXTILE BUSINESS

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Textile Industry contributes nearly 14% of the total Industrial Production of the country and also contributes 3% to the GDP of the country. The country earns about 27% of its foreign exchange through textile export. Considering the slow global economic recovery so far, there is a need to improve competitiveness of the sector in the global market. Within textile, 'Home Textile' market

is estimated at over 10,000 Crores. Of this, the organized sector accounts for under 10%. The Home Textile category is expected to grow at 8% p.a. and the share of organized sector is expected to improve. The emergence of strong modern trade and rapidly growing large format stores is expected to help upgradation of the market and also aid growth of organized sector players. As the Share of Organized sector, there is a huge potential for the Growth in this Business Segment, therefore your Company has decided to enter into this segment.

### **OPPORTUNITIES AND THREATS**

Increased disposable income, especially among the middle class will fuel the retail boom. Our priority categories are expected to continue to witness healthy growth. The growing market and opportunities to leverage our Brand as well as distribution network represents opportunity for the Company in the Domestic market. Further continuous reduction in the inflation numbers both Whole Sale Index Price & Consumer Price Index will be expected to open new avenues of growth.

The prices will be affected by levy of excise duty, which is bound to hurt the consumers' pocket, and may impact the demand. Cheap imports pose additional threats for the domestic players including your Company. In the export market, while demand is expected to pick up in USA, slowdown continues in Europe which would have adverse impact on our Business. Your Company is focusing on a long term sustainable profitable business model, and expects positive growth in the coming years. At the same time, strong competition from China and Pakistan as also, other Indian Manufacturers still continues to be a threat for the Company.

### **OUTLOOK**

With stable cotton prices, overall business situation appears to be positive. Assuming the inflation is brought under control and input prices remain at reasonable level, the domestic market is expected to continue to deliver a modest top line growth. With the continued effort on Retail upgradation and contemporary experience, the footfall and Brand image at the Retail level would be improved. With the strengthening of Supply Chain Management, we expect to significantly reduce the cycle time from procurement to sale, strengthen the quality of the products and reduce the conversion cost. These initiatives are expected to positively influence the margins of the Business.

### **RISK & CONCERN**

Aggressive competitions by new players, who wish to enter the category, pose a risk of the Company losing its market share. The Company will focus on contemporary designs, better value proposition in the product basket through continuous innovation and on cost management to mitigate the risks.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. Proper controls and checks are exercised by the company by following the procedures prescribed in the various manuals. The Audit Committee of the Board reviews Internal Control Systems of the company on periodical basis.

### **DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Your company recognizes the value of human resource, therefore, the human resource policies are framed in such fashion that they not only aim at achieving the organizational goal but also recognize, appreciate and develop the individual interest of the employees. The Human Resource Development policies of the company are so framed that it is in the best interest of the organization as well as employees of the company.

### **FORWARD LOOKING STATEMENT**

Statement in this report, particularly those which relate to Management Discussion and Analysis, describing the company's future plans, objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

**By Order of Board of Director  
Avishkar Finance Company Limited**

**Sd/-  
Rajesh Agrawal  
Managing Director**

**Date: 08.07.2013  
Place: Delhi**

## CORPORATE GOVERNANCE

### THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance practices are fundamental to the success of any organization and for enhancement of value of all stakeholders. With this view Company has decided to adopt clause 49 of listing Agreement from 14<sup>th</sup> June 2013, as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement, though it is not mandatory for your Company to comply with the clause 49 of Listing Agreement. To strengthen this belief, the Company has further adopted a code of Conduct, which inter alia forms guidelines for "Leadership with Trust". The Company will focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

### BOARD OF DIRECTORS

The Board of Directors is an optimum combination of professionalism experiencing, executive, non executive, and Independent Director, provides and evaluates the strategic directions of the Company; formulates and reviews management policies, serves and protects the overall interests of shareholders to ensure long-term value creation for stakeholders.

#### Composition:

The Board of Directors is comprised of 4 Directors on 31<sup>st</sup> March 2013.

At present the composition of the Board of Directors:

Name	Category
Mr. Rajesh Agrawal	Managing Director
Mr. Shyam Kamati	Director
Mr. Devendra Kumar Parida	Director
Mr. Arvind Agrawal	Independent Director
Mr. Kuldip Singh*	Independent Director

#### Note:

- \* Mr. Kuldip Singh is appointed on 14<sup>th</sup> June 2013.
- \* None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.

### BOARD MEETING

During the financial year ended March 31, 2013, 8 meetings of the Board of Directors were held as against the minimum requirement of 4 times. None of the two Board Meetings have a gap of more than 120 days between them. The dates of meetings and the number of directors present therein are mentioned below:

Sr. No.	Date	Sr. No.	Date
1.	15 <sup>th</sup> May 2012	5.	07 <sup>th</sup> November 2012
2.	09 <sup>th</sup> June 2012	6.	09 <sup>th</sup> February 2013
3.	07 <sup>th</sup> August 2012	7.	01 <sup>st</sup> March 2013
4.	06 <sup>th</sup> October 2012	8.	25 <sup>th</sup> March 2013

Sr. No.	Name of Director	No. of Meeting attending during 2012-13			No. of Directorship in other Public Companies		No. of Committee positions held in other public companies	
		Board		Last AGM	Listed	Others	Chairman	Member
		Held*	Attended					
1.	Mr. Shyam Kamati	8	8	Yes	0	1	0	0
2.	Mr. Devendra Kr. Parida	8	8	Yes	0	0	0	0
3.	Mr. R.S. Arora	8	8	Yes	1	0	0	0
4.	Mr. Rajesh Agrawal	1	1	No	1	0	0	1
5.	Mr. Arvind Agrawal	1	1	No	1	0	2	2

\* Denotes number of meetings held during the tenure of directorship of each director.

**Note:**

- None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.
- The directorship/ committee membership is based on the disclosures received from the directors.

**RESUME OF DIRECTOR PROPOSED TO BE APPOINTED**

The brief resume of Director seeking appointment is appended with the notice for calling Annual General Meeting.

**COMMITTEES OF THE BOARD**

The Board has constituted first time the following standing Committees:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee

**AUDIT COMMITTEE**

The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

**i) Terms of reference**

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of statutory and internal Auditors (whenever required), fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with Management the quarterly / half yearly and the annual financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Any Change in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by management.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance of legal requirement concerning financial statements.
  - Any related party transactions.
5. Reviewing with the management, statutory and internal Auditors, the adequacy and compliance of internal control system.
6. Reviewing with the management, the quarterly financial statements before submission to the board for approval
7. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
8. Discussion on internal Auditors significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors about the scope of audit as well as have post audit discussion to ascertain any area of concern.
11. Reviewing the Company's financial and risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Further the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**ii) Composition:**

The Audit Committee shall comprise of three members, including Mr. Rajesh Agrawal, the Managing Director, Mr. Arvind Agrawal and Mr. Kuldip Singh, the Non Executive Independent director. Mr. Kuldip Singh is heading the Committee.

Audit Committee has been constituted by the Board of Directors in its Board meeting held on 14<sup>th</sup> June 2013, to inter alia look in to the matters related to the Financial Reporting and Compliance of the Company with regulatory & legal requirements.

**Meeting and attendance:**

As the Audit Committee has been constituted in the current financial year therefore the attendance record for the last year is not given in this Report.

**INVESTORS GRIEVANCE COMMITTEE**

The purpose of constituting investor grievance committee is to expedite the process of redressal of investors' grievances and it is responsible for specifically look in to the matters related to the shareholders grievances and their complaints related to non receipt of share certificates, letter of allotment, nonpayment of dividend etc.

**i) Terms of reference**

1. To consider and review the queries/complaints received from Share/ Debenture Holders.
2. To take steps to redress queries/ complaints and ensure speedy satisfaction to shareholders/ investors.
3. To work under the control & supervision of the Board of Directors

**ii) Composition:**

The Shareholders'/Investors' Grievance Committee comprises of three members, including Mr. Rajesh Agrawal, the Managing Director of the Company, Mr. Arvind Agrawal, the Independent director and Mr. Shyam Kamti, the executive director. Mr. Arvind Agrawal is heading the Committee.

**Meeting and attendance:**

As the Audit Committee has been constituted in this Financial Year, therefore, the attendance record for the last year is not given in this Report.

**Role and Powers of Shareholders'/Investors' Grievance Committee:**

The Investors' Grievance Committee shall have the following role, functions and responsibilities:

- (i) To look into and supervise the redressal of shareholders'/Investors' Complaints.
- (ii) To oversee the performance of the Registrars and Share Transfer Agents and recommend measures for overall improvement of the quality of investor services.
- (iii) To consider and approve the transfer of shares, transmission of shares, dematerialization of shares, transposition of shares, issuance of duplicate share, deletion of names, splitting and consolidation of shares, etc.

**GENERAL BODY MEETINGS**

Date and venue of last three Annual General Meeting

Nature of Meeting	Date	Venue	Special Resolution passed
Annual General Meeting	29 <sup>th</sup> September 2012	B-9, Lajpat Nagar-I, New Delhi 110024	None
Annual General Meeting	30 <sup>th</sup> September 2011	B-9, Lajpat Nagar-I, New Delhi 110024	None
Annual General Meeting	23 <sup>rd</sup> August 2010	B-9, Lajpat Nagar-I, New Delhi 110024	None

**POSTAL BALLOT**

No Ordinary or Special resolution was passed through Postal Ballot during the year under review. Similarly, no ordinary or special resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

**DISCLOSURES**

- (i) There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with Company's interest. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the Annual Report.
- (ii) In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- (iii) There were no penalties, 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.

**MEANS OF COMMUNICATION**

- The Company communicates with the shareholders through its Annual report and publication of financial results.
- The Board of Directors of the Company approves and takes on record the Un-audited financial results within 45 days of the close of the quarter and the results are announced to the Delhi Stock Exchange Limited. Further the highlights of the quarterly results published in the newspapers.

**GENERAL SHAREHOLDER INFORMATION****a) Annual General Meeting**

- **Date and Time:** : 12th August, 2013 at 11.00 A.M.
- **Venue** : 304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi-110002.

**b) Financial Year of the Company**

The financial Year of the Company from April 1st to March 31st

**Tentative Schedule for financial Year 2013-14**

- 1<sup>st</sup> Quarter ending June 30, 2013 : Mid of August 2013
- 2<sup>nd</sup> Quarter ending September 30, 2013 : Mid of November 2013
- 3<sup>rd</sup> Quarter ending December 31, 2013 : Mid of February 2014
- Annual Result for the year ended March 31, 2014 : End of May 2014
- c) Date of Book Closure/Record Date** : 08<sup>th</sup> August, 2013 to 12<sup>th</sup> August, 2013 (Both Days inclusive) for the payment of Dividend.
- d) Registered Office** : 304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi-110002.
- e) Dividend Payment Date** : On or before 10th September 2013
- f) Listing of Equity Shares on Stock Exchanges** : Delhi Stock Exchange Limited
- g) Stock Code**  
Delhi Stock Exchange : 4815
- h) Registrar & Share Transfer Agents** : Skyline Financial Services Private Limited  
1st Floor, D-153A, Okhla Industrial Area, Phase I,  
New Delhi 110020  
Email id: admin@skylinerta.com



**i) Market Price Data**

As your Company is listed only on Delhi stock Exchange Limited, therefore, market price of the share is not available.

**j) Liquidity**

Equity Shares of your Company are listed on the Delhi Stock Exchange Limited. The trading platform is not available at Delhi Stock Exchange Limited, hence, there is no liquidity in the scrips of the Company.

**k) Dematerialization of Shares**

The Shares of your Company are in physical mode and Company is taking effective steps to join with Depositories.

**l) Outstanding GDRs/ADRs/Warrants or any other convertible instruments**

Your Company does not have any GDRs/ADRs/Warrants or any other Convertible Instruments.

**m) Address for Correspondence**

The Correspondence may be addressed to Mr. Rajesh Agrawal, the Managing Director of the Company, at the Registered Office of the Company at 304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi 110002 or Skyline Financial Services Pvt. Ltd., at 1st Floor, D-153A, Okhla Industrial Area, Phase I, New Delhi 110020, , Tel. No. +91-11-2681 2682, 2681 2683, Email id admin@skylinerta.com

**n) Investor Correspondence**

(i) For transfer of shares, payment of dividend on shares and any other queries relating to the shares is handled by the Company's Registrar & Share Transfer Agent at the following address:

M/s Skyline Financial Services Private Limited  
1st Floor, D-153A,  
Okhla Industrial Area, Phase I,  
New Delhi 110020  
Email- id admin@skylinerta.com

ii) Mr. Rajesh Agrawal has been designated as the Compliance Officer of the Company as required under the Listing Agreement with Stock Exchange.

**o) Shareholding Pattern**

The shareholding pattern as on 31<sup>st</sup> March 2013:

Category	No. of shares held	Percentage of Shareholding
<b>A. Shareholding of Promoter and Promoter Group</b>		
(1) Indian	12,100	4.89
(2) Foreign	0	0.00
<b>Total</b>	<b>12,100</b>	<b>4.89</b>
<b>B. Public Shareholding</b>		
(1) Institutions		
(a) Mutual Funds/UTI	0	0.00
(b) Financial Institutions/Banks	0	0.00
(c) Foreign Institutional Investors	0	0.00
(d) Any Other	0	0.00
<b>Sub Total</b>	<b>0</b>	<b>0.00</b>
(2) Non Institutions		
(a) Bodies Corporate	0	0.00
(b) Individuals	197,300	79.72
(c) Any Other (HUF)	38,100	15.39
<b>Total</b>	<b>235,400</b>	<b>95.11</b>
<b>Total (A+B)</b>	<b>247,500</b>	<b>100.00</b>

## p) Distribution of Shareholding as on 31.03.2013

Category (Amount)	No. of Shareholders	% of Shareholders	Total Number of Shares	% of Total Number of Shares
1 - 5000	84	71.79	13400	5.41
5001 - 10000	1	0.85	1000	0.40
10001 - 20000	2	1.71	3500	1.41
20001-30000	0	0.00	0	0.00
30001-40000	12	10.26	48000	19.39
40001 - 50000	0	0.00	0	0.00
50001 - 100000	13	11.11	125900	50.87
100001 & Above	5	4.27	55700	22.51
<b>TOTAL</b>	<b>117</b>	<b>100.00</b>	<b>247,500</b>	<b>100.00</b>

By Order of Board of Director  
Avishkar Finance Company Limited

Sd/-  
Rajesh Agrawal  
Managing Director

Date: 12.07.2013  
Place: Delhi

**Certificate by CEO/CFO on compliance with the conditions of  
Corporate Governance under Clause 49 of the Listing Agreement(s)**

The Board of Directors  
Avishkar Finance Company Limited

I, Rajesh Agrawal, the Managing Director is responsible for the finance and overall functions of the company hereby certify that for the Financial Year 2012-13 that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which I are aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Board Members
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
Rajesh Agrawal  
Managing Director

Date: 08.07.2013

Place: Delhi

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**Certificate of the Code of Conduct**

The Company has adopted Corporate Governance on 14th June, 2013. Hence, the certificate for code of conduct is not required.

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Avishkar Finance Company Limited**

### Report on the Financial Statements

We have audited the accompanied financial statements of "Avishkar Finance Company Limited" which comprises the Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements 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;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013; and
- b) In the case of the Profit and Loss Account, of the profit for the year ended on the date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the **Annexure-1**, a statement on the matters specified in paragraphs 4 and 5 of the said order.

As required by section 227(3) of the Act, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in Agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and the Statement of Profit and Loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> 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;
- (vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956; nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company

**FOR: SINGH AGARWAL & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 FRN-004702C

Place: Lucknow  
 Date: 20.05.2013

Sd/-  
 (MUKESH KUMAR AGARWAL)  
 PARTNER  
 M. No. 073355

## ANNEXURE-1 TO THE AUDITORS' REPORT

(Report in terms of paragraph 4 of Companies (Auditor's Report) Order, 2003)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification and if so, the same have been properly dealt with in the books of account;
- (c) No substantial part of fixed assets have been disposed off during the year, which can affect the going concern status;
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable.
- (b) Procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business
- (c) The company is maintaining proper records of inventory and no any material discrepancies were noticed on physical verification.
- (iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) Not applicable to the company, as explained at clause (a) above.
- (c) Not applicable to the company, as explained at clause (a) above.
- (d) Not applicable to the company, as explained at clause (a) above.
- (e) The company has not taken any loans, secured or unsecured form companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses (iii) (e), (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable to the company for the current year; and
- (f) Not applicable to the company, as explained at clause (e) above.
- (g) Not applicable to the company, as explained at clause (e) above.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets, if any. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, if any, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) No records are required to be maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, custom duty, excise duty and Cess were in arrears, as at 31.03.2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and Cess, which have not been deposited on account of any dispute.

- (x) In our opinion, the company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. In our opinion the matters specified in the clause has been arrived at after considering the effect of the quantified qualifications on the figures of accumulated losses, net worth and cash losses and that the effect of un-quantified qualifications has not been taken into consideration for the purposes of making comments in respect of this clause.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi*, mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the Company has not taken any term loans during the year under audit.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we are of the opinion that the no funds, if any, raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debenture.
- (xx) The Company has not raised money by way of public issues during the year under audit.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

**FOR SINGH AGARWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN-004702C

Place: Lucknow  
Date: 20.05.2013

Sd/-  
(MUKESH KUMAR AGARWAL)  
PARTNER  
M. No. 073355

**BALANCE SHEET AS AT MARCH 31ST, 2013**

Amount in Rupees

Particulars	Note No	Current Year 31st March, 2013	Previous Year 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2,475,000.00	2,475,000.00
(b) Reserves and Surplus	2	2,500,518.00	2,465,479.00
<b>(2) Current Liabilities</b>			
(a) Trade Payables	3	-	700,000.00
(b) Other Current Liabilities	4	17,978.00	58,000.00
(c) Short Term Provisions	5	225,847.00	360.00
<b>TOTAL</b>		<b>5,219,343.00</b>	<b>5,698,839.00</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Non Current Investments	6	27,790.00	66,484.00
<b>(2) Current assets</b>			
(a) Inventories	7	1,502,458.00	-
(b) Trade Receivable	8	3,001,350.00	5,616,000.00
(c) Cash and Cash Equivalents	9	687,745.00	13,896.00
(d) Short-term loans and advances	10	-	2,459.00
<b>TOTAL</b>		<b>5,219,343.00</b>	<b>5,698,839.00</b>

Significant Accounting Policies as per Note-18 Annexed

As Per Our Report of Even Date

For Singh Agarwal & Associates  
Chartered Accountants  
Firm Registration No.-004702C

For Avishkar Finance Company Limited

Sd/-  
Mukesh Agarwal  
(Partner)  
Mem. No.073355

Sd/-  
Arvind Agrawal  
Director

Sd/-  
Rajesh Agrawal  
Director

Date : 20.05.2013  
Place: New Delhi

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2013**

Amount in Rupees

Particulars	Note No	Current Year 31st March, 2013	Previous Year 31st March, 2012
<b>I. Revenue from Operations</b>	11	4,213,327.00	2,780,000.00
<b>II. Othe Income</b>	12	1,000.00	16,166.00
<b>III. Total Revenue (I + II)</b>		<b>4,214,327.00</b>	<b>2,796,166.00</b>
<b>IV. Expenses</b>			
Purchase of Stock In Trade	13	5,264,178.00	1,200,000.00
Changes in inventories of finished goods,work-in-progress and Stock in Trade	14	(1,502,458.00)	1,500,000.00
Employees Benefit Expenses	15	72,000.00	-
Finance Cost	16	450.00	200.00
Other Expenses Expenses	17	116,812.00	78,644.00
<b>Total Expenses</b>		<b>3,950,982.00</b>	<b>2,778,844.00</b>
<b>V. Profit Before Tax</b>	(III-IV)	263,345.00	17,322.00
<b>VI. Tax Expenses</b>			
(1) Current tax		81,065.00	360.00
(2) Deferred tax		-	-
<b>VII. Profit After Tax</b>		182,280.00	16,962.00
<b>VIII. Earning per equity share:</b>			
(1) Basis		0.74	0.06
(2) Diluted		0.74	0.06

Significant Accounting Policies as per Note-18 Annexed

As Per Our Report of Even Date

For Singh Agarwal & Associates  
Chartered Accountants  
Firm Registration No.-004702C

For Avishkar Finance Company Limited

Sd/-  
Mukesh Agarwal  
(Partner)  
Mem. No.073355

Sd/-  
Arvind Agrawal  
Director

Sd/-  
Rajesh Agrawal  
Director

Date : 20.05.2013  
Place: New Delhi



## AVISHKAR FINANCE COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2013	2012
<b>A. <u>CASH FLOW FROM OPERATION ACTIVITIES:</u></b>		
Net Profit before tax	263,345	17,322
<u>Adjustments for:</u>		
Previous Year Adjustment	(2,459)	-
Finance Charges	450	200
<u>Operating Profit before working capital changes</u>	<b>261,336</b>	<b>17,522</b>
<u>Adjustments for:</u>		
Trade and Other Receivables	2,617,109	(2,279,510)
Inventories	(1,502,458)	1,500,000
Trade Payables & Other Liabilities	(514,535)	717,360
Cash generated from operations	861,452	(44,628)
Taxes Paid	81,065	360
Net Cash from operating activities (A)	<b>780,387</b>	<b>(44,988)</b>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>		
Sale of Investments	38,694	(15,156)
Net Cash used in Investing activities (B)	<b>38,694</b>	<b>(15,156)</b>
<b>C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Finance Charges	(450)	(200)
Dividend Paid	(144,782)	-
Net Cash used in Financial Activities (C)	<b>(145,232)</b>	<b>(200)</b>
Net Increase/ Decrease in cash & cash equivalents (A+B+C)	<b>673,849</b>	<b>(60,344)</b>
Cash and Cash equivalents as at 31.3.2012	13,896	74,240
Cash and Cash equivalents as at 31.3.2013	687,745	13,896

For Singh Agarwal & Associates  
Chartered Accountants  
Firm Registration No.-004702C

For Avishkar Finance Company Limited

Sd/-  
Mukesh Agarwal  
(Partner)  
Mem. No.073355

Sd/-  
Arvind Agrawal  
Director

Sd/-  
Rajesh Agrawal  
Director

Date : 20.05.2013  
Place: New Delhi

**AVISHKAR FINANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**

PARTICULARS	AS ON 31.03.2013	AS ON 31.03.2012
<b>NOTE-1</b>		
<b>SHARE CAPITAL</b>		
<b>(a) AUTHORISED</b>		
250000 Equity Shares of Rs. 10/- Each	2,500,000.00	2,500,000.00
	<b>2,500,000.00</b>	<b>2,500,000.00</b>
<b>(b) 'ISSUED, SUBSCRIBED &amp; PAID UP</b>		
247500 Equity Shares of Rs. 10/- Each fully paid up	2,475,000.00	2,475,000.00
	<b>2,475,000.00</b>	<b>2,475,000.00</b>
<b>Number of shares outstanding as at the beginning of the year</b>	247,500	247,500
Add: Number of shares allotted during the year	-	-
Less : Number of shares bought back during the year	-	-
<b>Number of shares outstanding as at the end of the year</b>	247,500	247,500
Shares in the company held by each shareholder holding more than 5% shares		
<b>Sr. No. Name of the shareholder</b>	<b>Number of shares as on 31.03.2013</b>	<b>Number of shares as on 31.03.2012</b>
-	-	-
<b>NOTE-2</b>		
<b>RESERVES &amp; SURPLUS</b>		
SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT & LOSS AS PER LAST BALANCE SHEET	2,465,479.00	2,448,517.00
ADD:TRANSFER FROM STATEMENT OF PROFIT & LOSS	182,280.00	16,962.00
ADD/LESS:SHORT/EXCESS OF PREVIOUS YEARS	2,459.00	-
	2,645,300.00	2,465,479.00
LESS:		
Dividends Proposed to be distributed to Equity Shareholders (Rs.0.50 per share)	123,750.00	-
Tax On Dividend	21,032.00	-
<b>CLOSING BALANCE</b>	<b>2,500,518.00</b>	<b>2,465,479.00</b>
<b>NOTE-3</b>		
<b>TRADE PAYABLES</b>		
TRADE PAYABLES	-	700,000.00
	-	<b>700,000.00</b>
<b>NOTE-4</b>		
<b>OTHER CURRENT LIABILITIES</b>		
EXPENSES PAYABLE	-	58,000.00
AUDIT FEES PAYABLE	12,360.00	-
LISTING FEES PAYABLE	5,618.00	-
	<b>17,978.00</b>	<b>58,000.00</b>

**NOTE-5****SHORT TERM PROVISIONS**

PROVISION FOR TAX	81,065.00	360.00
PROVISION FOR PROPOSED DIVIDEND	123,750.00	-
PROVISION FOR TAX ON PROPOSED DIVIDEND	21,032.00	-
	<b>225,847.00</b>	<b>360.00</b>

**NOTE-6****NON CURRENT INVESTMENTS**

	27,790.00	66,484.00
	<b>27,790.00</b>	<b>66,484.00</b>

**NOTE-7****INVENTORIES**

STOCK IN TRADE	1,502,458.00	-
	<b>1,502,458.00</b>	-

**NOTE-8****TRADE RECEIVABLE****Unsecured considered goods**

Trade receivables outstanding for less than six months from the date they become due for payment

	3,001,350.00	5,616,000.00
	<b>3,001,350.00</b>	<b>5,616,000.00</b>

**NOTE-9****CASH AND CASH EQUIVALENTS**

CASH IN HAND	42.00	4,859.00
CASH AT BANK	687,703.00	9,037.00
	<b>687,745.00</b>	<b>13,896.00</b>

**NOTE-10****SHORT TERM LOAN & ADVANCES****Unsecured considered goods**

TDS RECEIVABLES	-	2,459.00
	-	<b>2,459.00</b>

**NOTE-11****REVENUE FROM OPERATION**

SALE OF SHARES	-	2,780,000.00
SALE	4,213,327.00	-
	<b>4,213,327.00</b>	<b>2,780,000.00</b>

**NOTE-12****OTHER INCOME**

DIVIDEND RECEIVED	1,000.00	1,000.00
PROFIT FROM PARTNERSHIP FIRM	-	15,156.00
INTEREST ON INCOME TAX REFUND	-	10.00
	<b>1,000.00</b>	<b>16,166.00</b>

**NOTE-13****PURCHASE OF STOCK IN TRADE**

PURCHASE OF SHARES	-	1,200,000.00
PURCHASES	5,264,178.00	
	<b>5,264,178.00</b>	<b>1,200,000.00</b>

**NOTE-14****CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

OPENING STOCK	-	1,500,000.00
CLOSING STOCK	1,502,458.00	-
CHANGE IN STOCK	<b>(1,502,458.00)</b>	<b>1,500,000.00</b>

**NOTE-15****EMPLOYEES BENEFIT EXPENSES**

SALARIES	72,000.00	-
	<b>72000.00</b>	<b>-</b>

**NOTE-16****FINANCE COST**

BANK CHARGES	450.00	200.00
	<b>450.00</b>	<b>200.00</b>

**NOTE-17****OTHER EXPENSES**

ACCOUNTING CHARGES	18,000.00	18,000.00
AUDIT FEES	12,360.00	-
PROFESSIONAL EXPENSES	30,000.00	-
LEGAL EXPENSES	1,500.00	23,000.00
LISTING FEES	5,618.00	-
MISCELLANEOUS EXPENSES	8,817.00	480.00
PRINTING & STATIONERY	4,500.00	1,164.00
OFFICE RENT	36,000.00	36,000.00
SERVICE CHARGES	17.00	-
	<b>116,812.00</b>	<b>78,644.00</b>

**NOTE-18**

**ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**1 ACCOUNTING POLICIES:**

- a. Accounts are maintained on accrual basis of accounting and on the concept of going concern.
- b. The Financial Statement comply with the mandatory Accounting Standard prescribed by the Companies Act, 1956 and issued by ICAI.
- c. Investment are valued at cost and profit and loss accounted on sale.
- d. Stock is valued at cost or market value whichever is lower.
- e. The Company is not having any fixed Assets.
- f. Basic earning per share is calculated by taking (profit after tax), since there is no potential equity shares outstanding with the Company, therefore diluted EPS is same as basic EPS.
- g. Provision of Current tax is determined as the amount of tax payable in respect of taxable income for the period.

**2 NOTES ON ACCOUNTS:**

- a. The current assets, loans and advances have a value on realization equal to the amounts by which they have been stated in the Balance Sheet.
- b. Earning in foreign currency is NIL.
- c. Expenditure in Foreign Currency : NIL
- d. Contingent liabilities are NIL.
- e. Amount payable to the Auditors:-
 

Audit Fees	Rs. 12360.00
	Rs. 12360.00
- f. Amount paid to Directors.
- g. The previous year's figures have been regrouped, reconfigured and re-arranged wherever consider necessary.

**BASIC EPS & DILUED EPS**

	31.03.2013	31.03.2012
Profit after tax	182280	16962
Weighted Average No. of shares Outstanding	247500	247500
Basic and Diluted EPS	0.74	0.07

**For Singh Agarwal & Associates**  
**Chartered Accountants**  
**Firm Registration No.-004702C**

**For Avishkar Finance Company Limited**

Sd/-  
**Mukesh Agarwal**  
 (Partner)  
 Mem. No.073355

Sd/-  
**Arvind Agrawal**  
 Director

Sd/-  
**Rajesh Agrawal**  
 Director

Date : 20.05.2013  
 Place: New Delhi

**PROXY FORM****AVISHKAR FINANCE COMPANY LIMITED**

304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi 110002

I/We .....

R/o.....

being a Member/Members of Avishkar Finance Company Limited hereby appoint Mr./Mrs.....

R/O..... or

failing him/her Mr./Mrs.....

R/O .....

.....as my / our proxy to vote for me / us on my / our behalf at the Twenty Eighth Annual General Meeting of the members of the company to be held at 304, EMCA House, 23/23B, Ansari Road, Darya Ganj, Delhi 110002 at 11.00 AM On Monday 12th August, 2013 and any adjournment thereof.

Send the.....Day of .....2013

Signature.....

Address.....

Folio No.....

No. of Equity Shares Held.....

Affix Revenue Stamp of 1/- Rupee
---

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to attend and either vote in person or by Proxy and the Proxy need not be a Member.
2. The proxy form duly signed across Revenue Stamp of Re.1.00 should reach the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting. The proxy need not be a Member of the Company.

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

**28<sup>th</sup> ANNUAL GENERAL MEETING**12<sup>th</sup> August, 2013

Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and Hand over at the Entrance of Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name of the Shareholder / Proxy .....

Ledger Folio No. ....

Address .....

No. of Shares held .....

I/We hereby record my / our presence at the Annual General Meeting of the Company held on Monday, 12<sup>th</sup> August, 2013.

Strike out whichever is not applicable

Signature of the Shareholder / Proxy

BOOK-POST

*If undelivered, please return to :*  
**AVISHKAR FINANCE COMPANY LIMITED**  
304, EMCA House, 23/23B, Ansari Road  
Darya Ganj, Delhi 110002