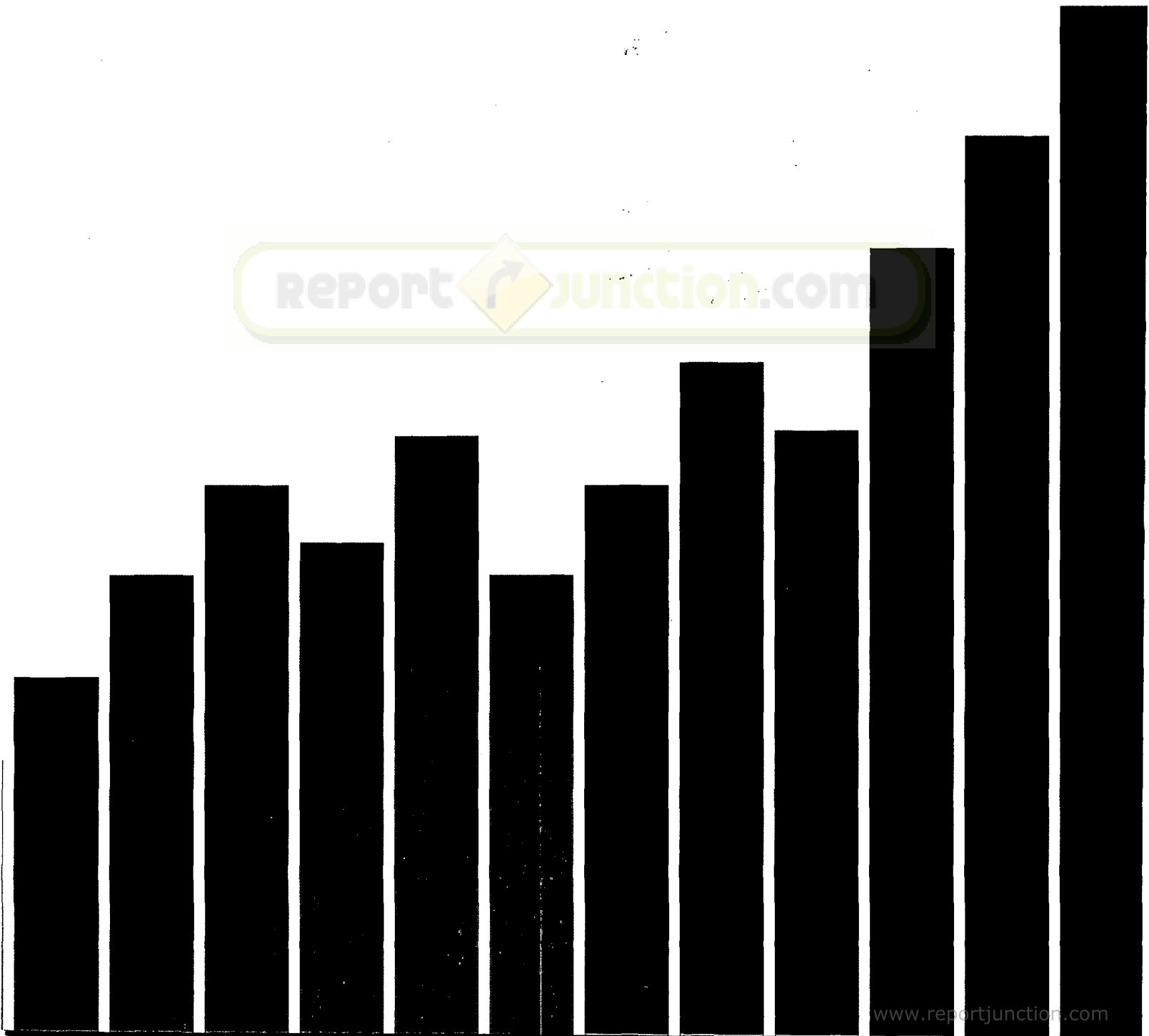


ANNUAL REPORT
2008 - 2009

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**BOARD OF DIRECTORS**

Shri. Ramchandra M. Mohite
(Chairman)

Shri. Anasaheb R Mohite
(Managing Director)

Shri. Abhishek A. Mohite
(Director, Marketing & Strategy)

Mrs. Rama J. Swetta
(Independent Director)

Shri. Shriprakash M. Dhopeswarkar
(Independent Director) (Resigned w.e.f. March 17, 2009)

Shri. Ravi Y. Shiralkar
(Independent Director)

Shri. Shreedhar Vasant Padhye
(Independent Director) (Appointed w.e.f. June 22, 2009)

COMPANY SECRETARY

Shri. Shrenik U. Nagaonkar

STATUTORY AUDITORS

B. J. Ingrole & Co.
Chartered Accountants
661-E, Shahupuri, 2nd Lane,
Kolhapur-416 001

INTERNAL AUDITORS

Kunte & Chougule Associates
Ayodhya Towers, Building No. 1,
2nd Floor, 511, 'E' Ward,
Station Road, Kolhapur

BANKERS

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

REGISTERED OFFICE & WORKS

Gat No. 148, Tamgaon, Kolhapur-Hupari Road,
Taluka-Karveer, Dist.-Kolhapur- 416 234

CITY OFFICE

'Shiv-Parvati' 17 E', Nagala Park, Kolhapur-416 003



NOTICE

Notice is hereby given that Sixteenth Annual General Meeting of members of "Abhishek Corporation Ltd." will be held on Tuesday September 29, 2009 at 4.00 p.m. at the Registered Office of the company situated at Gat No. 148, Tamgaon, Kolhapur-Hupari Road, Tal- Karveer, Dist Kolhapur -416234 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramchandra M. Mohite, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Abhishek A. Mohite, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint the auditors to hold the office from conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"Resolved that M/s. B. J. Ingrole & Co., Chartered Accountants, be and are hereby reappointed as the Auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to provisions of Section 198, 309, 310 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval be and is hereby accorded for renewal of appointment of Mr. Anasaheb R Mohite as a Managing Director of the company w.e.f. October 1, 2009 for a period of 3 years i.e. till September 30, 2012 on such terms and conditions mentioned below."

 - a. **Salary:** Rs. 4,00,000/- (Rs. Four Lac only) per month.
 - b. **Perquisites :** i) Free unfurnished accommodation or alternatively House Rent Allowance @ 20% of the salary. ii) Reimbursement of medical expenses incurred for Managing Director, his wife, dependent children and dependent parents subject to a ceiling of 10% of salary, which can be accumulated upto three years. iii) Leave Travel Concession to the Managing Director and his wife, dependent children and dependent parents, once in a year subject to the ceiling of one month's salary. iv) Personal Accident Insurance, premium of which shall not exceed Rs. 1000/- per annum. v) Fees of clubs subject to maximum of two clubs (Excluding Lifetime membership fees).
 - c. **Retirement Benefits :** i) Provident Fund: Company's contribution towards Provident Fund subject to ceiling of 12% of salary. ii) Company's contribution to Superannuation Fund: -As extends to other Senior Executives of the Company. The Company's contribution in respect of Provident Fund and Superannuation put together shall not

exceed limits laid down under Income Tax Act, 1961. iii) **Gratuity:** A sum not exceeding one month's salary for each completed year of service as Managing Director on the basis of last salary drawn.

- d. **Other Perquisite :** i) All expenses for the maintenance, running and upkeep of the motorcar for business purpose to be borne and paid by the Company. ii) Telephone at residence, all charges including rental and all charges of the telephone being paid by the company. iii) Leave facilities as applicable to other executives of the Company. iv) Such other benefits or amenities as may be applicable to other Senior Executives of the Company.
- e. **Commission :** Commission upto 3% p. a. of net profit of the company to be decided by the remuneration committee depending upon performance of the company.

MINIMUM REMUNERATION :

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

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

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

"**RESOLVED THAT** pursuant to provisions of Section 198, 309, 310 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval be of is hereby accorded for renewal of appointment of Mr. Abhishek A. Mohite as a Director (Marketing & Strategy) w.e.f. June 12, 2010 for the period of three years i.e. till June 11 2013 on following terms and conditions."

- a. **Salary:** Rs. 1,00,000/- (Rupees One Lac only) per month.
- b. **Perquisites :** Free unfurnished accommodation or alternatively House Rent Allowance @ 20% of the salary. ii) Reimbursement of medical expenses incurred for Director (Marketing & Strategy), and his dependent parents subject to a ceiling of 10% of salary, which can be accumulated upto three years. iii) Leave Travel Concession to the Director (Marketing & Strategy) and his dependent parents, once in a year subject to the ceiling of one month's salary.
- c. **Retirement Benefits :** i) Provident Fund: Company's contribution towards Provident Fund subject to ceiling of 12% of salary. ii) Company's contribution to Superannuation Fund: -As extends to other Senior Executives of the Company. The Company's contribution in respect of Provident Fund and Superannuation put together shall not exceed limits laid down under Income Tax Act, 1961. iii) **Gratuity:** A sum not exceeding one month's salary for each completed year of service on the basis of last salary drawn.

- d. **Other Perquisite :** i) All expenses for the maintenance, running and upkeep of the motorcar for business purpose to be borne and paid by the Company. ii) Such other benefits or amenities as may be applicable to other Senior Executives of the Company.

MINIMUM REMUNERATION:

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

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

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

"RESOLVED THAT the Company hereby accords its consent and approval under section 314(1B) and other applicable provisions (if any) of the Companies Act, 1956, to Mrs. Anjali Anasaheb Mohite a relative of Mr. Ramchandra Mohite, Chairman, Mr. Annasaheb Mohite, Managing Director and Mr. Abhishek A. Mohite, Director (Marketing & Strategy) of the Company, who holds an office of profits under the Company, for holding and continuing to hold an office or place of profit as a Associate Vice President under the Company under a contract of service in the scale of not exceeding Rs. 50,000/- (Rupees Fifty Thousand Only) including the allowances, benefits, amenities facilities, staff superannuation fund, retiring gratuity and provident fund benefits."

"RESOLVED FURTHER THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Government, where necessary, increments within the grade as they may deem fit and proper to promote her to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper."

Date : June 29, 2009

Place : Kolhapur

for and on Behalf of the Board of Directors

Anasaheb R Mohite
Managing Director

NOTES:

1. A member entitled to attend and vote at the General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be member of the company. The instruments appointing proxy should be deposited at the Registered Office of the company not less than 48 hours before commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register Of Members and Share Transfer Register of the company will remain closed from September 22, 2009 to September 29, 2009 (both days inclusive).
4. Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to
 - a) Notify any change in their Registered Address along with pin code numbers.
 - b) Quote their respective Ledger Folios/Client ID and DP on every communication with the company.
 - c) Bring their attendance slip along with their copy of Annual Report to the meeting.

EXPLANATORY STATEMENT

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

Item No.5:

Mr. Anasaheb R Mohite was reappointed as a Managing Director of the company on October 1, 2006 for a period of 3 years. On September 30, 2009 his tenure as a Managing Director will expire.

Abhishek Corporation Ltd has been growing exponentially from an initial capacity of 13,104 spindles to present 36,144 spindles. Further the Mega Project with for upward integration into Yarn Dyed Shirting Fabric (with a capacity of 8 million mtrs p.a.) has been set up.

Mr. Anasaheb R Mohite, Managing Director of the company has been instrumental in the success of your company. He has been associated with the new project (Yarn Dyed Shirting Fabric) since its inception to final commencement of production. He also looks after marketing activities with the active support of Mr. Abhishek A. Mohite, Director {Marketing & Strategy} of the company. He is involved in meetings/ negotiation with prospective overseas customers who comprises of noted branded garment manufacturers.

Considering the level of responsibilities and efforts undertaken by him and his contribution to the value addition to the company and shareholders your Board of Directors, on the recommendation of the Remuneration Committee, at its Meeting held on June 29, 2009 has re-appointed Mr. Anasaheb R Mohite as a Managing Director of the company w.e.f. October 1, 2009 for a period of 3 years (i.e. from October 1, 2009 to September 30, 2012).

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

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

The Board recommends the resolution set out in Item No. 5 of the Notice for your approval as special resolution.

Item 6:

The Board of Directors of the company (the Board) had appointed Mr. Abhishek A. Mohite as a Director (Marketing & Strategy) on June 12, 2007 for the period of 3 years. His tenure as a Director (Marketing & Strategy) will expire on June 11, 2010.

Considering the level of responsibilities, efforts undertaken by him, his contribution towards creation of market and its further development and for the sake of continuity of present management and for efficient running of the company and on the recommendation of remuneration committee the Board of Directors have re-appointed Mr. Abhishek Mohite as a Director (Marketing & Strategy) of the company for a further period of 3 years w.e.f. June 12, 2010 (i.e. from June 12, 2010 to June 11, 2013)

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



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

The Board recommends the resolution set out in Item No. 6 of the Notice for your approval as a special resolution pursuant to Schedule XIII of the Companies Act, 1956

Item No. 7

Under section 314(1B) of the Companies Act, 1956, a special resolution is required for enabling any relative of a Director of the Company [holding office or place of profit] to hold any office or place of profit under the Company. Mrs. Anjali Anasaheb Mohite was appointed as Associate Vice President of the company on October 1, 2003 for the period of five years. On September 30, 2008 her tenure as Associate Vice President was expired and the Board of Directors at their meeting held on September 27, 2008 has appointed Mrs. Anjali A Mohite as a Associate Vice President at a remuneration of Rs. 50,000/- p.m. The Directors of the company namely Mr Ramchandra M. Mohite, Chairman, Mr. Anasaheb R Mohite, Managing Director and Mr. Abhishek A. Mohite, Director (Marketing & Strategy) are relatives of Mrs. Anjali Mohite. Accordingly, in terms of section 314(1B) of the Act, the members are requested to grant their consent to Mrs. Anjali A. Mohite holding and continuing to hold an office or place of profit on the terms and conditions set out in the aforesaid resolution. The members are also requested to authorise the Board to sanction in due course promotion of Mrs. Anjali A. Mohite to the next higher grade or grades together with the usual allowances and benefits.

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**STATEMENT OF INFORMATION PURSUANT TO CLAUSE 1 (B) OF SECTION II OF PART II OF
SCHEDULE XIII OF THE COMPANIES ACT, 1956 FOR RESOLUTION NO. 5 & 6
OF NOTICE OF 16TH ANNUAL GENERAL MEETING**

Effective capital of the company is more than Rs. 100 crores and as per Schedule XIII of the Companies Act, 1956, in case of inadequacy of profits in any financial year, the company can pay a remuneration upto Rs. 4,00,000/- per month to the Executive Directors. As per the profits of the company for the year under review, the proposed remuneration to be paid to Managing Director and Director (Marketing & Strategy) shall be within the limits provided under the above Schedule. The company can continue to pay the same remuneration in future years if the same is approved by the shareholders by way of a special resolution within the limit provided under Clause 1 (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The following general information is given hereunder as per the conditions attached to Clause 1 (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956:

I General Information :

- (1) Nature of Industry : The company is operating in the textile & Construction Industry. Indian Textile industry is one of the major industries that plays vital role for exports and foreign revenue. Also Indian Construction Industry is showing signs of recovery.
- (2) Date or expected date of commencement of commercial production : Abhishek Corporation Ltd.(ACL) was set up in year 1999 with modern manufacturing facility of 13,104 spindles for 100% combed cotton yarn at Kolhapur in the state of Maharashtra. Within a span of 9 years, the Company has been able to increase its capacity to 36,144 Spindles. To add to this the Mega Project of Yarn Dyed Shirting Fabric has been set up which is vertical integration from cotton yarn to dyed and processed shirting fabric. Commercial production of the new project was commenced On October 28, 2008.
- (3) Financial Performance : The financials of the company have been discussed in detail in Directors Report and Management Discussion and Analysis Report.
- (4) Export performance and net foreign exchange earnings : In the year under review, the company has generated export turnover of FOB value of Rs. 1,226.56 lacs.
- (5) Foreign investment or collaborations, if any : Your company does not have any foreign investments or collaborations.

II Information about appointees :

- (1) Background details : Brief profile has been given in the statement attached to notice.
- (2) Past remuneration : There are no revisions in remuneration. Only period has been extended. Hence past and present remuneration are same.
- (3) Job Profile & Suitability : Given in explanatory statement attached to the notice.
- (4) Remuneration Proposed : Remuneration Proposed has been given in resolution No. 5 & 6 of notice.
- (5) Pecuniary Relationship if any :

Mr. Anasaheb R Mohite

Mr. Anasaheb R Mohite is holding 42,04,193 shares (30.01%) of the company. Further he is son of Mr. Ramchandra M. Mohite (Chairman), Father of Mr. Abhishek A. Mohite Director (Marketing & Strategy) and husband of Mrs. Anjali A. Mohite (Associate Vice President) of the company

Mr. Abhishek A. Mohite

Mr. Abhishek Mohite is holding 17,27,116 shares (12.33%) of the company. Further he is grandson of Mr. Ramchandra M. Mohite (Chairman) and son of Mr. Anasaheb R Mohite, (Managing Director) and Mrs. Anjali A. Mohite (Associate Vice President) of the company

III Other Information :

- | | |
|---|--|
| (1) Reasons for Loss or inadequate of profit | : a) Overall recession and meltdown in the economy thereby reducing sales turnover substantially.
b) Huge Investment in new "Yarn Dyed Shirting Project" thereby increasing the expenses (particularly depreciation, finance cost).
c) Lower capacity utilization. |
| (2) Steps taken or proposed to be taken for improvement | : a) We are in the process of streamlining our marketing setup. |
| (3) Expected increase in productivity and profits | : a) With 100% capacity the company would be able to turn out around 8 million mtrs processed yarn dyed shirting fabric per annum.
b) With 100% capacity utilization company would able to achieve higher returns. |
| (4) Notice Period | : 6 Months for both appointments. |

As per the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance, the Remuneration Committee of the company has approved the remuneration stated in the resolutions. Details of remuneration paid to all the directors have been given in the "Corporate Governance Report" attached to this report.