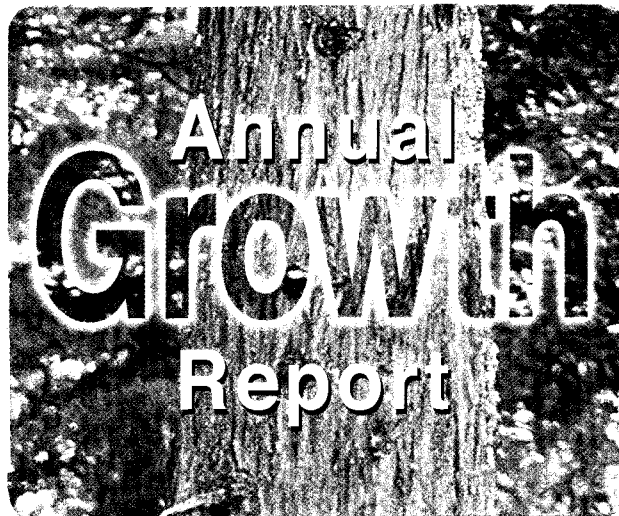



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2003

ABHISHEK INDUSTRIES LIMITED





Annual Growth Report

Board of Directors

Sh Viswajeet Khanna, IAS

Sh S K Tuteja, IAS

Sh Chandra Mohan

Sh S C Bhatia

Sh L N Vaz

Ms Pallavi Shroff

Sh Rajinder Gupta

Company Secretary

Sh Pawan Jain

Statutory Auditors

M/s S C Vasudeva & Co.

Chartered Accountants

Management Auditors

M/s A F Ferguson & Co.

Chartered Accountants

Cost Auditors

M/s Ramanath Iyer & Co.

Cost Accountants

Solicitors

M/s Amarchand & Mangaldas

& Suresh A Shroff & Co.

Advocates & Solicitors

Bankers

State Bank of India

Punjab National Bank

State Bank of Patiala

Canara Bank

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Dear Shareholder

We have the attitude and ability to turn challenges into opportunities, in setting standards for innovations and advancements, with a focussed approach towards the future.

The year 2003 has been full of activities, as we have been expanding capacities for our businesses and investing in state-of-the-art technologies for process improvements and new product development. The Business Process Re-engineering undertaken during the year, has helped us in strengthening our long-term relationships with our Business Associates.

With total commitment towards offering 'ONE STOP SOLUTIONS' to our customers, we have embarked upon an expansion of Rs.9120 million. The expansion entails an outlay of Rs.3000 million for Terry Towels and Yarn, which will be up and running by July 2004 and Rs.6120 million for Pulp & Paper, Chemical Recovery and Power Co-generation project, which will be fully operational by early 2006.

These investments will enable us to achieve vertical integration, effective supply chain management, enhance product quality, ensure on time delivery and enable us to offer competitive pricing to our customers.

I'm happy to state that the best available technology is being implemented to ensure world-class product quality and state-of-the-art effluent treatment that meets global standards.

We have been proactively investing in vital resources such as, Human Capital, Systems & Procedures and Knowledge Management, to shorten the learning curve and to achieve process standardization. Also, we have redoubled our commitment to Corporate Governance and Social Responsibility.

With the master pattern in place, we are ready to weave our way to an even brighter tomorrow.

A handwritten signature in black ink, appearing to read 'Rajinder Gupta'. The signature is stylized with a large, looped 'R' and a cross-like mark at the end.

Warm regards,

Rajinder Gupta

Abhishek Industries - creating value

Abhishek Industries Limited is a diversified company with business interests ranging from terry towels, terry products, 100% cotton & polyester / blended yarns, writing & printing papers, sulphuric acid to Information Technology. Abhishek Industries' total commitment to excellence has made it one of the largest manufacturers and exporters of terry towels in India.

With an annual turnover of over Rs.5000 million including exports of over Rs.2000 million and a status of Government Recognised Export House, Abhishek Industries has a major presence in the US, the EU, Asia Pacific and the ever expanding sub-continental markets.

The Company is investing Rs.3000 million for expansion of its Terry Towels & Yarn businesses, which will be operational by July 2004. Having state-of-the-art technology and a capacity of over 100 million pieces per annum, will make the unit amongst the top 5 in the world.

The Company is also undergoing expansion in Pulp & Paper, Chemical Recovery and Power Co-generation, at a capital outlay of over Rs.6120 million, which will be implemented in a phased manner and will be operational by early 2006.

As part of our belief in the philosophy of continuous growth, the Company has expanded its product portfolio to unleash tremendous business potential.

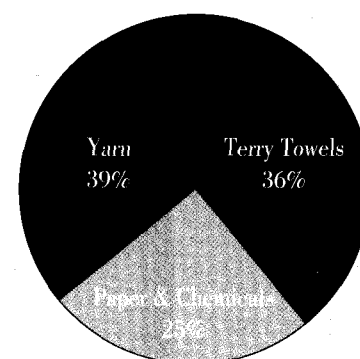
We are heading towards a brighter tomorrow since the future is Trident.



Year 2003 - Overall growth

Financials (Rs. million)

• Turnover	5388
• Net Sales	4638
• Exports	2076
• Gross Profit	1087
• Cash Profit	884
• Net Profit	359
• Fixed Assets	5466
• Net Worth	2701



Sales Revenue

Key Indicators

• Gross Profit Margin	23%
• Net Profit Margin	8%
• Return on Net Worth	13%
• Export Sales/Net Sales	45%
• Debt/Equity	0.70
• CEPS (Rs)	4.55
• EPS (Rs)	1.84
• BVPS (Rs)	13.91



Our growth - Shining bright

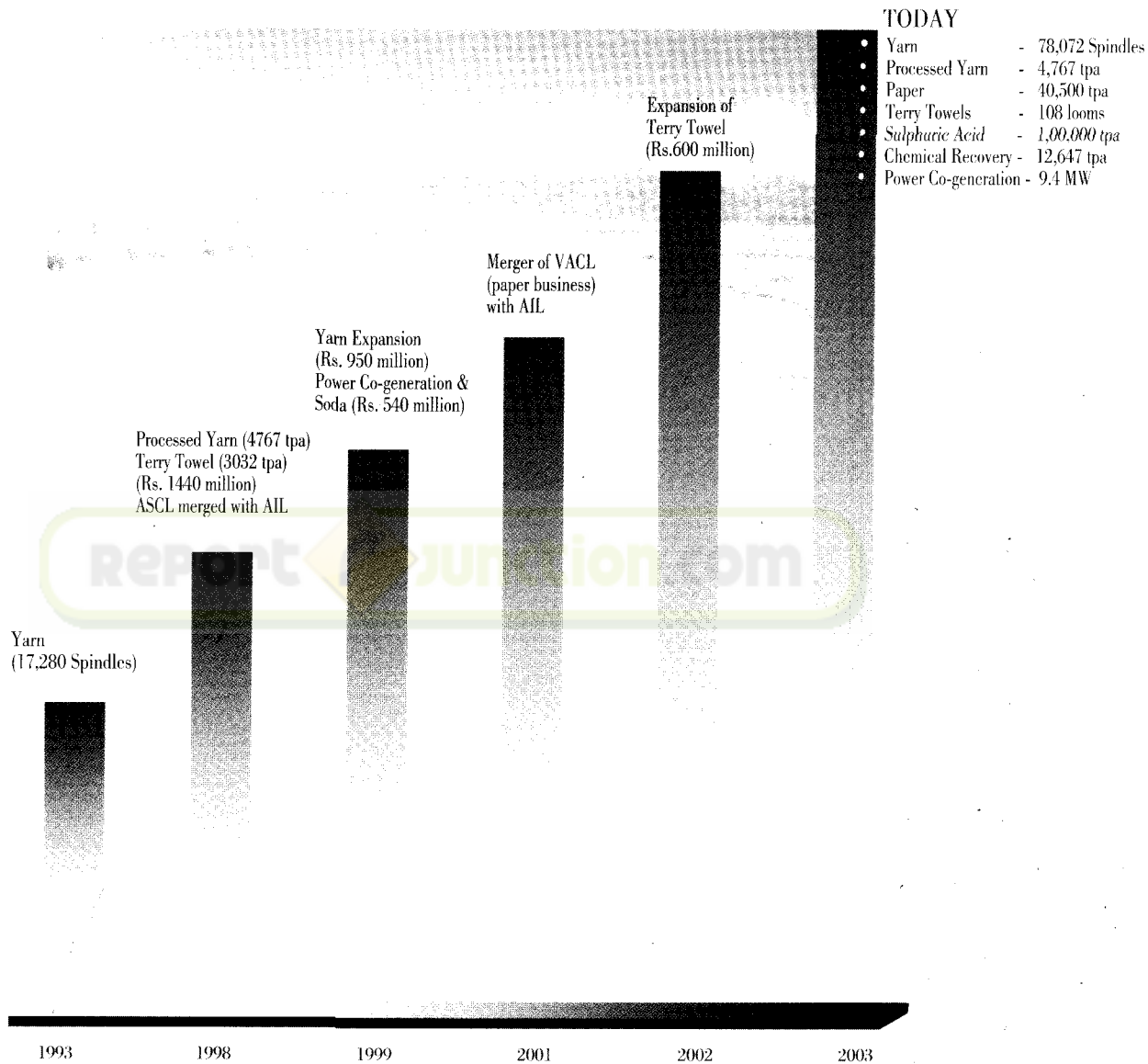
Rs. million

Profit & Loss Account for the year ended	31/12/99	31/12/00	31/3/02	31/12/02	31/12/03
No. of months	12	12	15	9	12
Turnover	1,820	2,994	4,923	3,574	5,388
Other Income	29	43	26	18	61
Total Income	1,849	3,037	4,949	3,592	5,449
Operating Expenditure	1,446	2,440	3,917	2,803	4,362
Profit Before Interest, Depreciation and Tax (PBIDT)	403	597	1,032	789	1,087
Interest	266	343	446	188	203
Profit Before Depreciation and Tax (PBDT)	137	254	586	601	884
Depreciation & Misc. Exp.	187	215	382	280	404
Profit Before Tax (PBT)	(50)	39	204	321	480
Provision for Taxation	-	-	61	131	121
Profit After Tax (PAT)	(50)	39	143	190	359

Balance Sheet as at	31/12/99	31/12/00	31/3/02	31/12/02	31/12/03
Sources of Funds	2,761	2,879	4,374	4,255	5,064
Shareholders' funds	751	790	2,050	2,388	2,746
Secured Loans	1,990	1,989	2,143	1,561	1,930
Unsecured Loans	20	100	9	11	11
Total Loan Funds	2,010	2,089	2,152	1,572	1,941
Deferred tax liability	-	-	172	295	377
Application of Funds	2,761	2,879	4,374	4,255	5,064
Fixed Assets (Net Block)	2,032	2,040	2,881	2,689	2,943
Investments	62	-	76	51	88
Current Assets, Loans & Advances	838	1,147	1,594	1,741	2,640
Current Liabilities and Provisions	182	314	272	295	652
Net Current Assets	656	833	1,322	1,446	1,988
Miscellaneous Expenditure	11	6	95	69	45

* Merger of erstwhile Varinder Agro Chemicals Limited with Abhishek Industries Limited

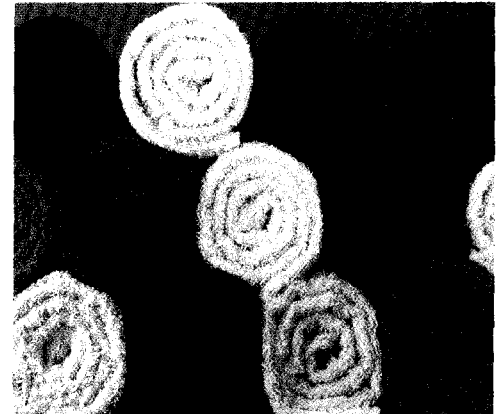
A Successful journey



- Last 10 Years' CAGR over 35%
- Focus on high value added products
- Improving profitability through Process Optimization

Growing capacities

Yarn	78,072 Spindles
Processing of Yarn	4,767 tpa
Terry Towels	108 looms
Paper	40,500 tpa
Sulphuric Acid	1,00,000 tpa
Chemical Recovery	12,647 tpa
Power Co-generation	9.4 MW



Diversified portfolio

Yarn

- 100% Cotton Yarn (Grey/Dyed/Mercerised)
- Single & TFO Doubled
- Hosiery & Weaving (Combed & Carded)
- Poly Cotton blended Yarn
- 100% Poly Spun Yarn (Combed & Carded)

Terry Towels

- Piece Dyed Dobbies
- Yarn Dyed Single & Double Jacquards
- Unidyed Jacquards
- Yarn Dyed Stripes, Weft Inserts & Checks
- Terry & Velour Finish
- Bath Robes
- Bath Sheets & Bath Mats
- Bath, Beach, Gym, Hand, and Kitchen Towels
- Face Fringes & Table Linens

Paper

- Writing & Printing
- Cream Wove
- Deluxe Super Print
- NSSM
- Watermark Paper

Chemicals

- Sulphuric Acid
- Soda

