



## Abhishek Industries Limited

Registered Office: Trident Complex, Raikot Road, Barnala – 148 101, Punjab

# NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of **ABHISHEK INDUSTRIES LIMITED** will be held on Saturday, the 25th day of September, 2010 at 10.30 A.M. at the Registered Office of the Company at Trident Complex, Raikot Road, Barnala, Punjab to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010; Profit and Loss Account and Cash Flow Statement for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr S K Tuteja, who retires and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms Pallavi Shroff, who retires and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr Rajiv Dewan, who retires and being eligible, offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and pass following resolution thereof:

"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, New Delhi, (Registration No. 015125N), be and are hereby re-appointed as statutory auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration including reimbursement of traveling and other out of pocket expenses as may be fixed by the Managing Director of the Company."

### Special Business

#### 6. Appointment of Director

*To consider and, if thought fit, to pass with or without*

*modification(s), the following resolution as an Ordinary resolution:*

"RESOLVED THAT Mr. Anurag Agarwal, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company subject to annual retirement under the Articles of Association of the Company."

#### 7. Appointment of Director

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

"RESOLVED THAT Dr. M A Zahir, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company subject to annual retirement under the Articles of Association of the Company."

#### 8. To take note of the result of postal ballot conducted for matters requiring shareholders approval

To take note of the result to be submitted by the Scrutinizer for Resolutions proposed to be passed separately through postal ballot pursuant to the provisions of Section 192A and all other applicable provisions of the Companies Act, 1956 for matters requiring shareholders approval.

By Order of the Board  
For Abhishek Industries Limited

#### Registered Office:

Trident Complex, Raikot Road  
Barnala-148 101, Punjab  
Dated: July 21, 2010

Pawan Jain  
Company Secretary

### NOTES:

- i. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member. Proxy form in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting. A proxy so appointed shall not have any right to speak at the meeting. The blank proxy form is enclosed.
- ii. The Register of Members and Share Transfer Books of the

Company will remain closed from Saturday, the 18th day of September, 2010 to Saturday, the 25th day of September, 2010 (both days inclusive) for the purpose of Annual General Meeting.

- iii. Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.

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| <ul style="list-style-type: none"> <li>iv. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 6 &amp; 7 are annexed hereto and forms part of this Notice.</li> <li>v. Members desirous of getting any information on Accounts or other items of Agenda are requested to forward their queries to the Company at least ten working days prior to the date of Annual General Meeting so as to enable the Management to keep the information ready.</li> <li>vi. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.</li> <li>vii. Members are requested to notify immediately the change in their address, if any, to the Company or its Share Transfer Agent and in case the shares are held in dematerialized form, this information should be passed on to their</li> </ul> | <p>respective Depository Participants without any delay and should always quote their folio number or DP ID &amp; Client ID, as the case may be, in all correspondence.</p> <ul style="list-style-type: none"> <li>viii. Members/Proxies attending the Meeting are requested to bring their copy of Annual Report with them at the Meeting and deliver the enclosed attendance slip at the entrance of the meeting hall.</li> <li>ix. <b>Re-appointment of Directors</b><br/>Pursuant to the provisions of Articles of Association, Mr. S K Tuteja, Ms. Pallavi Shroff and Mr. Rajiv Dewan, Directors are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The brief resumes of all these directors and other information as per Clause 49 of the Listing Agreement with Stock Exchanges are provided elsewhere in the Annual Report.</li> </ul> |
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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 6

#### Appointment of Director

Mr. Anurag Agarwal was appointed as an Additional Director on the Board w.e.f. July 21, 2010 in terms of Article 161 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting and is eligible for appointment as Director. The Company has received a notice in writing from a shareholder under Section 257 of the Companies Act, 1956 proposing his name for the appointment as Director of the Company. Mr Anurag Agarwal, aged 44 years, is B.Tech (Engineering) and P.G. (Management) by qualification and is an IAS officer, currently occupying the position of Managing Director of Punjab State Industrial Development Corporation Limited. He joined Indian Administrative Services in 1990 and since then he has been diligently serving the government at higher post. Mr Agarwal holds directorship of various listed and unlisted companies which include Indian Acrylics Limited, Punjab Alkalies & Chemicals Limited, Milk Specialities Limited, Punjab Venture Investors Trust Limited and Gidderbaha Power Limited. No equity share of the Company is being held by Mr Anurag Agarwal.

Your Directors consider that the Company would be benefited by the mature advice of Mr. Anurag Agarwal and recommend the acceptance of the resolution.

None of the Directors is interested in the resolution except Mr. Anurag Agarwal, the proposed appointee.

### Item No. 7

#### Appointment of Director

Dr. M A Zahir was appointed as an Additional Director on the Board w.e.f. July 21, 2010 in terms of Article 161 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting and is eligible for appointment as Director. The

Company has received a notice in writing from a shareholder under Section 257 of the Companies Act, 1956 proposing his name for the appointment as Director of the Company. Dr. M A Zahir, aged 67 years, is Phd by qualification. He is well known management guru and former professor of management and Dean (Retd.) of Punjab Agriculture University. He is founder & chairman of Syntec Business School (SBS), a B-School at Ludhiana. He has vast experience in the field of providing consultancy and imparting training to corporate houses. Dr M A Zahir holds directorship in various listed and unlisted companies which include Hero Cycles Limited, Hero Honda Finance Limited, Ralson India Limited, Rockman Industries Limited, IOL Chemicals and Pharmaceuticals Limited, Sohrab Spinning Mills Limited, Lotus Integrated Texpark Limited, Praneel Corporate Services Limited and Majestic Auto Limited. He is also occupying the position of Chairman of Audit Committee in Praneel Corporate Services Limited, IOL Chemicals & Pharmaceuticals Limited and Rockman Industries Limited and member of Audit Committee in Hero Cycles Limited and Lotus Integrated Texpark Limited. He is also Chairman of Investor Grievance and Share Transfer Committee of Praneel Corporate Services Limited. Dr M A Zahir holds 5373 equity shares of the Company.

Your Directors consider that the Company would be benefited by the mature advice of Dr. M A Zahir and recommend the acceptance of the resolution.

None of the Directors is interested in the resolution except Dr. M A Zahir, the proposed appointee.

By Order of the Board  
For **Abhishek Industries Limited**

#### Registered Office:

Trident Complex, Raikot Road  
Barnala-148 101, Punjab  
Dated: July 21, 2010

**Pawan Jain**  
Company Secretary



Abhishek Industries Limited

Registered Office: Trident Complex, Raikot Road, Barnala – 148 101, Punjab

ATTENDANCE SLIP

Member's Folio No. : .....  
Client ID No. : .....  
DP ID No. : .....  
Name of the Member : .....  
Name of Proxy holder : .....  
No of Shares held : .....

I hereby record my presence at the **20th ANNUAL GENERAL MEETING** of the Company held on **Saturday, the 25th day of September 2010 at 10.30 A.M.** at the Registered Office of the Company at Trident Complex, Raikot Road, Barnala, Punjab

Signature of Member/Proxy

Notes :

1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of Annual Report.



Abhishek Industries Limited

Registered Office: Trident Complex, Raikot Road, Barnala – 148 101, Punjab

PROXY FORM

Member's Folio No. / Client ID : .....

I/We ..... of ..... in the district of ..... being a member/members of **ABHISHEK INDUSTRIES LIMITED**, hereby appoint ..... of ..... in the district of ..... or failing him/her ..... of ..... in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the **20th ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, the 25th day of September 2010 at 10.30 A.M.** and at any adjournment thereof.

Signed this ..... day of ..... 2010

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Revenue  
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Note :

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING







# HANDS ON

Abhishek Industries Limited | 20th Annual Report 2009-10



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In business,  
raising the bar means  
addressing challenges.  
Overcoming challenges  
leads to achievement.  
Achievement comes from a  
directness of purpose.  
Directness of purpose comes  
from a familiarity with reality.  
And a familiarity with reality  
comes from being  
**HANDS ON.**

# ABOUT ABHISHEK

**Abhishek Industries Limited** (incorporated in 1990) is the flagship of the Trident Group. The Company grew its balance sheet size to Rs 22,822.5 million as on March 31, 2010. Through commitment, perseverance and focus. Described in two words.

**HANDS ON.**

**Business divisions:** Home textile, yarn, paper, chemicals and captive power

**Manufacturing facilities:** Barnala (Punjab) and Budni (Madhya Pradesh)

**Reach:** Over 60 countries

**Listed:** Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

**Public shareholding:** 36.48 percent as on March 31, 2010

**Company identification number (CIN):** L99999PB1990PLC010307

**Employees:** Over 10,000 as on March 31, 2010

## Our positioning

- One of the world's largest terry towel manufacturers
- The world's largest wheat straw-based paper manufacturer
- One of India's largest yarn spinners
- Recognised by the ICSI as the best Indian company in adopting corporate governance practices
- India's largest terry towels exporter

## Our values

To provide customer satisfaction, through teamwork, based on honesty and integrity, for continuous growth and development

## Our vision

Inspired by challenge, we will add value to life, and together prosper globally

## Our corporate philosophy

To continue growth by leading national and international standards and ethical means, in harmony with the environment, ensuring customer delight, stakeholders' trust and social responsibility.

## Performance, 2009-10

### Financials

Total revenues: Rs	18,188.1	million	30	percent increase
EBIDTA: Rs	3,559.9	million	39	percent increase
EBIDTA margin:	19.5	percent	130	basis points increase
Export: Rs	8,394.8	million	22	percent increase

### Production

Terry towels	29,152	tonnes	3	percent increase
Yarn	48,115	tonnes	20	percent increase
Paper	1,23,639	tonnes	84	percent increase
Sulphuric acid	84,038	tonnes	38	percent increase

## MANAGING DIRECTOR'S MESSAGE

“We shall achieve our long-term goals and graduate to a leadership position across all our business segments, with the underlying objective of enhancing shareholder prosperity”



Dear shareholders,

Over the years, Abhishek Industries Limited has evolved with an ambition to emerge as a leader in its respective businesses and enhance shareholder prosperity.

Fortified with new learning and acumen, we at Abhishek have focused to create world-class infrastructure with global capacities that strengthen our foundation, enhance productivity and increase value-addition.

The economies and energies generated through initiatives are channelised to match best technology and quality with competitiveness, enhancing customer relationships and building new networks. We are leveraging these strengths, which enable us to service demand growth, leverage our production spread and widen our product mix and customer-centric approach.

Our untiring efforts in the past and our wisdom will now translate into stronger derisking, sustained business focus and a growing dependence on consensual decision-making for enhancing shareholder value.

While we pursue the target of creating a national brand and a US\$ 3000 million turnover by 2015, we are confident that we shall achieve our long-term goals and graduate to a leadership position across all our business segments, with the underlying objective of enhancing shareholder prosperity.

With warm regards,

A handwritten signature in black ink, appearing to read 'Rajinder Gupta'.

Rajinder Gupta



# FINANCIAL HIGHLIGHTS

## Financial performance

(Rs million)

Period ended	March 2006	March 2007	March 2008	March 2009	March 2010
Gross turnover*	8,885	9,860	12,062	15,456	19,768
Net sales	7,436	8,166	10,487	13,981	18,034
Exports	4,190	4,352	5,193	6,862	8,392
Gross profit (PBITD)	1,588	1,794	1,818	2,570	3,560
Net profit after tax	568	409	400	(530)	565
Net worth	3,585	3,995	4,452	4,463	5,028
Fixed assets (gross block)	10,074	12,101	13,273	21,032	23,388
Current assets (net)	2,863	3,372	2,785	2,364	5,285

\* Includes inter-segment sales

## Key financial indicators

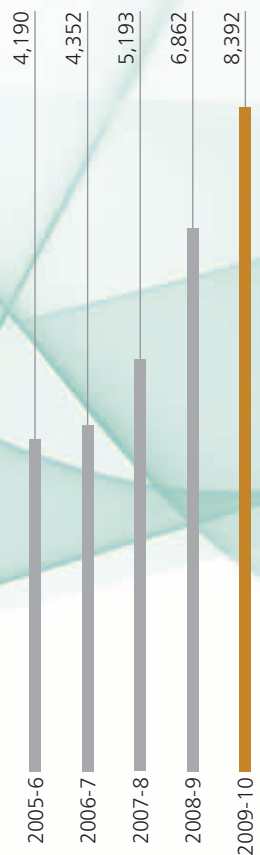
Period ended	March 2006	March 2007	March 2008	March 2009	March 2010
Gross profit margin (percent)	21	22	17	18	20
Return on net worth (percent)	16	10	9	--	11
Export sales/net sales (percent)	56	53	50	49	47
Debt/equity	1.92	2.48	2.88	3.49	3.40
CEPS (Rs)	6.35	6.46	6.32	2.83	10.39
EPS (Rs)	2.93	2.11	2.06	(2.64)	2.54
Book value/share (Rs)	18.12	20.57	22.92	20.09	22.63
Turnover per share (Rs)	45.75	50.77	62.11	69.56	88.97

## Financial graphs

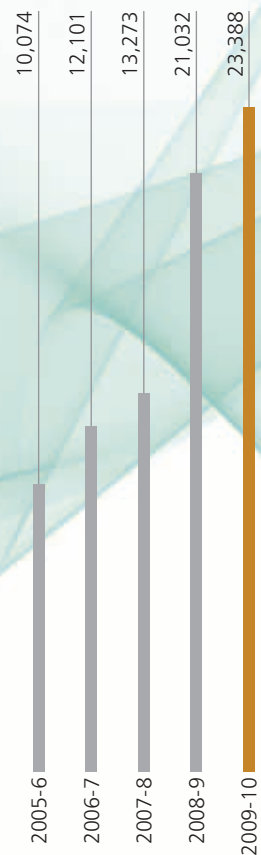
Net sales (Rs million)



Exports (Rs million)



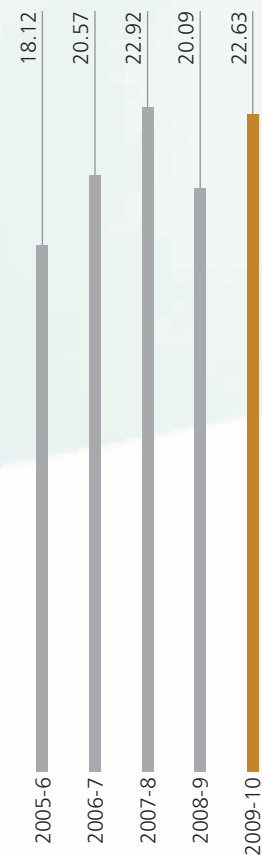
Fixed assets (gross block) (Rs million)



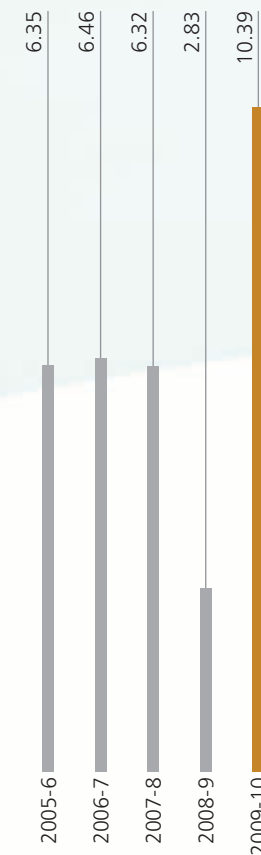
Net worth (Rs million)



Book value/share (Rs)



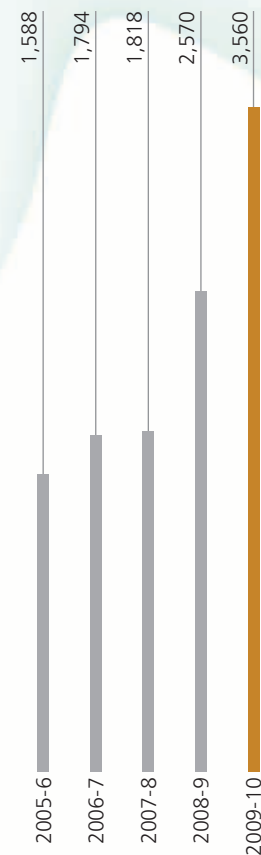
Cash EPS (Rs)



Turnover/share (Rs)



Gross profit (Rs million)



## HANDS ON

### In recognising early trends and planning capacity expansion

Early in its existence, the Company recognised the growing need for environment-friendly paper, world-class yarn quality and a growing preference for terry towels based on the rationale that global consumption would grow, India's enduring under-consumption would correct and there would always be a wider market for better products.

The Company responded with corresponding investments in state-of-the-art manufacturing assets, systems and human capital.

- The Company entered the business of yarn spinning in 1992. It increased its yarn spindlage from 17,280 in 1993-94 to 224,448 in 2009-10. The revenue from our yarn business increased from Rs 248.31 million in 1993-94 to Rs 6,167 million in 2009-10. The total capital employed in the yarn business was Rs 8,837.9 million as on March 31, 2010.
- The Company entered the business of terry towel manufacture in 1998. The Company increased its loomage from 66 in 1998-99 to 374 in 2009-10. Revenues from the terry towel business increased from Rs 523.62 million in 1998-99 to Rs 8,482.5 million in 2009-10. The total capital employed in the terry towel business was Rs 5,638.4 million as on March 31, 2010.
- The Company entered the business of agro-based paper manufacture in 2002. The Company increased its installed capacity from 34,250 tpa in 2001-2 to 1,75,000 tpa in 2009-10. The revenue from our paper business increased from Rs 656.71 million in 2001-2 to Rs 4,951.8 million in 2009-10. The total capital employed in the paper business was Rs 6,761.6 million as on March 31, 2010.

**The result:** The Company is now one of India's largest yarn spinners, one of the world's largest terry towel manufacturers and the world's largest wheat straw-based paper manufacturer.