



Corporate governance report

“The core values of Abhishek are four strong pillars of its governance system. Abhishek is of the firm belief that building a culture of compliance is more than meeting regulations and standards. The Company has always been proactive in meeting mandated standards and practicing corporate governance in spirit.”

- Extract from ICSI Citation while conferring the 'National Award for Excellence in Corporate Governance, 2006' on the Company.

Company's philosophy on corporate governance

Corporate governance at Abhishek cares for overall well-being and welfare of all constituents of the system and takes into account stakeholders' interest in every business decision. The Company has laid a strong foundation for making corporate governance a way of life by constituting a Board with balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place the best system, process and technology.

The Company is committed to pursue growth by adhering to the highest national and international standards of corporate governance. The Company's philosophy on corporate governance is based on the following principles:

- Lay solid foundation for management
- Structure the Board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosures
- Recognise and manage business risks
- Respect shareholders' rights
- Encourage enhanced performance

- Remunerate fairly and responsibly
- Recognise stakeholders' legitimate interest
- Legal and statutory compliances in its true spirit

The Board of the Company has adopted 'Combined Code of Corporate Governance and Conduct' based on the principles of good corporate governance and best management practices being followed globally besides complying with the needs of the law of land. The Combined Code of Corporate Governance and Conduct is available on the official website of the Company: www.tridentindia.com.

The Company has firm belief that an organisation's governance system depends upon commitment to its values. The Company has four core organisational values, viz; customer satisfaction; teamwork; honesty and integrity; and continuous growth and development, which reflect deeply held beliefs and values of all members of the organisation. These values supplement the governance philosophy of the Company.

The Company's proactiveness in adopting innovative practices, unique concepts, high standard of transparency, social initiatives and compliance in spirit has culminated in the 'ICSI National Award for Excellence in Corporate Governance' for the year 2006.



Board of directors

The Board comprises seven directors, of which more than 85% are Non-executive directors and 71% are Independent directors. The Company has a Non-executive and independent Chairman. None of the directors on the Board is a member of more than five Board level committees as required under the Code.

Board's definition of an Independent director

Independent director shall mean a Non-executive director of the Company who:

- a) apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its senior management or its holding Company, its subsidiaries and associated companies;
- b) is not related to the promoters, Chairman, Managing director, Whole time director, Secretary, CEO or CFO and of any person in the management at one level below the board;
- c) has not been an executive of the Company in the immediately preceding three financial years;
- d) is not a partner or an executive of the statutory audit firm or the internal audit firm that is associated with the Company, and has not been a partner or an executive of any such firm

for the last three years. This will also apply to the legal firm(s) and consulting firm(s) that have a material association with the entity.

- e) is not a supplier, service provider or customer of the Company. This should include lessor-lessee type relationships also; and
- f) is not a substantial shareholder of the Company, i.e., owning two percent or more of the block of voting shares.

The Board of the Company has also decided that materiality of relationship with directors shall be ascertained on the following basis:

- The concept of materiality is relevant from the recipient's point of view and not from that of the Company;
- The term 'material' needs to be defined in percentage. Ten percent (10%) or more of recipient's gross revenue/receipt for the preceding year should form a material condition affecting independence.

Based on the above test of independence, Mr S.K. Tuteja, Ms Pallavi Shroff, Ms Ramni Nirula, Mr Rajiv Dewan and Mr Ajay Relan are categorised as Independent directors.

Other details relating to the Board are as follows:

Name	Designation	Category	Shareholding in Company (no. of shares)	No. of directorships held in all public companies #	No. of Board Committees memberships held in all public companies @	No. of Board Committees Chairmanships held in all public companies @
Mr S.K. Tuteja	Chairman	Non-executive, Independent	–	8	5	3
Mr Rajinder Gupta	Managing director	Executive	588,266	12	1	–
Ms Pallavi Shroff	Director	Non-executive, Independent	–	5	1	–
Ms Ramni Nirula	Director	Non-executive, Independent	–	5	3	–
Ms Ravneet Kaur	Director	Non-executive	–	1	–	–
Mr Rajiv Dewan	Director	Non-executive, Independent	23,290	11	5	–
Mr Ajay Relan	Director	Non-executive, Independent	–	10	2	1

Including Abhishek Industries Limited and excluding private and foreign companies

@ Board Committee for this purpose includes Audit Committee and Shareholders/Investors' Grievance Committee (including Board Committees of Abhishek Industries Limited)

Number of Board Meetings

Five Board meetings were held from April 1, 2006 till March 31, 2007 and there was a maximum time gap of not more than 87 days between two consecutive Board meetings. The information as required under Clause 49 of the Listing Agreement and Combined Code of Corporate Governance and Conduct were made available to the members of the Board.

Attendance of each director at the Board Meetings and the last AGM

Name of the Director	Board Meeting					AGM
	May 24, 2006	June 05, 2006	July 31, 2006	October 27, 2006	January 20, 2007	September 27, 2006
Mr S.K. Tuteja	●	●	●	●	●	●
Mr Rajinder Gupta	●	●	●	●	●	●
Ms Pallavi Shroff	●	●	●	●	●	●
Ms Ramni Nirula	●	●	●	●	●	●
Ms Ravneet Kaur	●	●	●	●	●	●
Mr Rajiv Dewan	●	●	●	●	●	●
Mr Ajay Relan	●	●	●	●	●	●

● Attended the meeting

● Leave of absence

Board agenda and minutes

The Company holds atleast four Board meetings in a year, one in each quarter to review the financial results and other items of the agenda and the gap between the two Board meetings do not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the Board's consideration.

All the departments in the Company communicate to the Company Secretary well in advance about matters requiring approval of the Board/Committees of the Board to enable him to include the same in the agenda for the Board/Committee meeting(s).

Agenda papers are generally circulated to the Board members well in advance before the meeting of the Board. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans, budgets and any updates.
- Capital budgets and updates, if any.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Legal compliances report and certificate.
- Accounts relating to subsidiary companies.
- Information on recruitment, resignation and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices issued against the Company having material impact.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-recoveries against sale, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any.

- Details of joint venture or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant development on the human resources/industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc, if any.
- Sale of material, nature of investments, subsidiaries, assets, which is not in the normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature, listing requirements or shareholder service such as non-payment of dividend, if any, and delay in share transfer, etc.

The Company Secretary while preparing the agenda and minutes of the Board meeting is required to ensure adherence to the applicable provisions of the law including the Companies Act, 1956. The applicable secretarial standards issued by the Institute of Company Secretaries of India (ICSI) are also being complied with by the Company. The draft minutes of the proceedings of each Board meeting duly initialed by the Chairman of the meeting are circulated to the members of the Board for their comments and then, confirmed by the Board in its next meeting. The Board also takes note of the minutes of the committee meetings duly approved by their respective Chairman.

Remuneration policy of Directors

Executive director

The remuneration paid to the Executive director is recommended by the Remuneration Committee and approved by the Board of Directors subject to shareholders' approval in the General Meeting and such authorities, as the case may be. The synopsis of approvals for the remuneration paid to Mr Rajinder Gupta, Managing director for the year ended March 31, 2007 is given hereunder:

Sr. no.	Approving authority	Date of approval
1	Remuneration Committee	25.01.2006
2	Board of Directors	25.01.2006
3	Shareholders in Extraordinary General Meeting	18.03.2006

Non-executive director

Non-executive directors are paid by way of sitting fee for the meetings of Board and Committee, if any, attended by them. The remuneration paid to the Non-executive directors is approved by the Board of Directors, subject to the approval of shareholders in the General Meeting. The synopsis of the approvals for sitting fees paid to Non-executive directors for the

year ended March 31, 2007 is given below:

Sr. no.	Approving authority	Date of approval
1	Board of Directors	24.10.2003
2	Shareholders in Extraordinary General Meeting	12.12.2003

During the period 2006-7, the Company did not advance any loan to any of its Directors. As of now, the Company does not have any Employee Stock Option Plan (ESOP). The details of the remuneration paid to the Directors alongwith their relationships and business interests are detailed below:

Relationships of Directors, their business interests and remuneration

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid/payable during the year ended March 31, 2007			
			Sitting fee	Salary and perks	Commission	Total
Mr S.K. Tuteja	None	None	3,40,000	-	-	3,40,000
Mr Rajinder Gupta	None	None	-	2,40,00,000	63,36,283	3,03,36,283
Ms Pallavi Shroff	None	Partner Amarchand & Mangaldas & Suresh A Shroff & Co., Solicitors to the Company	60,000	-	-	60,000
Ms Ramni Nirula	None	Nominee of ICICI, a lender to the Company	80,000*	-	-	80,000*
Ms Ravneet Kaur	None	Nominee of PSIDC, an equity investor in the Company	-	-	-	-
Mr Rajiv Dewan	None	None	3,20,000	-	-	3,20,000
Mr Ajay Relan	None	None	20,000	-	-	20,000

* The sitting fee has been paid to the respective nominating institutions.

The Company has also taken Directors' and Officers' (D&O) Liability Insurance to protect its Directors' personal liability for financial losses that may arise out of their unintentional wrongful acts.

Pecuniary relationship or transaction of Non-executive directors vis-à-vis the Company

The Company does not have any direct pecuniary relationship/transaction with any of its Non-executive directors. However, a monthly sum of Rs 75,000 is being paid to M/s Amarchand & Mangaldas & Suresh A Shroff & Co., Solicitor to the Company towards retainership fees. Ms Pallavi Shroff, a Non-executive director of the Company is partner of M/s Amarchand & Mangaldas & Suresh A Shroff & Co. However, the above payment does not affect the independence of Ms Pallavi Shroff as the same is not material as per criteria fixed by the Board.

Criteria for payment of commission

In addition to the monthly remuneration, the Managing director is also entitled to receive commission at the rate of one percent of the net profits of the Company as computed under Section 349 of the Companies Act, 1956, as per the terms of his appointment recommended by the Remuneration Committee in

its meeting held on January 25, 2006 and approved by the Board in its meeting held on January 25, 2006 and the shareholders in their Extraordinary General Meeting held on March 18, 2006.

Termination of agreement with Managing director and severance fees

The employment of Managing director shall terminate automatically in the event of his ceasing to be a Director of the Company in the General Meeting and/or in the event of his resignation as a Director of the Company and subsequent acceptance of the resignation by the Board.

Holding of directorships in other Companies

The Directors of the Company also hold positions as directors, committee members, trustees, partners and shareholders in other companies, trusts, associations and firms. The committee memberships/chairmanships held by the Directors in other corporates are in compliance with Clause 49 of the Listing Agreement. Details of the same are as follows:

Mr S.K. Tuteja		
Chairman	- Central Warehousing Corporation	
	- Swaraj Mazda limited	
	- Shri Renuka Infraprojects Limited	
	- Central Warehousing Cold Chain (P) Limited	
Director	- Lotus Infrabuild Limited	
	- Lotus Integrated Texpark Limited	
	- Shri Renuka Sugar Limited	
	- Mundra Port and Special Economic Zone Limited	
	- HMT Limited	
Chairman	- Audit Committee	- Swaraj Mazda Limited
Member	- Share Transfer and Investors' Relationship Committee	- Swaraj Mazda Limited
	- Audit Committee	- Mundra Port and Special Economic Zone Limited

Mr Rajinder Gupta	
Chairman	– Abhishek Energy Corporation Limited
	Himalayan Ayurvedic & Agro Research Centre Limited
	Madhuraj Foundation Limited
	Madhuraj Agrotech Limited
	Abhishek Global Ventures Limited
Director	– Trident Spinfab Corporation Limited
	Abhishek Industries Inc.
	Trident Infotech Inc.
	Lotus Integrated Texpark Limited
	Lotus Infrabuild Limited
	Trinetra Technologies Limited
	Praneel Innovations Limited
Abhishek Ventures & Projects Limited	
Shareholding > 2%	– Abhishek Energy Corporation Limited
	Madhuraj Foundation Limited
	Trident Infotech Corporation Limited
	Trident Cotton Limited
	Trident Towels Limited
Lotus Integrated Texpark Limited	

Ms Pallavi Shroff		
Director	– Maruti Udyog Limited	
	Kotak Mahindra Old Mutual Life Insurance Limited	
	BAG Films Limited	
	Juniper Hotels (P) Limited	
	IndusInd Bank Limited	
Partner	– M/s Amarchand & Mangaldas & Suresh A Shroff & Co.	
Member	– Audit Committee	– Maruti Udyog Limited
	Audit Committee	– Juniper Hotels (P) Limited

Ms Ramni Nirula		
Director	– Ballarpur Industries Limited	
	ICICI Web Trade Limited	
	ICICI Comm Trade Limited	
	Haldia Petro Chemicals Limited	
	Welham Girls High School	
Member	– Audit Committee	– Ballarpur Industries Limited
	Audit Committee	– Haldia Petrochemicals Limited

Mr Rajiv Dewan		
Director	–	Malwa Industries Limited
		Punjab Communications Limited
		Malwa Millenium Designs Limited
		Madhuraj Agrotech Limited
		Lotus Integrated Texpark Limited
		Lotus Infrabuild Limited
		Trinetra Technologies Limited
		Praneel Innovations Limited
		Abhishek Global Ventures Limited
		Abhishek Ventures & Projects Limited
Partner	–	R Dewan & Co.
Member	–	Audit Committee
		– Punjab Communications Limited
		Investors' Grievance Committee
		– Punjab Communications Limited
		Audit Committee
		– Malwa Industries Limited

Mr Ajay Relan		
Director	–	Citicorp Finance (India) Limited
		Techno Electric & Engineering Company Limited
		Micro Abrasives Limited
		Himadri Chemical & Industries Limited
		Suzlon Energy Limited
		Jubilant Organosys Limited
		HT Media Limited
		International Tractors Limited
		International Cars & Motors Limited
Chairman	–	Shareholders' Grievance Committee
		– H T Media Limited
Member	–	Audit Committee
		– H T Media Limited

A brief profile of the Directors is given elsewhere in this Annual Report, which forms part of the Corporate governance Report.

Board level committees

The Board has constituted various committees for smooth and efficient operation and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of the land. The draft minutes of the proceedings of each committee meeting duly initialed by the Chairman of the respective committee meeting are circulated to the members of that committee for their comments and then confirmed by the respective committee in its next meeting. The Board also takes note of the minutes of the meetings of the

committees duly approved by their respective Chairman and the material recommendations/decisions of the committees are placed before the Board for approval. The Chairman, quorum and the terms of reference of each committee have been approved by the Board.

Audit Committee

Terms of reference

The terms of reference of the Audit Committee are as per the Listing Agreement and the Companies Act, 1956. The broad

terms of reference of the Audit Committee as adopted by the Board are:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of the external auditor, fixation of audit fee and also approval for payment of any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any change in the accounting policies and practices
 - Major accounting entries based on exercise of judgement by management
 - Qualification in draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions, i.e., transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large
- d) Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussion with internal auditors on significant findings and follow-ups thereon
- g) Reviewing the findings of any internal investigations by internal auditors in matters of suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- h) Discussion with external auditors before the audit commences on the nature and scope of audit as well as a post-audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payments of declared dividends) and creditors.
- k) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

Apart from the above, the Committee also reviews other matters as required under Clause 49 of the Listing Agreement and other laws, rules and regulations.

Composition

The Audit Committee of the Company consists of three directors, all being Non-executive and independent. All members of the Audit Committee are financially literate and a majority of them have accounting or related financial management expertise.

Mr S.K. Tuteja	Independent director (Chairman of Committee)
Ms Ramni Nirula	Independent director
Mr Rajiv Dewan	Independent director

The Company Secretary acts as secretary to the Committee. The meetings of the Audit Committee are also attended by the statutory auditors, internal auditors, management and cost auditors and other senior personnel of the Company. The recommendations of the Audit Committee are reviewed, accepted and implemented, wherever necessary, by the Board.

Meeting details

Four Audit Committee meetings were held from April 1, 2006 till March 31, 2007 and there was a maximum time gap of not more than 87 days between two consecutive meetings. The required information as stipulated under Clause 49 of the Listing Agreement and Combined Code of Corporate Governance and conduct were made available to the members of the Audit Committee.

Attendance of each member at the Audit Committee meetings

Name of the member	May 24, 2006	July 31, 2006	October 27,2006	January 20,2007
Mr S.K. Tuteja	●	●	●	●
Ms Ramni Nirula	●	●	●	●
Mr Rajiv Dewan	●	●	●	●

● Attended the meeting

● Leave of absence

The last Annual General Meeting of the Company was held on September 27, 2006 at its registered office and was attended by Mr S.K. Tuteja, Chairman of the Audit Committee and Investors' Grievances and Share Transfer Committee of the Company.

Compensation Committee

Terms of reference

The Board in its meeting held on May 05, 2007 has changed the name of 'Remuneration Committee' to 'Compensation Committee.'

The broad terms of reference of the Compensation Committee of the Company are:

- To determine the remuneration packages of Executive directors/ Chief executive officers including the remuneration policy, pension rights and any compensation payments and/or stock options.
- To formulate detailed terms and conditions of the Employee Stock Option Scheme and/or Employee Stock Purchase Scheme (hereinafter referred as Scheme) from time to time, and to administer and supervise the same.
- To decide eligibility criteria and select employees to whom options shall be granted.
- To decide on offer, grant, vesting and exercise of options to be given to employees and to allot shares arising on exercise of options.
- To review the Scheme periodically and recommend appropriate modifications in the terms and conditions of the Scheme, if any, to the Board of Directors.

f) To ensure that the Scheme is implemented in accordance with the SEMI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

g) To take such steps and to do such acts, deeds, matters and things as may be deemed proper, necessary or incidental to the attainment of the above objects.

The remuneration policy of the Company is aimed at rewarding performance, based on regular review of achievements.

Composition

The Compensation Committee of the Company consists of three Directors. All members of the Committee are Non-executive and Independent directors.

Mr S.K. Tuteja	Independent director (Chairman of Committee)
Ms Pallavi Shroff	Independent director
Ms Ramni Nirula	Independent director

Meeting details

During the period from April 1, 2006 to March 31, 2007, no meeting of Compensation Committee was held, as there was no proposal for any stock option plan or variation in the terms of appointment of Executive director.

Investors' Greivance and Share Transfer Committee

Terms of reference

The functioning and broad terms of reference of the Investors'

Grievance and Share Transfer Committee as adopted by the Board are:

- a) To monitor work related to
 - transfer and/or transmission of equity/preference shares of the Company;
 - dematerialisation/rematerialisation of the shares of the Company;
 - subdivision, consolidation and/or replacement of any share certificate(s) of the Company.
- b) Approval of issue of duplicate share certificates against the original share certificates.
- c) Conversion of shares of erstwhile Abhishek Spinfab Corporation Limited and Varinder Agro Chemicals Limited into equity shares of the Company.
- d) To look into the redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, review of dematerialisation, rematerialisation, shareholding pattern, distribution schedules, etc.
- e) To provide for safe custody of the Common Seal of the

Company and authorise affixation of Common Seal on the share certificates.

- f) To do all other acts or deeds as may be necessary or incidental thereto.

The main object of the Investors' Grievance and Share Transfer Committee is to strengthen investor relations.

The Company Secretary, being the compliance officer, is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Investors' Grievance and Share Transfer Committee.

Composition

The Investors' Grievance and Share Transfer Committee of the Company consists of three directors, two of whom are Non-executive and independent and one is executive.

Mr S.K. Tuteja	Independent director (Chairman of committee)
Mr Rajinder Gupta	Managing director
Mr Rajiv Dewan	Independent director

Meeting details

Seven meetings of Investors' Grievance and Share Transfer Committee were held during April 1, 2006 to March 31, 2007.

Attendance of each member at the Investors' Grievance and Share Transfer Committee meetings

Name of the member	April 13, 2006	May 13, 2006	July 03, 2006	September 27, 2006	December 11, 2006	February 05, 2007	March 13, 2007
Mr S.K. Tuteja	●	●	●	●	●	●	●
Mr Rajinder Gupta	●	●	●	●	●	●	●
Mr Rajiv Dewan	●	●	●	●	●	●	●

- Attended the meeting
- Leave of absence

Complaint status

During the year under review, 46 (forty six) complaints were received from shareholders and all were disposed off. No complaint was pending as on March 31, 2007.

Other committees constituted by the Board

Apart from the above committees, the Board has constituted the following committees of the Directors for efficient and quick decision-making on the affairs of the Company.

Strategy Committee

Terms of reference

The broad terms of reference of the Strategy Committee as adopted by the Board are:

- a) To formulate long-term and strategic planning as well as resource management including human resource management of the Company.
- b) Formulation of corporate strategy, building of brand equity, planning, entering into external contracts, providing guidance to management and achievement of business plans.
- c) Formulation of annual business plans and devising means to achieve them, introduction of new technology, new initiatives and promote innovations through in-house Research and Development and functions.
- d) To transform the Company into a world-class, next-generation organisation that provides world-class products to corporations across the world, by use of state-of-the-art technology.
- e) To perform all functions/activities as may be assigned by the Board, from time to time.
- f) Supervise and monitor implementation of expansion projects.
- g) Appointment of architect(s), contractor(s) and consultant(s), etc. for implementation of expansion projects.
- h) Selection, finalisation and purchase of plant and machinery, etc.

i) Review of the following matters:

- A. Creation of shareholders' wealth
 - Maintenance of 50% CAGR
 - Review of Corporate Balance Score Card
 - EPS and EBITDA
 - Brand equity
- B. Performance of business assets
 - Economic value added (EVA)
 - Market value added (MVA)
 - Global benchmarking
- C. Human resources
 - Leadership development
 - Talent retention and team building
 - Talent pipeline

Composition

The Strategy Committee of the Company consists of executive and Non-executive directors with the majority of them being Non-executive Independent directors.

Mr S.K. Tuteja	Independent director (Chairman of committee)
Ms Pallavi Shroff	Independent director
Mr Rajinder Gupta	Managing director

Meeting details

As, during the year under review, the Board continuously reviewed the progress and status of all expansion projects, the meeting of Strategy Committee was not convened.

Screening Committee

Terms of reference

The broad terms of reference of the Screening Committee as adopted by the Board are:

- a) To determine the appropriate characteristics, skills and

experience for the Board as a whole as well as its individual members.

- b) Screening and selection process involved in selecting new directors and senior management personnel.
- c) To make recommendations to the Board and to shareholders on the induction of any new director and/or any senior management personnel.

Composition

The Screening Committee of the Company comprises Executive and Non-executive directors, the majority being Non-executive. One non-board member has expertise in HR-related activities.

Mr S.K. Tuteja	Independent director (Chairman of committee)
Mr Rajinder Gupta	Managing director
Ms Pallavi Shroff	Independent director
Dr M.A. Zahir	HR expert (Independent person)

Meeting details

A meeting of the Screening Committee was held between April 1, 2006 and March 31, 2007.

Attendance of each member at the Screening Committee meeting

Name of the member	May 24, 2006
Mr S.K. Tuteja	●
Mr Rajinder Gupta	●
Ms Pallavi Shroff	●
Dr M.A. Zahir	●

● Attended the meeting

Management

The Management discussion and analysis report is given elsewhere in this Annual report, which forms part of this Corporate governance report.

Shareholders

a) Disclosures regarding appointment/re-appointment of directors

Pursuant to the Articles of Association of the Company, all the Directors, for the time being except Managing director, shall retire and, if eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Accordingly, Mr S.K. Tuteja, Ms Pallavi Shroff, Ms Ramni Nirula, Ms Ravneet Kaur, Mr Ajay Relan and Mr Rajiv Dewan retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Screening Committee and the Board have recommended the re-election of all these Directors.

The brief profile of the Directors being re-appointed and other relevant information is given elsewhere in this Annual report, which forms part of the Corporate governance report.

b) Means of communication

The quarterly, half-yearly and annual financial results and quarterly shareholding pattern are posted on the Company's official website www.tridentindia.com. As per the requirements of the Listing Agreement, the Company also provides information to the stock exchanges and updates its website regularly to include new developments in the Company. The quarterly, half-yearly and annual results and quarterly shareholding pattern are also uploaded on the EDIFAR website of SEMI www.SEMI.gov.in. The Company Secretary being the compliance officer ensures the correctness and authenticity of the information posted on the said website.

All material information about the Company is promptly sent through facsimile to the stock exchanges where the shares of the Company are listed.

Full version of the Annual report including the Notice of Annual general meeting, Management discussion and analysis, Corporate governance report, Balance sheet, Profit and Loss account, Cash flow statement alongwith the schedules and notes thereon, Directors' report and Auditors' report are sent to shareholders within the stipulated time and also uploaded on the Company's official website www.tridentindia.com.

The Company generally publishes its financial results in Business Standard, The Economic Times and Desh Sewak. During the period under review, the Company published its financial results in the following newspapers:

Financial results	Newspapers	Date of publication
Unaudited financial results for the quarter ended June 30, 2006	• Business Standard	1.08.2006
	• Desh Sewak	1.08.2006
	• The Economic Times	1.08.2006
Unaudited financial results for the quarter ended September 30, 2006	• Business Standard	28.10.2006
	• Desh Sewak	28.10.2006
	• The Economic Times	30.10.2006
Unaudited financial results for the quarter ended December 31, 2006	• Business Standard	22.01.2007
	• Desh Sewak	22.01.2007
	• The Economic Times	22.01.2007
Audited financial results for the quarter and year ended March 31, 2007	• Business Standard	7.05.2007*
	• Desh Sewak	7.05.2007*
	• The Economic Times	7.05.2007*

* Proposed

c) Compliance officer

Mr Pawan Jain, Company Secretary is the compliance officer appointed by Board and can be contacted for any matter related to the Company. His contact nos. are +91-161-5039999, 2304000; fax no. is +91-161-5039900, 5038800 and e-mail ID is pawanjain@tridentindia.com.

d) Annual General Body Meetings of the Company

Details of last three Annual General Meetings of the Company is given hereunder:

AGM	Day	Date	Time	Venue	Special resolutions passed
16th	Wednesday	September 27, 2006	10.00 A.M.	Trident Complex, Raikot Road, Barnala	None
15th	Saturday	July 9, 2005	9.00 A.M.	Trident Complex, Raikot Road, Barnala	Two
14th	Thursday	April 15, 2004	10.00 A.M.	Trident Complex, Raikot Road, Barnala	None

Postal ballots

Following special resolutions were passed by postal ballot during the year 2006-7.

Sr. no.	Date of passing	Description of special resolution passed	Voting pattern		Remarks
			For	Against	
1.	July 06, 2006	Issue of securities in International and/or Domestic market	99.97%	.03%	Passed with requisite majority
2.	July 06, 2006	Giving loans/corporate guarantees/making investments in excess of prescribed limits	99.96%	.04%	Passed with requisite majority
3.	July 06, 2006	Alteration in Articles of Association (Authorised Capital clause)	99.98%	.02%	Passed with requisite majority

Mr K.K. Kapoor, Practising Chartered Accountant, Ludhiana conducted the postal ballot process.

Disclosures

a) Related party transactions

- There was no materially significant related party transaction, pecuniary transactions or relationships between the Company and its Directors, promoters or the management that may have potential conflict with the interests of the Company at large except the details of transactions annexed to the balance sheet disclosed as per Accounting Standard 18 of the Institute of Chartered Accountants of India.
- All details relating to financial and commercial transactions, where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters. The Audit Committee of the Company also reviews related party transactions periodically.

b) Compliances made by the Company

- The Company has continued to comply with the requirements of the stock exchanges, SEMI and other statutory authorities on all matters related to capital market during the last three years.
- During the year 2004-5, the Company had to pay a penalty of Rs 60,000 imposed by SEMI for alleged violation in terms of Regulation 6(3) and 8(2) of SEMI

(Substantial Acquisition of Shares & Takeovers) Regulation, 1997. Subsequently, the Company filed an appeal against this order to the SEMI Appellate Tribunal (SAT). During the year 2006-7, the Company received a judgment in its favour whereby SAT vide its order dated September 7, 2006 has directed SEMI to refund the penalty paid by the Company.

During the year under review, no penalties or strictures have been imposed by the stock exchanges or any other authority on any matter related to capital market.

Corporate ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way. Some of our policies are:

- a) Code of conduct for prevention of insider trading
- b) Code of corporate disclosure
- c) Whistle blower policy
- d) Combined code of corporate governance & conduct
- e) SHE policy
- f) Values framework
- g) Risk management procedure

Compliance status with mandatory and non-mandatory requirements of Clause 49 of Listing Agreement

Mandatory requirements

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreements entered into with stock exchanges. Details of these compliances are given below:

Particulars	Clause of Listing Agreement	Compliance status
I. Board of Directors	49 (I)	
(A) Composition of Board	49 (IA)	Complied
(B) Non-executive directors' compensation and disclosure	49 (IB)	Complied
(C) Other provisions as to Board and Committees	49 (IC)	Complied
(D) Code of Conduct	49 (ID)	Complied

Particulars	Clause of Listing Agreement	Compliance status
II. Audit Committee	49 (II)	
(A) Qualified and independent Audit Committee	49 (IIA)	Complied
(B) Meeting of Audit Committee	49 (IIB)	Complied
(C) Powers of Audit Committee	49 (IIC)	Complied
(D) Role of Audit Committee	49 (IID)	Complied
(E) Review of information by Audit Committee	49 (IIE)	Complied
III. Subsidiary companies	49 (III)	Complied
IV. Disclosures	49 (IV)	
(A) Basis of related party transaction	49 (IVA)	Complied
(B) Disclosure of accounting transactions	49 (IVB)	Complied
(C) Board disclosures	49 (IVC)	Complied
(D) Proceeds from public issues, right issues, preferential issues etc.	49 (IVD)	Complied
(E) Remuneration of Directors	49 (IVE)	Complied
(F) Management	49 (IVF)	Complied
(G) Shareholders	49 (IVG)	Complied
V. CEO/CFO Certification	49 (V)	Complied
VI. Report on Corporate governance	49 (VI)	Complied
VII. Compliance	49 (VII)	Complied

Non-mandatory requirements

Compliance status with non-mandatory requirements is given below:

- a) Chairman of the Company is entitled to seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard and other office facilities.

Independent directors of the Company do not have a term exceeding a period of nine years in aggregate on the Board of Company.

- b) Company has set up Remuneration Committee (renamed as Compensation Committee) comprising three Independent directors. Details of the Committee are given in this report under the head 'Board level Committees.'

- c) Presently, half-yearly financial performance is not being sent to each shareholder. However, the Company sends the unaudited quarterly results to shareholders through e-mail to their e-mail Ids available in record.

- d) The performance evaluation of all Directors (Executive and Non-executive) is done by the Screening Committee, which

consists of two Independent directors, one Executive director and one independent person with expertise in human resources. Terms of reference and other details of Screening Committee are given in this report under the head 'Other Committees constituted by the Board.'

e) The Company has adopted the 'Whistle Blower Policy'. No personnel of the Company has been denied access to the Audit Committee.

General shareholders' information

The following information would be useful to our shareholders:

a) Annual General Meeting

Date	September 27, 2007
Day	Thursday
Time	10.30 A.M.
Venue	Trident Complex, Raikot Road, Barnala 148 001

b) Trading window

In accordance with the Code of Conduct for Prevention of Insider Trading, the Company closes trading window for designated employees from time to time. As per policy, trading window is closed from the day immediately succeeding the last day of the quarter for which financial results are prepared and opened after passing of 48 hours of conclusion of Board Meeting in which the financial results are approved. The trading window is also closed during and after occurrence of price sensitive events as per the Code of Conduct for Prevention of Insider Trading.

c) Financial calendar

Next financial year April 1, 2007 to March 31, 2008

h) Stock code

The Company's code at the stock exchanges and news agencies are:

Sr. no.	Name of Stock Exchanges	Stock code	Reuters code	Bloomberg
1	Bombay Stock Exchange Limited	521064	ABHP.BO	ABIN IN
2	National Stock Exchange of India Limited	ABSHEKINDS	ABHP.NS	NABIN IN

d) The financial results will be adopted as per the following tentative schedule:

For the quarter ended June 30, 2007	July 2007 (3rd week)
For the quarter ended September 30, 2007	October 2007(3rd week)
For the quarter ended December 31, 2007	January 2008(3rd week)
For the quarter & year ended March 31, 2008	May 2008 (2nd week)

e) Date of book closure for the purpose of Annual General Meeting:

The Share Transfer Books and Members' Register shall remain closed from September 21, 2007 to September 27, 2007 (both days inclusive) for the purpose of the seventeenth Annual General Meeting of the Company.

f) Listing on stock exchanges

As on March 31, 2007, the equity shares of the Company are listed on the following exchanges:

- Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
25th floor, Dalal Street, Mumbai 400 001
- National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1 G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

g) Listing fees

Listing fees for the year 2007-8 has been paid to the stock exchanges where the equity shares of the Company are listed in the month of April 2007, i.e., within the stipulated time.

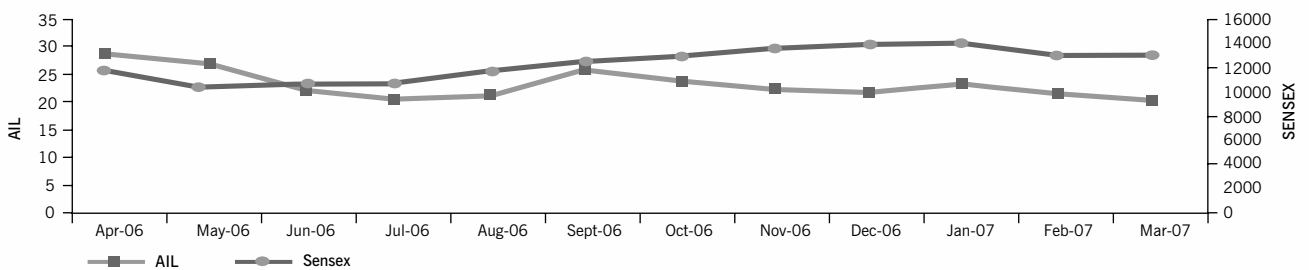
i) Market price data

Monthly high and low prices of equity shares of Abhishek Industries Limited at the Bombay Stock Exchange Limited (BSE) and at the National Stock Exchange of India Limited (NSE) during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

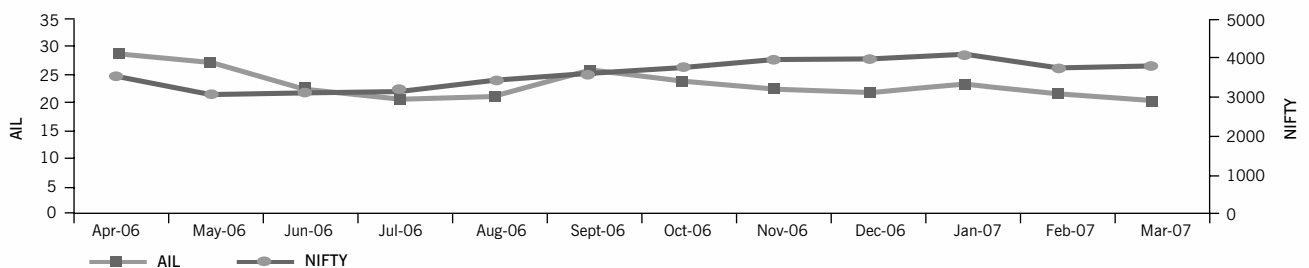
Month	BSE					NSE				
	Share prices		Volume	Sensex		Share prices		Volume	Nifty	
	High	Low		High	Low	High	Low		High	Low
April 2006	32.90	27.20	2482004	12102.00	11008.43	32.85	26.05	5475619	3598.95	3290.35
May 2006	34.80	22.25	3829006	12671.11	9826.91	32.80	21.10	7784548	3774.15	2896.40
June 2006	28.20	19.20	1134576	10626.84	8799.01	28.00	19.25	2179158	3134.15	2595.65
July 2006	23.60	18.60	624667	10940.45	9875.35	23.75	18.65	1646452	3208.85	2878.25
August 2006	22.95	19.35	1446560	11794.43	10645.99	22.40	19.30	3250658	3452.30	3113.60
September 2006	27.75	20.75	6127050	12485.17	11444.18	27.75	20.65	11267760	3603.70	3328.45
October 2006	27.55	23.65	2229783	13075.85	12178.83	27.65	23.55	4514487	3782.85	3508.65
November 2006	26.20	22.25	1270097	13799.08	12937.30	25.40	22.25	2730872	3976.80	3737.00
December 2006	23.30	19.50	1202576	14035.30	12801.65	23.30	19.25	2432372	4046.85	3657.65
January 2007	26.25	21.90	2342610	14325.92	13303.22	26.25	21.85	3612432	4167.15	3833.60
February 2007	24.75	18.00	1369411	14723.88	12800.91	24.65	20.20	2867993	4245.30	3674.85
March 2007	22.00	19.35	1105585	13386.95	12316.10	23.00	19.05	1667664	3901.75	3554.50

Source: Reuters

Sensitivity at BSE



Sensitivity at NSE



j) Registrar and Share Transfer Agent

M/s Alankit Assignments Limited, New Delhi has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialisation, rematerialisation, etc. should be sent to the following address:

M/s Alankit Assignments Limited
(Unit: Abhishek Industries Limited)
2E/21 Jhandewalan Extension

New Delhi 110 055

Tel: +91-11-23541234, 42541234

Fax: +91-11-42541967

E-mail: rta@alankit.com

k) Share Transfer System

All physical share transfers, dematerialisation, etc. are handled by M/s Alankit Assignments Limited, Registrar & Share Transfer Agent of the Company at 2E/21 Jhandewala Extension, New Delhi 110 055. Share transfers are registered and returned within seven days from the date of receipt.

l) Distribution of shareholding

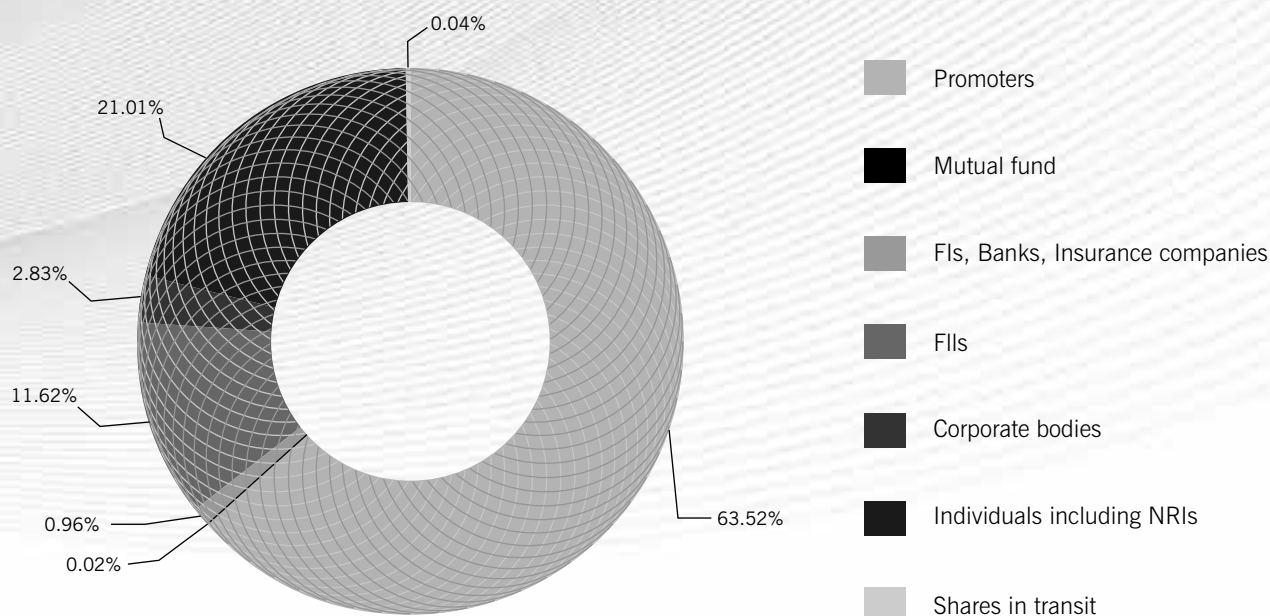
As on March 31, 2007 the distribution of shareholding was as follows:

Shareholding of nominal value in Rs	Shareholders		Shareholding	
	Number	%age	Shares	%age
Upto 5000	67377	79.56	13857782	7.14
5001 to 10000	10408	12.29	7936923	4.09
10001 to 20000	4295	5.07	6312670	3.25
20001 to 30000	1126	1.33	2885190	1.49
30001 to 40000	343	0.40	1236643	0.64
40001 to 50000	396	0.47	1880050	0.96
50001 to 100000	439	0.52	3195004	1.64
100001 and above	303	0.36	156890413	80.79
Total	84,687	100.00	19,41,94,675	100.00

m) Category wise shareholding as on March 31, 2007

As on March 31, 2007 the category-wise distribution of shareholding was as follows:

Category	No. of shares held	% of shareholding
Promoters		
Indian promoters	12,33,43,373	63.52
Institutional public shareholding		
– Mutual funds	42,765	0.02
– FIs, banks, insurance companies	18,61,001	0.96
– FIIIs	2,25,69,432	11.62
Non-institutional public shareholding		
– Corporate bodies	55,01,692	2.83
– Individuals including NRIs	4,08,08,453	21.01
– Shares in transit	67,959	0.04
Grand total	19,41,94,675	100.00



n) Details of shares held more than 1% as on March 31, 2007

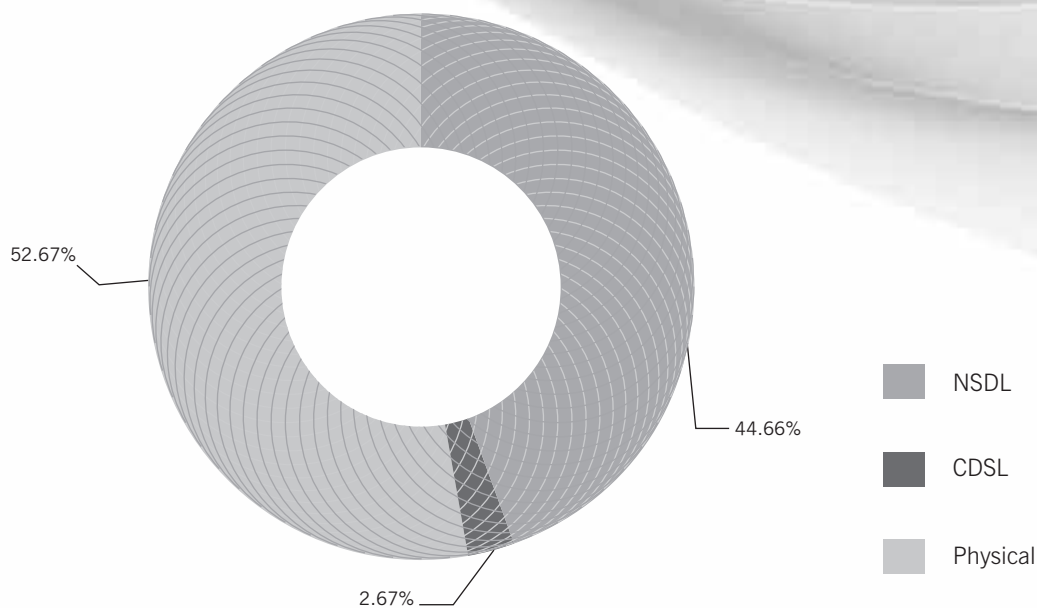
Name of shareholder	No. of shares held	% of shareholding
Madhuraj Foundation	7,95,38,423	40.96
ANG Securities Limited	2,79,22,861	14.38
Citicorp Banking Corporation	1,35,95,152	7.00
Lotus Global Investments Limited	85,60,000	4.41
Punjab State Industrial Development Corporation Limited	77,15,596	3.97
Smt Mayadevi Trust	38,79,480	2.00
Sundaram Capfin Private Limited	24,24,900	1.25

o) Dematerialisation of shares

The equity shares of the Company are compulsorily traded and settled only in the dematerialised form under ISIN No. INE 064C01014.

The details of the equity shares of the Company dematerialised as on March 31, 2007 is given hereunder

Particulars	As on 31 March, 2007		As on 31 March, 2006	
	No of shares	% age	No of shares	% age
No. of shares dematerialised	9,19,23,091	47.33	9,05,95,986	46.65
– NSDL	8,67,35,014	44.66	8,61,32,029	44.35
– CDSL	51,88,077	2.67	44,63,957	2.30
No. of shares in physical form	10,22,71,584	52.67	10,35,98,689	53.35
Total	19,41,94,675	100.00	19,41,94,675	100.00



p) Liquidity

The equity shares of the Company are liquid and frequently traded. Average daily turnover of number of shares traded as well as value during the year 2006-7 is given below:

	NSE	BSE
No. of shares (in '000)	135.42	68.94

q) Correspondence received/resolved

Nature	Number of letters (April 2006 – March 2007)		
	Received	Attended	Pending
Transfer of shares	18	18	Nil
Dividend/Revalidation	425	425	Nil
Duplicate shares	14	14	Nil
Loss of shares	443	443	Nil
SEMI/Stock Exchange	39	39	Nil
Change of address	1762	1762	Nil
Conversion	611	611	Nil
Misc. like Demat/Mandate/Nomination/POA/Annual Report/Transmission, etc.	716	716	Nil
Total	4028	4028	Nil

r) Share transfer/demat requests in process

As on March 31, 2007, two cases of transfer comprising 400 equity shares were in process for transfer and no demat request forms were in process for dematerialisation.

s) Outstanding convertible instrument

The Company has no outstanding convertible instrument as on March 31, 2007.

However, the Company had issued warrants at a premium of Rs 23 pursuant to the approval of shareholders in the Annual General Meeting held on July 9, 2005. The allottee of warrants had an option to get these warrants converted into equity shares of the Company within 18 months from the date of allotment (that is, July 22, 2005). But these warrants were not presented for conversion within 18 months of allotment and pursuant to such non conversion the Board forfeited Rs 66 million received towards ten percent consideration of warrants issued on preferential basis.

t) Exchange of shares of erstwhile Varinder Agro Chemicals Limited with Abhishek Industries Limited

After merger of Varinder Agro Chemicals Limited (VACL) with Abhishek Industries Limited (AIL), the Company has allotted 70 fully paid equity shares of AIL for every 24 fully paid equity shares of VACL. The Company sent individual letters to all shareholders of VACL to exchange their Share Certificates of VACL for share certificates of AIL.

The shareholders who are still holding shares of erstwhile VACL are requested to surrender their share certificates of VACL at the Corporate office of the Company at E - 212 Kitchlu Nagar, Ludhiana 141 001 to get the share certificates of AIL.

u) Unclaimed dividend

Shareholders who have not yet encashed their dividend warrants for the year 2005-6 may approach the Company for re-validation, issue of duplicate warrants etc. Dividend which remains unpaid/unclaimed over a period of 7 years shall be transferred to the Investor Education and Protection Fund as

per the law.

v) Nomination

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to Company in Form 2 B.

Plant locations

The Company's manufacturing facilities are located at the following locations:

Yarn division

Trident Complex
Raikot Road, Barnala, 148 101 (Punjab)

Terry towel division

Trident Complex
Mansa Road, Dhaula, Barnala, 148 101 (Punjab)

Paper and chemicals division

Trident Complex
Mansa Road, Dhaula, Barnala, 148 101 (Punjab)

Address of subsidiaries

US subsidiary	Europe subsidiary
Abhishek Industries Inc.	Abhishek Europe SA
295 Fifth Avenue	Place Pury 3
Suite 909, New York	C/o Cabinet Béguin d'expertise
NY 10016, USA	fiscale CBEF SA
	2001 Neuchâtel, Switzerland

Address for correspondence

Abhishek Industries Limited
E- 212, Kitchlu Nagar
Ludhiana 141 001, Punjab, India
Phone nos. 91-161-5039999, 2304000
Fax no. 91-161-5039900, 5038800
E-mail ID: investor@tridentindia.com
Website: www.tridentindia.com

Certificate on Corporate governance

To the Members of
Abhishek Industries Limited

We have examined the compliance of conditions of Corporate governance by Abhishek Industries Limited for the year ended March 31, 2007, as stipulated in clause 49 of the Listing Agreements of the said Company with stock exchanges.

The compliance of conditions of Corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants

Place: New Delhi
Date: May 5, 2007

Jaideep Bhargava
Partner
Membership No. 90295

Managing director & Chief financial officer certification

We have reviewed financial statements and cash flow statement for the year April 1, 2006 to March 31, 2007 and to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- ii) These statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- iii) No transaction entered into by the Company during the abovesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and have disclosed to the auditors and Audit Committee, wherever applicable:

- a) deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
- b) Significant changes in internal control over financial reporting during the year;
- c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- d) Instances of significant fraud of which we became 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.

Place: New Delhi

Date : May 5, 2007

Anand Singhal

Chief Financial Officer

Rajinder Gupta

Managing director

Compliance with code of conduct

The Company has adopted "Combined Code of Corporate Governance & Conduct". This code deals with the 'Governance Practices' which the Company is expected to follow and 'Code of Conduct' for Board members and Senior Management of the Company.

It is hereby affirmed that during the year 2006-7, the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: New Delhi

Date : May 5, 2007

Pawan Jain

Company Secretary

Rajinder Gupta

Managing director