

# corporate governance report



## Company's philosophy on Corporate governance

Corporate governance has been a continuous journey at Abhishek that cares for the overall well-being and welfare of all constituent of the system and takes into account the stakeholders interest at every business decision. 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 & integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best system, process and technology.

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

- Lay solid foundations for management.
- Structure the Board to add value.
- Promote ethical & responsible decision-making.
- Safeguard integrity in financial reporting.
- Make timely & balanced disclosures.
- Recognize & manage business risks.
- Respect the right of the shareholders.
- Encourage enhanced performance.
- Remunerate fairly & responsibly.
- Recognize the legitimate interest of the stakeholders.
- Legal & 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 the needs of law of land. The Combined Code of Corporate governance and Conduct was published in the Annual report for the year 2003 and also available on the official website of the Company - [www.tridentindia.com](http://www.tridentindia.com).

In 2004, the Company was nominated for "Fourth ICSI National Award for Excellence in Corporate governance" and figured amongst top 25 companies of India adopting good Corporate governance practices. Recognition granted by ICSI is based on the outcome of concerted and comprehensive process of evaluation on the basis of stipulated parameters, the practices of Corporate governance as followed by the corporates and acknowledge the best practices worthy of being exemplified.

## Board of Directors

The Board comprises of more than 85 per cent Non-executive directors and 43 per cent of independent directors. The Company has a Non-executive chairperson. Moreover, the Board has a representation of 43 per cent women Directors. None of directors on the Board is Member of more than five Board level Committees as required under the Code except Mr S K Tuteja. However, he is not member of more than ten Board level Committees as required under Clause 49 of the Listing Agreement.



#### Board's Definition of Independent Director

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

- 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;
- is not related to Promoters, Chairman, Managing Director, Whole time Director, Secretary, CEO or CFO and of any person in the management at one level below the board;
- has not been an executive of the Company in the immediately preceding three financial years;

- 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 legal firm(s) and consulting firm(s) that have a material association with the entity.
- is not a supplier, service provider or customer of the Company. This should include lessor-lessee type relationships also; and
- is not a substantial shareholder of the Company, i.e. owning two percent or more of the block of voting shares.

Other details relating to the Board is as follows:

Name	Designation	Category	Shareholding in Company	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 @
Ms Ravneet Kaur	Chairperson	Non-Executive	–	10	–	–
Mr Rajinder Gupta	Managing Director	Executive	588,266	7	–	–
Mr S K Tuteja	Director	Non-Executive, Independent	–	4	7	5
Mr Chandra Mohan	Director	Non-Executive, Independent	–	7	3	–
Ms Pallavi Shroff	Director	Non-Executive	–	4	–	–
Ms Ramni Nirula	Additional Director	Non-Executive, Independent	–	4	2	–
Mr Rajiv Dewan*	Additional Director	Non-Executive	–	7	2	–

# including Abhishek Industries Limited • @ Board Committee for this purpose includes Audit Committee & Shareholders'/Investors' Grievance Committee (including Board Committees of Abhishek Industries Limited) • \*Appointed as Additional Director w.e.f. 14.05.2005





### Number of Board meetings

Eight Board meetings were held from January 1, 2004 till March 31, 2005 and there was a maximum time gap of not more than 97 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 Annual General Meeting

Name of the Director	Feb 6, 2004	Feb 28, 2004	April 9, 2004	April 24, 2004	July 30, 2004	Oct 26, 2004	Dec 27, 2004	Mar 21, 2005	AGM on April 15, 2004
Mr Rajinder Gupta	A	A	A	A	A	A	A	A	A
Mr S K Tuteja	L	A	A	A	A	A	A	A	A
Ms Pallavi Shroff	L	A	L	A	A	L	L	L	L
Mr Chandra Mohan	A	A	A	L	A	L	A	L	L
Mr Viswajeet Khanna*	A	A	A	A	L	A	L	NA	L
Mr S C Bhatia**	A	A	L	A	A	NA	NA	NA	L
Mr L N Vaz*	A	L	L	A	A	A	A	NA	L
Ms Ramni Nirula#	NA	NA	NA	NA	NA	A	A	A	NA
Mr Satish Ajmera##	NA	NA	NA	NA	NA	NA	SI	A	NA
Ms Ravneet Kaur@	NA	NA	NA	NA	NA	NA	SI	A	NA

A Attended the meeting

L Leave of Absence

NA Not Applicable, as was not Director on the date of meeting.

SI Attended the meeting as Special Invitee

\* Ceased to be Director w.e.f 27.12.2004

\*\* Ceased to be Director w.e.f 26.10.2004

# Appointed as Additional Director w.e.f. 26.10.2004

## Appointed as Additional Director w.e.f. 27.12..2004 and ceased to be Director w.e.f. 14.05.2005

@ Appointed as Additional Director w.e.f. 27.12..2004

### 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 three calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the 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 consideration of the Board.

All the departments in the Company communicate to the Company Secretary well in advance with regard to 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 and budgets and any updates thereon.
- 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 the 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 judgement 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 any 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 in 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 normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as 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 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 thereafter, 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 the approval by the shareholders in the General Meeting and such authorities, as the case may be. The synopsis of the remuneration being paid to Mr Rajinder Gupta, Managing Director for the 15 months period ended March 31, 2005 is given hereunder:

Sr	Approving Authority	Date of approval
1	Remuneration Committee	24.04.2003
2	Board of Directors	25.04.2003
3	Shareholders in Extraordinary General meeting	07.07.2003

#### *Non executive director*

Non executive directors are paid by way of sitting fee for the meeting 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 by the shareholders in the General Meeting. A summary of the approval taken from the Board and shareholders is given hereunder:

Sr	Approving Authority	Date of approval
1	Board of Directors	24.10.2003
2	Shareholders in Extraordinary General meeting	12.12.2003

During the period 2004-5, 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 is 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 15 months period ended March 31, 2005 (Rs)			
			Sitting fee	Salary & perks	Commission	Total
Mr Rajinder Gupta	None	None	–	1,50,33,000	65,70,289	2,16,03,289
Mr S K Tuteja	None	None	–	–	–	–
Ms Pallavi Shroff	None	Partner Amarchand & Mangaldas & Suresh A Shroff & Co., Solicitors to the Company	60,000	–	–	60,000
Mr Chandra Mohan	None	None	1,20,000	–	–	1,20,000
Ms Ramni Nirula	None	Nominee of ICICI, a lender to the Company	80,000*	–	–	80,000*
Ms Ravneet Kaur	None	Nominee of PSIDC, a co promoter of the Company	40,000*	–	–	40,000*
Mr S C Bhatia	None	Nominee of ICICI, a lender to the Company	1,60,000*	–	–	1,60,000*
Mr Viswajeet Khanna	None	Nominee of PSIDC, a co promoter of the Company	1,00,000*	–	–	1,00,000*
Mr L N Vaz	None	Nominee of IDBI, a lender to the Company	2,00,000*	–	–	2,00,000*
Mr Satish Ajmera	None	Nominee of IDBI, a lender to the Company	60,000	–	–	60,000

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

### 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 sum of Rs. 50,000/- is being paid to M/s Amarchand & Mangaldas & Suresh A Shroff & Co., Solicitor to the Company on monthly basis towards retainership fees. Ms Pallavi Shroff, a Non executive director of the Company is partner of M/s Amarchand & Mangaldas & Suresh A Shroff & Co.

### 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 approved by the Board in its meeting held on April 25, 2003 and the shareholders in their Extraordinary General Meeting held on July 7, 2003.

### 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 holds positions as Directors, Committee members, Trustees, Partners and Shareholders in other reputed Companies, Trusts, Associations and Firms. The



Committee memberships/Chairmanships held by the Directors in other corporates are in compliance with the Clause 49 of the Listing Agreement. Details of the same are as follows:

<b>Mr Rajinder Gupta</b> Chairman	Abhishek Energy Corporation Limited Himalayan Ayurvedic & Agro Research Centre Limited Madhuraj Foundation Limited Trident Spinfab Corporation Limited	
Director	Abhishek Industries, Inc. Trident Infotech, Inc.	
Shareholding > 2%	Madhuraj Foundation Limited Abhishek Energy Corporation Limited ICE Global Limited	
<b>Mr S K Tuteja</b> Chairman	Central Warehousing Cold Chain (Pvt) Limited	
Director	Punjab Tractors Limited Swaraj Engines Limited Swaraj Mazda Limited	
Chairman	Audit Committee Audit Committee Audit Committee	Punjab Tractors Limited Swaraj Mazda Limited Swaraj Engines Limited
Member	Shareholders Grievance Committee Shareholders Grievance Committee Shareholders Grievance Committee	Punjab Tractors Limited Swaraj Mazda Limited Swaraj Engines Limited
<b>Mr Chandra Mohan</b> Chairman	Meera Explorations Private Limited RICO Auto Industries Limited Twenty First Century Battery Limited	
Director	DCM Precision Engineering Limited ITIDA CAD Services Private Limited Kamla Dials and Devices Limited Reva Electric car Co. Sandhar Locking Devices Limited Winsome Yarns Limited	
Member	Audit Committee Audit Committee	Winsome Yarns Limited DCM Precision Engineering Ltd



<b>Ms Pallavi Shroff</b> Director  Partner	Maruti Udyog Limited Kotak Mahindra Old Mutual Life Insurance Limited BAG Films Limited Juniper Hotels Private Limited  M/s Amarchand & Mangaldas & Suresh A Shroff & Co.	
<b>Ms Ramni Nirula</b> Director	Ballarpur Industries Limited ICICI Web Trade Limited ICICI Comm Trade Limited Welham Girls High School	
<b>Ms Ravneet Kaur</b> Chairperson  Vice Chairperson & Managing Director Managing Director  Director	Indian Acrylics Limited Malwa Industries Limited PCL Telecom Limited Punjab Digital Industrial Systems Limited Punjab Venture Investors Trust Limited  Punjab Communications Limited Punjab State Industrial Development Corporation Limited Punjab Alkalies & Chemicals Limited Electronic Systems Punjab Limited	
<b>Mr Rajiv Dewan</b> Director  Member	Malwa Industries Limited Oswal Knit India Limited Oswal Multimedia Kid Limited Punjab Communications Limited Oswal Exim Trade Limited  Audit Committee Audit Committee	Malwa Industries Limited Punjab Communications 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 of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of 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 thereafter, 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 has been approved by the Board.

### **Audit Committee**

The Audit Committee of the Company comprises of three directors, all being Non executive and Independent. All members of Audit Committee are financially literate and majority of them are having accounting or related financial management expertise.

#### **Audit Committee Charter**

The terms of reference of Audit Committee are as per Listing Agreement and Companies Act, 1956. The terms of reference of audit committee as adopted by the Board are as under:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- ii) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services
- iii) 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 on 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

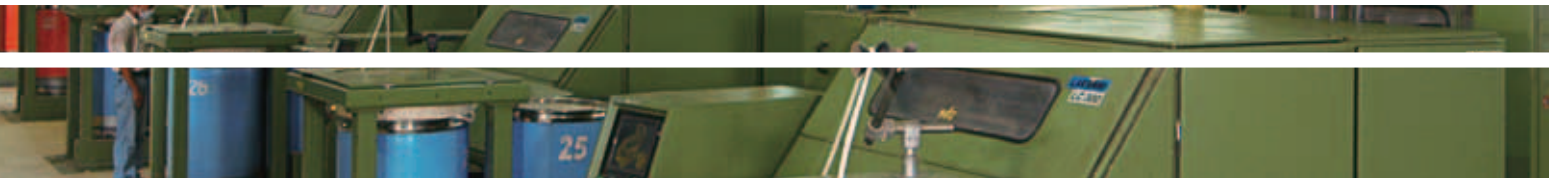
Company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large

- iv) Reviewing with management, external and internal auditor, adequacy of internal control systems
- v) 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
- vi) Discussion with internal auditors any significant findings and follow up thereon
- vii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- viii) Discussion with external auditors before the audit commences on the nature and scope of audit as well as have post audit discussion to ascertain any area of concern
- ix) Reviewing the Company's financial and risk management policies
- x) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payments of declared dividends) and creditors.
- xi) To approve unaudited Quarterly Financial results and publish the same as required in the Listing Agreement

At present the Audit Committee consists of Mr S K Tuteja, Mr Satish Ajmera\* and Ms Ramni Nirula as its members. The Committee is chaired by Mr S K Tuteja, an independent Director. The meetings of the Audit Committee are also attended by Statutory Auditors, Internal Auditors, Management & Cost Auditors and other senior personnel of the Company. The Company Secretary acts as Secretary to the Committee. The recommendations of audit committee are accepted and implemented by the Board.







\* Ceased to be director w.e.f May 14, 2005.

#### Number of Audit Committee Meetings

Five Audit Committee meetings were held from January 1, 2004 till March 31, 2005 and there was a maximum time gap of not more than 98 days between two consecutive Audit Committee

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	February 5, 2004	April 24, 2004	July 30, 2004	October 25, 2004	January 31, 2005
Mr S K Tuteja	A	A	A	A	A
Mr S C Bhatia*	A	A	A	A	NA
Mr L N Vaz#	A	A	A	A	NA
Ms Ramni Nirula**	NA	NA	NA	NA	A
Mr Satish Ajmera##	NA	NA	NA	NA	A

A Attended the meeting

N.A. Not Applicable, as was not member on the date of meeting.

\* Ceased to be member w.e.f 26.10.2004

\*\* Appointed as member w.e.f. 26.10.2004

# Ceased to be member w.e.f 27.12.2004

## Appointed as member w.e.f. 27.12..2004 and ceased to be Director w.e.f 14.05.2005

The last Annual General Meeting of the Company was held on 15th April, 2004 at its Registered Office and was attended by Mr S K Tuteja, Chairman of the Audit Committee of the Company.

#### Remuneration Committee

The Remuneration Committee of the Company comprises of all Non executive directors, majority of them being independent directors.

At present the Remuneration Committee consists of three members viz Mr S K Tuteja, Mr Chandra Mohan and Ms Pallavi Shroff and is chaired by Mr S K Tuteja, an independent Director.

The Remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis. The terms of reference of remuneration committee includes the determination of remuneration packages of the executive Directors including remuneration policy,

During the period ended March 31, 2005, no Remuneration Committee meeting was held as there were no proposals for variation in the remuneration of Executive director on the

Board.

#### Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Committee of the Company comprises of two Non executive directors, all being independent directors.

At present the Shareholders'/Investors' Committee consists of two members viz Mr Chandra Mohan and Ms Ramni Nirula and is chaired by Sh Chandra Mohan, an independent Director.

The functioning and terms of reference of the Shareholders'/Investors' Grievance Committee includes to specifically look into the redressal of investors' grievance pertaining to transfer/transmission of shares, dividends, dematerialization/rematerialization, replacement of lost/stolen/mutilated share certificates, splitting, conversion and other related issues and to strengthen investor relations.

The Company Secretary, being the Compliance Officer, is entrusted with responsibility to specifically look into the redressal of the Shareholders and Investors complaints and

report the same to the Shareholders'/Investors' Grievance Committee.

#### Attendance of each member at the Shareholders'/Investors' Grievance Committee Meetings

Name of the member	April 24, 2004	July 30, 2004
Mr Chandra Mohan	L	A
Mr L N Vaz#	A	A
Mr Pawan Jain#	A	A
Ms Ramni Nirula##	N.A.	N.A.

A Attended the meeting

L Leave of Absence

N.A. Not Applicable, as was not member on the date of meeting.

# Ceased to be member w.e.f 27.12.2004

## Appointed as member w.e.f. 27.12..2004

#### Other Committees Constituted by the Board

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

#### Strategy Committee

The Strategy Committee of the Board of the Company comprises of executive and Non executive directors with the majority of being non executive independent directors.

At present the Strategy Committee consists of three members viz Mr Rajinder Gupta, Mr Chandra Mohan and Ms Ramni Nirula and is chaired by Mr Rajinder Gupta, Managing Director of the Company.

The terms of reference of the Strategy Committee is to formulate long term and strategic planning, project monitoring as well as resource management including human resource management of the Company, formulation of corporate strategy, building of brand equity, planning, entering into external contracts, providing guidance to management and achievement of business plans and formulations 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.

#### Attendance of each member at the Strategy Committee Meeting

Name of the member	July 30, 2004
Mr Viswajeet Khanna#	L
Mr Chandra Mohan	A
Mr Rajinder Gupta	A
Ms Ramni Nirula##	NA

A Attended the meeting

L Leave of Absence

N.A. Not Applicable, as was not member on the date of meeting.

# Ceased to be member w.e.f 27.12.2004

## Appointed as member w.e.f. 27.12..2004

#### Screening Committee

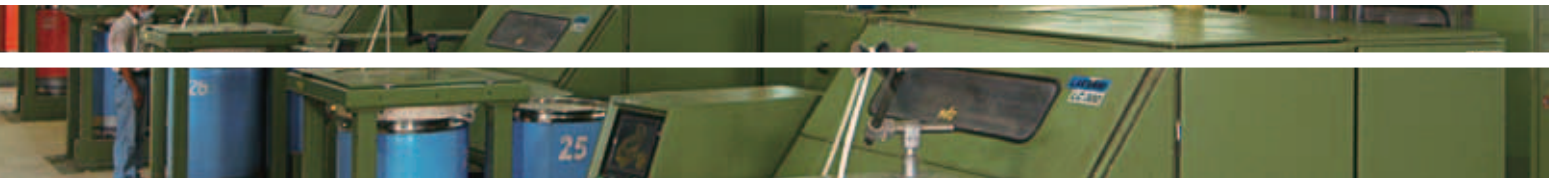
The Screening Committee of the Board of the Company comprises of Executive and Non executive directors with the majority of being Non executive directors.

At present the Screening Committee consists of three members viz Mr S K Tuteja, Mr Rajinder Gupta and Ms Pallavi Shroff.

The terms of reference of the Screening Committee is to determine the appropriate characteristics, skills and experience for the Board as a whole as well as its individual members and to make recommendations to the Board and the Shareholders on the induction of any new director and/or any senior management personnel.

#### Share Transfer Committee

At present, the Share Transfer Committee of the Board of the Company comprises of four members viz Mr S K Tuteja, Sh Chandra Mohan, Mr Rajinder Gupta and Mr Pawan Jain and the same meets on weekly basis. During the period from January 1, 2004 till March 31, 2005, 62 meetings of the Shares Transfer Committee were held to consider the matters relating to transfer, transmission and transposition of shares, sub division and consolidation of shares, replacement of lost/stolen/mutilated share certificates, review of dematerialization and rematerialization of shares.



## Management

The Management's Discussion and Analysis Report is given elsewhere in this Annual 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 shall retire and, if eligible, offer themselves for re-election at the ensuing Annual General Meeting. Accordingly, Mr Rajinder Gupta, Mr S K Tuteja, Ms Pallavi Shroff and Mr Chandra Mohan retire at the ensuing Annual General Meeting. The Screening Committee and the Board have recommended the re-election of all these Directors.

Ms Ramni Nirula, Ms Ravneet Kaur and Mr Rajiv Dewan, who were appointed as additional directors by the Board and hold office till the ensuing Annual General Meeting. The Company has received notices from the shareholders under Section 257 of the Companies Act, 1956 proposing their name for appointment as Director of the Company. The Screening Committee and the Board have recommended the appointment of all these directors.

The abbreviated resume of the Directors being appointed/ 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 Company's official website [www.tridentindia.com](http://www.tridentindia.com). As per the requirements of the Listing Agreement, the Company also provides information to the Stock Exchanges and update its website on regular basis 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 SEBI [www.sebi.gov.in](http://www.sebi.gov.in). The Company Secretary being the Compliance Officer ensures the correctness and authenticity of the information filed in 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's Discussion and Analysis, Corporate governance report, Balance Sheet, Profit & Loss Account including the schedules and notes thereon, Directors report and Auditors report, Cash Flow Statement including financial statements of subsidiaries are sent to the shareholders within the stipulated time and are also uploaded on Company's official website [www.tridentindia.com](http://www.tridentindia.com).

The Company generally publishes its financial results in the Economic Times, Business Standard and Punjabi Tribune. 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 March 31, 2004	• Punjabi Tribune	25.04.2004
	• Business Standard	26.04.2004
Unaudited financial results for the quarter ended June 30, 2004	• Business Standard	31.07.2004
	• Punjabi Tribune	01.08.2004
	• The Economic Times	02.08.2004
Unaudited financial results for the quarter ended September 30, 2004	• Business Standard	27.10.2004
	• The Economic Times	27.10.2004
	• Punjabi Tribune	27.10.2004
Unaudited financial results for the quarter ended December 31, 2004	• Business Standard	01.02.2005
	• Punjabi Tribune	02.02.2005
	• The Economic Times	02.02.2005
Audited financial results for the quarter and fifteen months period ended March 31, 2005	• Business Standard	16.05.2005
	• Punjabi Tribune	16.05.2005
	• The Economic Times	16.05.2005



#### c) Compliance Officer

Mr Pawan Jain, Company Secretary is the Compliance Officer appointed by Board and can be contacted for any investors related matter relating to the Company. His contact nos. are +91-161-5039999, 2304000; Fax no. is +91-161-5039900, 5038800 and email 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
14th	Thursday	15th day of April, 2004	10.00 AM	Trident Complex Raikot Road, Barnala	None
13th	Monday	14th day of April, 2003	10.00 AM	Trident Complex Raikot Road, Barnala	None
12th	Saturday	27th day of July, 2002	10.00 AM	Trident Complex Raikot Road, Barnala	None

No resolution was passed by way of postal ballot during the 15 months period ended March 31, 2005.

#### Details of resolution proposed to be conducted through postal ballot in the ensuing Annual General Meeting

The Company proposes to seek the approval of the members for creation of charge for term loans and working capital facilities under Section 293(1)(a) of the Companies Act, 1956 by way of Postal ballots. The Company foresees debt funding for the expansion and modernization projects to be approximately Rs 1000 crores and is required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, assignment, lien, pledge etc in favour of its lenders for the purpose of securing the loan facilities extended by the lenders to the Company. According to Section 293(1)(a) of the Companies Act, 1956, sale, lease or disposal otherwise of the whole or substantially the whole of an undertaking of a Company requires approval of the members by way of an ordinary resolution.

#### Procedure for Postal Ballot

The procedure to be adopted for conducting the Postal Ballot shall be pursuant to Section 192A of the Companies Act, 1956 read with Companies (passing of the resolution by Postal Ballot) Rules, 2001.

### Disclosures

#### a) Related Party Transactions

- There was no materially significant related party transactions, 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 review related party transactions on periodical basis.

#### b) Compliances made by the Company

- The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital market during the last three years

A penalty of Rs 60,000/- had been imposed on the Company by SEBI during the period under review for violation in terms of Regulations 6(3) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Company has paid the aforesaid penalty under protest and has filed an appeal with Securities Appellate Tribunal on the plea that disclosures under Reg 6(3) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 have been made by erstwhile Varinder Agro Chemicals Limited on its own behalf and on behalf of persons acting in concert. Accordingly, no separate disclosure under Reg 6(3) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 are required to be made by persons acting in concert as its shareholding does not exceed the prescribed limits. No other penalties or strictures have been imposed by Stock Exchange or any other statutory authority on any matter related to capital





markets during the period under review.

## Corporate Ethics

### a) Code of Conduct for Prevention of Insider Trading

The Company has instituted a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliance. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to 'Code for Prevention of Insider Trading', a copy of the same has been posted at Company's official website [www.tridentindia.com](http://www.tridentindia.com)

### b) Code of Corporate Disclosure

The Company has adopted "Code of Corporate Disclosure Practices for Prevention of Insider Trading". The purpose of this code is to guide Company's transaction with Research Analysts, Fund Managers, Media and to ensure timely and adequate disclosure of price sensitive information to the Stock Exchanges and disseminated promptly on a continuous basis. The Company Secretary has been appointed as Compliance Officer and is responsible for ensuring that the Company complies with the continuous disclosure requirements and adhere to 'Code of Corporate Disclosure'. A copy of this code has been posted at Company's official website [www.tridentindia.com](http://www.tridentindia.com)

### c) Whistle Blower Policy

The whistle blower policy of the Company provides opportunity to employees to access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other alleged wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees. An employee who observes any unethical & improper practices or alleged wrongful conduct in the Company can also report the same to Audit Committee through e-mail addressed to [whistleblower@tridentindia.com](mailto:whistleblower@tridentindia.com). A copy of this policy has been posted at Company's official website [www.tridentindia.com](http://www.tridentindia.com)

### d) Combined Code Of Corporate governance & Conduct

To be in sync with international standards of Corporate governance and to be in line with the needs of the dynamic

market, the Company has adopted Combined Code of Corporate governance and Conduct which is being used as a tool to exceed and excel through better Corporate governance and fair and transparent practices. A copy of the same has been posted at Company's official website [www.tridentindia.com](http://www.tridentindia.com)

### e) SHE Policy

The Company has adopted Safety, Health and Environment (SHE) Policy with a commitment to provide a safe and healthy working environment, preservation of the environment of the territory in which the organisation operates, preventing the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of organizations products and services on the ecological environment, maintain highest standards of the environmental management and ensure for all its members, consultants, contractors and customers a safe and healthy environment free from injury and disease. A copy of the same has been posted at Company's official website [www.tridentindia.com](http://www.tridentindia.com)

## General Shareholders Information

The following information would be useful to our shareholders:

### a) Annual General Meeting

Date July 9, 2005  
Day Saturday  
Time 9.00 A M  
Venue Trident Complex, Raikot Road, Barnala -148001

### b) Financial Calendar

Next Financial year April 1, 2005 to March 31, 2006

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

For the quarter ended 30.06.2005	July 2005 (4th week)
For the quarter ended 30.09.2005	October 2005(4th week)
For the quarter ended 31.12.2005	January 2006(4th week)
For the quarter and year ended 31.03.2006	May 2006 (2nd week)

### d) Date of Book Closure:

From Tuesday, July 5, 2005 to July 9, 2005 (both days inclusive)





#### e) Listing on stock exchanges

Due to lack of trading volumes, the members of the Company in their Extraordinary General Meeting held on December 12, 2003 have approved the voluntary delisting of the equity shares of the Company from the Ludhiana Stock Exchange Association Limited. Subsequently, the equity shares of the Company have been voluntarily delisted from the Ludhiana Stock Exchange Association Limited with effect from March 26, 2004.

As on March 31, 2005, the equity shares of the Company are listed on the following exchanges:

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

#### f) Listing Fees

Listing fees for the year 2005-6 has been paid to the Stock Exchanges where the equity shares of the Company are listed in the month of April, 2005 i.e. within the stipulated time.

#### g) Stock code

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

Sr	Name of Stock Exchanges	Stock code	Reuters code	Bloomberg
1	The Stock Exchange, Mumbai	521064	ABHP.BO	ABIN IN
2	National Stock Exchange of India Limited	ABSHEKINDS	ABHP.NS	NABIN IN

#### h) Market price data

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

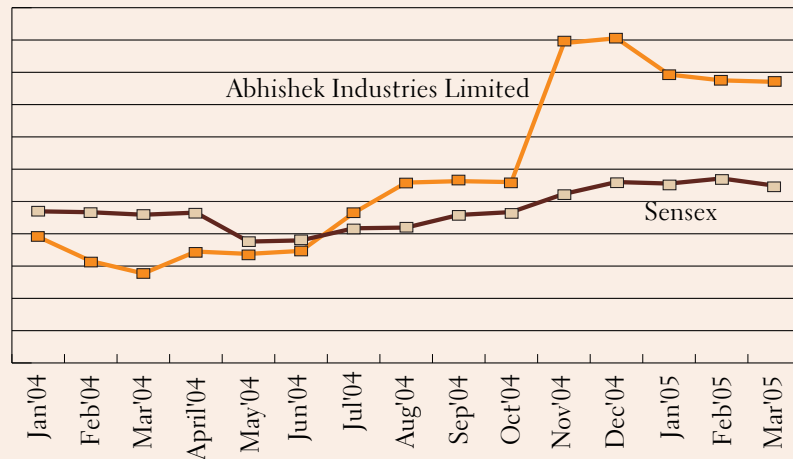
Month 2004-5	BSE					NSE				
	Share Prices		Volume	Sensex		Share Prices		Volume	Nifty	
	High	Low		High	Low	High	Low		High	Low
January	24.55	16.25	1747259	6249.60	5567.68	24.75	16.40	3359144	2014.65	1756.25
February	17.10	13.65	800391	6082.80	5550.17	17.20	13.45	1948799	1935.80	1755.65
March	14.60	9.94	495598	5951.03	5324.78	14.50	9.85	1485535	1898.70	1669.70
April	16.75	13.15	723628	5979.25	5599.12	16.70	12.90	2304501	1912.35	1771.45
May	14.60	16.70	754135	5772.64	4227.50	16.30	13.70	2266498	1837.95	1292.20
June	15.80	12.30	390458	5012.52	4613.94	15.90	12.65	1041105	1566.50	1437.90
July	21.95	13.25	2850679	5200.85	4723.04	21.70	13.50	8891516	1638.70	1472.55
August	22.65	17.20	3388196	5269.22	5022.29	23.85	17.50	10090018	1658.90	1573.70
September	24.25	20.00	4150251	5638.79	5178.57	24.10	19.20	9994929	1760.80	1619.90
October	24.15	20.40	1712637	5803.82	5558.14	24.45	20.80	4342812	1829.45	1737.85
November	38.50	20.60	10822982	6248.43	5649.03	38.75	20.20	36093616	1963.80	1776.70
December	39.05	30.05	9756161	6617.15	6176.09	39.90	30.05	9559793	2088.45	1944.50
January	39.50	29.05	2227831	6696.31	6069.33	40.30	29.05	4215409	2120.15	1894.40
February	35.90	30.20	2198000	6721.08	6508.33	34.50	29.10	3815774	2110.15	2036.60
March	37.50	27.70	17984288	6954.86	6321.31	37.30	27.45	6520112	2183.45	1971.15

Source: Reuters

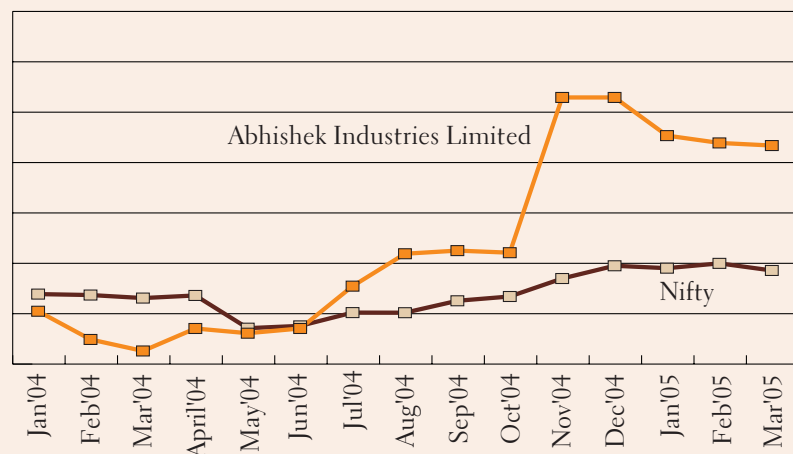




### Sensitivity at BSE



### Sensitivity at NSE



#### i) Registrar & 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 can be made at the following address:

M/s Alankit Assignments Limited  
 (Unit: Abhishek Industries Limited)  
 2E/21 Jhandewalan Extension  
 New Delhi - 110 055  
 Tel : +91-11-51540061 - 63  
 Fax : +91-11-51540064  
 E-Mail: rta@alankit.com

#### j) Share Transfer System

All physical share transfers, dematerialisation etc are handled by M/s Alankit Assignments Limited, Registrar & Transfer Agents of the Company at 2E/21 Jhandewala Extension, New Delhi - 110 055. Share transfers are registered and returned within a period of 7 days from the date of receipt.

### k) Distribution of Shareholding

As on March 31, 2005 the distribution of shareholding was as follows:

Shareholding of nominal value in Rs			Shareholders		Shareholding	
			Number	Percentage	Rs	Percentage
Upto	5000		71,319	80.41	145334770	7.49
5001	to	10000	10,763	12.13	80759840	4.16
10001	to	20000	4,211	4.75	60693160	3.13
20001	to	30000	1,099	1.24	28022800	1.44
30001	to	40000	316	0.36	11262830	0.58
40001	to	50000	347	0.39	16395700	0.84
50001	to	100000	384	0.43	28563550	1.47
100001	and	above	261	0.29	1570914100	80.89
<b>Total</b>			<b>88,700</b>	<b>100.00</b>	<b>1941946750</b>	<b>100.00</b>

### l) Category wise shareholding as on March 31, 2005

Category	No. of shares held	% of shareholding
<b>Promoters</b>		
Indian Promoters	12,67,43,373	65.27
<b>Institutional Investors</b>		
Mutual Funds	19,36,567	1.00
Banks, Financial Institutions	17,07,378	0.88
FII's	1,87,55,152	9.66
<b>Others</b>		
Corporate Bodies	51,57,618	2.65
Indian Public	3,69,61,122	19.03
NRI's/OCB's	27,68,733	1.43
Shares in Transit	1,64,732	0.08
<b>Grand Total</b>	<b>19,41,94,675</b>	<b>100.00</b>

### m) Details of shares held more than 1% as on March 31, 2005

Name of shareholder	No. of shares held	% of shareholding
Madhuraj Foundation	6,32,84,194	32.59
ANG Securities Limited	3,05,22,861	15.72
Punjab State Industrial Development Corporation Limited	2,12,69,825	10.95
Citicorp Banking Corporation	1,35,95,152	7.00
Lotus Global Investments Limited	51,60,000	2.66
Satyam Capfin Private Limited	44,16,547	2.27
Smt Mayadevi Trust	38,79,480	2.00
Sundaram Capfin Private Limited	24,24,900	1.25



#### n) Dematerialisation of Shares & Liquidity

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

The details of the equity shares of the Company dematerialized as on March 31, 2005 are given hereunder:

Particulars	As on 31.03.2005		As on 31.12.2003	
	No of shares	Percentage	No of shares	Percentage
No of shares dematerialized	88,074,530	45.35	67,715,912	34.87
No of shares in physical form	106,120,145	54.65	126,478,763	65.13
<b>Total</b>	<b>194,194,675</b>	<b>100.00</b>	<b>194,194,675</b>	<b>100.00</b>

#### o) Correspondence received/resolved

S. No. Nature	Number of letters (January, 2004 - Mar 2005)		
	Received	Attended	Pending
1. Transfer of Shares	76	76	Nil
2. Split	202	202	Nil
3. Dividend	31	31	Nil
4. Loss of Shares/Duplicate shares	366	364	02
5. SEBI/Stock Exchange	52	52	Nil
6. Change of Address	914	914	Nil
7. Others	1813	1812	01
<b>Total</b>	<b>3454</b>	<b>3451</b>	<b>03*</b>

\* resolved since then

#### p) Share transfer/demat requests in process

As on March 31, 2005, 33 cases of transfer comprising of 14,489 equity shares were in process for transfer and 60 demat request forms comprising of 38,032 equity shares were in process for dematerialization.

#### q) 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 the 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 - 141001 to get the share certificates of AIL.

**r) Unclaimed Dividend**

Dividends declared for the year 1996 which were unclaimed for a period of seven years has been transferred to the Investor Education and Protection Fund administered by the Central Government. As such, no claim henceforth shall lie in respect thereof.

**s) 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 2B.

**t) Outstanding Convertible Instruments**

The Company has no outstanding convertible instruments.

**u) Plant Locations**

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

**Yarn Division:**

Trident Complex,  
Raikot Road, Barnala,  
Distt- Sangrur, Punjab- 148 101

**Terry Towel Division:**

Trident Complex, Mansa Road,  
Dhaura, Barnala,  
Distt- Sangrur, Punjab- 148 101

**Paper and Chemicals Division:**

Trident Complex,  
Mansa Road, Dhaura, Barnala,  
Distt- Sangrur, Punjab- 148 101

**v) Address of subsidiaries**

**US subsidiary**

Abhishek Industries Inc.  
295 Fifth Avenue  
Suite 909, New York NY 10016, USA

**Europe subsidiary**

Abhishek Industries SA  
C/o Price Water House Coopers SA  
Place Pury 13,  
2001 Neuchatel, Switzerland

**w) 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.







## Auditors Certificate on compliance with the conditions of Corporate governance under Clause 49 of the Listing Agreement

To  
The Members  
**Abhishek Industries Limited**

We have examined the compliance of conditions of Corporate governance by Abhishek Industries Limited for the period ended on March 31, 2005 as stipulated in clause 49 of the Listing Agreement 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 and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in the clause 49 of the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period not exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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 S C VASUDEVA & CO.  
*Chartered Accountants*

Place : Ludhiana  
Dated: May 14, 2005

**Sanjiv Mohan**  
*Partner*



## Declaration regarding compliance with Code of Conduct

The Company has adopted a “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 all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: Ludhiana  
Date: May 12, 2005

**Pawan Jain**  
*Company Secretary*

**Rajinder Gupta**  
*Managing Director*

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## Managing Director and Finance Head Certification

We have reviewed financial statement and cash flow statement for the period January 1, 2004 to March 31, 2005 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. Accordingly, we have evaluated the effectiveness of internal control systems of the Company 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 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.

Place: Ludhiana  
Date: May 12, 2005

**Arun Goyal**  
*President*

**Rajinder Gupta**  
*Managing Director*

