

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance

Corporate governance at Abhishek 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.

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 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 the rights of the shareholders.
- Encourage enhanced performance.
- Remunerate fairly and responsibly.
- Recognise the legitimate interest of the stakeholders.
- 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.

Board of directors

The Board comprises of 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. Moreover, the Board has a representation of 29% woman directors. None of directors on the Board is member of more than five Board level Committees as required under the Code.

Board's definition of independent director

Independent director shall mean 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 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 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 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:

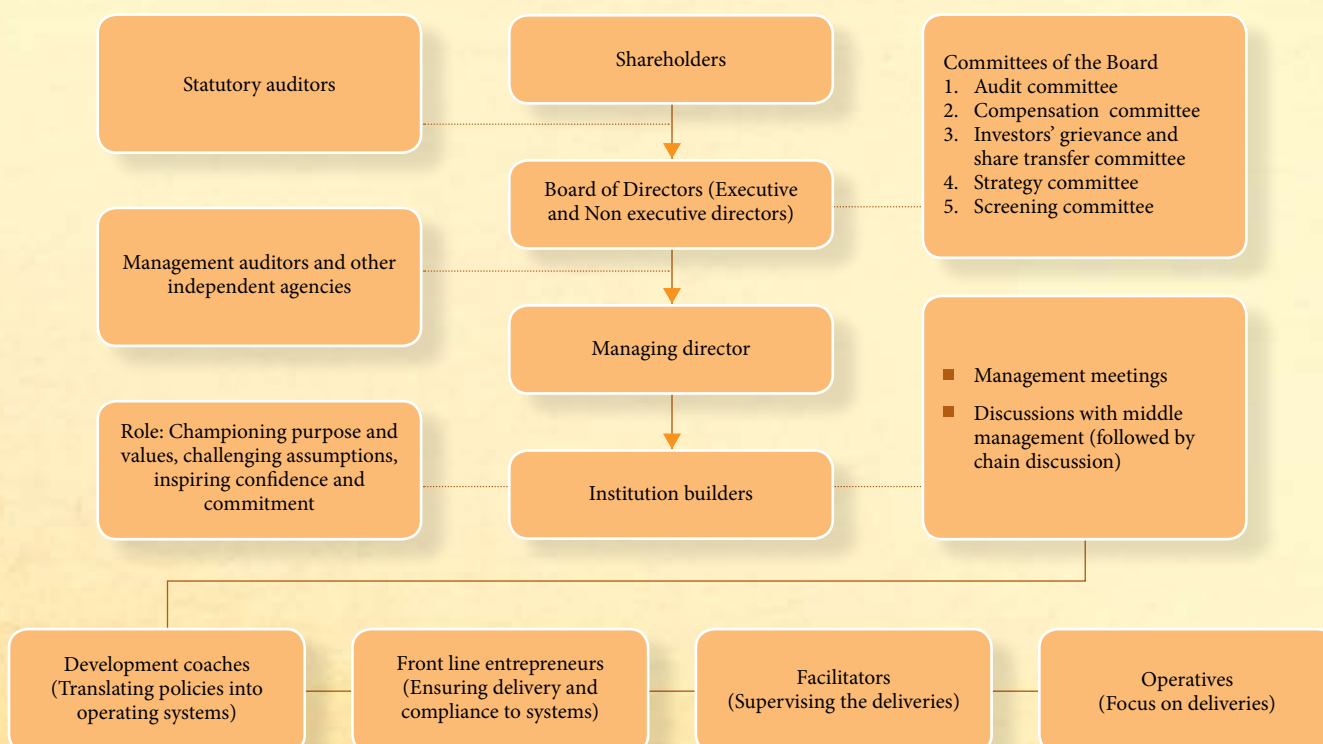
Name	Designation	Category	Shareholding in Company (no. of shares)	No. of directorships held in all public companies #	No. of Board committees memberships held in all public companies @	No. of Board committees chairmanships held in all public companies @
Mr S K Tuteja	Chairman	Non-executive, Independent	-	12	10	5
Mr Rajinder Gupta	Managing director	Executive	588,266	8	1	-
Ms Pallavi Shroff	Director	Non-executive, Independent	-	5	1	-
Ms Ramni Nirula	Director	Non-executive, Independent	-	4	1	-
Mr Rajiv Dewan	Director	Non-executive, Independent	23,290	8	5	-
Mr Ajay Relan	Director	Non-executive, Independent	-	11	4	1
Mr Anurag Verma	Additional director	Non-executive	-	6	-	-

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)

Governance structure

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 best system, process and technology.



Meetings

Meeting details – Board and committees

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 the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation.

The Company also holds atleast one Audit Committee meeting in each quarter to inter-alia review financial results. Meeting of other Committees of the Board are held whenever matters falling under their terms of reference need discussion and decision. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board/ Committee. 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/ Committee.

Following are the details of meetings of Board of Directors and Committees thereof held between April 1, 2007 and March 31, 2008.

Sr. no.	Particulars	No. of meetings	Date of meetings
1	Board meeting	4	May 5, 2007; July 9, 2007; Oct. 11, 2007 and Jan. 21, 2008
2	Audit committee meeting	4	May 5, 2007; July 9, 2007; Oct. 11, 2007 and Jan. 21, 2008
3	Compensation committee	2	May 5, 2007 and July 9, 2007
4	Investor grievance and share transfer committee	9	Apr. 14, 2007; June 13, 2007; July 16, 2007; Aug. 23, 2007; Sep. 27, 2007; Nov. 14, 2007; Dec. 19, 2007; Jan. 21, 2008 and Feb. 22, 2008
5	Strategy committee	1	Jan. 21, 2008
6	Screening committee	2	May 5, 2007 and Oct. 11, 2007

There was a maximum time gap of not more than 101 days between two consecutive Board meetings and Audit committee meetings.

Attendance of each director at the meetings of the Company

The detail of attendance of each director of the Company in Board and Committee meetings held during the financial year 2007-8 is given below:

Name of director	Board		Audit committee		Compensation committee		Investors' grievance and share transfer committee		Strategy committee		Screening committee	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Mr S K Tuteja	4	4	4	4	2	2	9	9	1	1	2	2
Mr Rajinder Gupta	4	4	~	~	~	~	9	9	1	1	2	2
Ms Pallavi Shroff	4	1	~	~	2	1	~	~	1	0	2	0
Ms Ramni Nirula	4	3	4	3	2	1	~	~	~	~	~	~
Ms Ravneet Kaur#	2	0	~	~	~	~	~	~	~	~	~	~
Mr Rajiv Dewan	4	4	4	4	~	~	9	8	~	~	~	~
Mr Ajay Relan	4	0	~	~	~	~	~	~	~	~	~	~
Mr Anurag Verma**	2	1	~	~	~	~	~	~	~	~	~	~

- * No. of meeting held during the tenure of respective directors.

- # Ceased to be a director w.e.f. October 11, 2007

- ## Appointed additional director w.e.f. October 11, 2007

- ~ Not a member of the Committee

- Mr S K Tuteja, Mr Rajinder Gupta and Mr Rajiv Dewan were present in the Annual General Meeting of the Company held on September 27, 2007.

- The Chairman of Audit Committee and Investors' Grievance and Share Transfer Committee was present in Annual General Meeting of the Company held on September 27, 2007.
- Dr M A Zahir, an HR Expert and Independent Person who is a member of Screening Committee of the Company, has attended one (out of total two) meetings of the Committee held in the financial year 2007-8.

Agenda and minutes

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.

The Company Secretary while preparing the agenda and minutes of the Board/Committee 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 by the Company. The draft minutes of the proceedings of each meeting duly initialed by the Chairman of the meeting are circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

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 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 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.

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 Chairman, quorum and the terms of reference of each committee have been approved by the Board.



Terms of reference of board level committee

The Board while approving terms of reference of committees ensures that the same is in line with laws of land. The Board proactively reviews terms of reference of Committees and modifies the same, if necessary, to meet the strategic and business needs. Following are brief terms of reference of Board Level Committees

Audit committee

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

- a) 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.
- b) Recommending the appointment and removal of 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 judgment 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
- d) Reviewing with management, external and internal auditor, 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 any significant findings and follow up thereon
- g) 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
- h) Discussion with external auditors before the audit commences on the nature and scope of audit as well as has 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 the payment to the depositors, debenture holders, shareholders (in case of non-payments of declared dividends) and creditors.
- k) To approve unaudited Quarterly Financial results and publish the same as required in the Listing Agreement

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

Compensation committee

The broad terms of reference of Compensation committee inter-alia include determination and review of remuneration package of Executive directors/CEOs and formulation and administration of Employee Stock options plan of the Company.

Investors' grievance and share transfer committee

The broad terms of reference of Investors' grievance and share transfer committee inter-alia include monitoring of work related to transfer/transmission/conversion/dematerialisation/rematerialisation/subdivision/consolidation, etc of shares of the Company, approving issue of duplicate share certificate and redressing all kind of shareholders/investors complaints.

Strategy committee

The broad terms of reference of Strategy committee inter-alia include formulation of long-term and strategic planning as well as resources management, performance review and monitoring and review of projects.

Screening committee

The broad terms of reference of Screening committee inter-alia include determination of appropriate characteristics, skills and experience for the Board members and to make recommendation to the Board and to Shareholders on the induction of any new director.

Directors' remuneration

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.

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 and shareholders in the General Meeting.

The synopsis of approvals for the remuneration paid to Mr Rajinder Gupta, Managing Director and sitting fees paid to Non executive directors during the year ended March 31, 2008 is given hereunder:

Sr. No.	Approving Authority	Date of Approval	
		Executive director	Non executive directors
1	Remuneration Committee	25.01.2006	Not applicable
2	Board of Directors	25.01.2006	24.10.2003
3	Shareholders in Extraordinary General Meeting	18.03.2006	12.12.2003

During the period 2007-8, the Company did not advance any loan to any of its Directors. No stock options have been provided to directors of the Company during the year under review.

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 year ended March 31, 2008 (Rs)			
			Sitting fee	Salary and perks	Commission	Total
Mr S K Tuteja	None	None	4,40,000	-	-	4,40,000
Mr Rajinder Gupta	None	None	-	2,40,00,000	46,00,000	2,86,00,000@
Ms Pallavi Shroff	None	Partner Amarchand & Mangaldas & Suresh A Shroff & Co., Solicitors to the Company	40,000	-	-	40,000
Ms Ramni Nirula	None	Nominee of ICICI, a lender to the Company	140,000*	-	-	140,000
Ms Ravneet Kaur#	None	Nominee of PSIDC, an equity investor of the Company	-	-	-	-
Mr Rajiv Dewan	None	None	3,20,000	-	-	3,20,000
Mr Ajay Relan	None	None	-	-	-	-
Mr Anurag Verma##	None	Nominee of PSIDC, an equity investor of the Company	20000*	-	-	20000

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

Ceased to be a director w.e.f. October 11, 2007

Appointed as Additional director w.e.f. October 11, 2007

@ An amount of Rs 28.6 million has been provided in the books of account in respect of the remuneration to Managing director Mr Rajinder Gupta, out of which Rs 22.5 million has been paid and Rs 6.1 million has not been paid due to inadequacy of profits as computed under Section 349 of the Companies Act, 1956, for which approval of the Central Government is awaited.

The Company has also taken Director's and Officer's (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 sum of Rs 75,000/- 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. However, the above payment does not affect 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 per cent 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.

Directorships of board members in other companies

The Directors of the Company also hold 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:

Name of directors	Name of companies	Position held/ interest
Mr S K Tuteja	Swaraj Mazda Limited	Chairman- Board, Chairman- Audit Committee, Member- Investors' Grievance and Share Transfer Committee
	Shri Renuka Infraprojects Limited	Chairman- Board
	Adani Logistics Limited	Chairman- Board
	Shri Renuka Sugar Limited	Director on the Board, Chairman- Investor Grievance Committee
	Mundra Port and Special Economic Zone Limited	Director on the Board, Member- Audit Committee, Member- Investor Grievance Committee
	HMT Limited	Director on the Board, Member- Audit Committee
	Adani Powers Limited	Director on the Board, Chairman- Audit Committee
	Small Industries Development Bank of India	Director on the Board
	Abhishek Global Ventures Limited	Director on the Board
	SVIL Mines Limited	Director on the Board
	Ambience Limited	Director on the Board

Name of directors	Name of Companies	Position held/ Interest
Mr S K Tuteja	Precision Pipes and Profiles Limited	Director on the Board, Member- Investor Grievance Committee
	Neelkanth Cold Chain (P) Limited	Director on the Board
	Pegasus Asset Reconstruction (P) Limited	Director on the Board
Mr Rajinder Gupta	Abhishek Energy Corporation Limited	Chairman- Board, Shareholding > 2%
	Himalayan Ayurvedic & Agro Research Centre Limited	Chairman- Board
	Madhuraj Foundation Limited	Chairman- Board, Shareholding > 2%
	Abhishek Global Ventures Limited	Chairman- Board
	Trident Spinfab Corporation Limited	Director on the Board
	Abhishek Industries Inc.	Director on the Board
	Trident Infotech Inc.	Director on the Board
	Trinetra Technologies Limited	Director on the Board
	Abhishek Ventures & Projects Limited	Director on the Board
	Praneel Innovations Limited	Shareholding > 2%
	Trident Towels Limited	Shareholding > 2%
Ms Pallavi Shroff	Maruti Udyog Limited	Director on the Board, Member- Audit Committee
	Kotak Mahindra Old Mutual Life Insurance Limited	Director on the Board
	BAG Films Limited	Director on the Board
	Juniper Hotels (P) Limited	Director on the Board, Member- Audit Committee
	IndusInd Bank Limited	Director on the Board
	M/s Amarchand & Mangaldas & Suresh A Shroff & Co.	Partner
Ms Ramni Nirula	Jindal Steel & Power Limited	Director on the Board
	ICICI Comm Trade Limited	Director on the Board
	Haldia Petro Chemicals Limited	Director on the Board
Mr Rajiv Dewan	Madhuraj Agrotech Limited	Chairman- Board
	Malwa Industries Limited	Director on the Board, Member- Audit Committee
	Punjab Communications Limited	Director on the Board, Member- Audit Committee, Member- Investors' Grievance Committee
	Malwa Millenium Designs Limited	Director on the Board
	Trinetra Technologies Limited	Director on the Board
	Abhishek Ventures & Projects Limited	Director on the Board
	Madhuraj Foundation Limited	Director on the Board
	R Dewan & Co.	Partner
Mr Ajay Relan	Citicorp Finance (India) Limited	Managing Director - Board
	Techno Electric & Engineering Company Limited	Director on the Board

Name of directors	Name of companies	Position held/ Interest
Mr Ajay Relan	Micro Abrasives (India) Private Limited	Director on the Board
	Himadri Chemical and Industries Limited	Director on the Board
	Suzlon Energy Limited	Director on the Board
	Jubilant Organosys Limited	Director on the Board, Member- Audit Committee
	Hindustan Times Media Limited	Director on the Board, Chairman- Shareholder Grievance Committee Member- Audit Committee
	International Tractors Limited	Director on the Board
	International Cars & Motors Limited	Director on the Board
	Monnet Ispat & Energy Limited	Director on the Board, Member- Audit Committee
Mr Anurag Verma	Jindal Drilling & Industries Limited	Director on the Board, Member- Audit Committee
	Indian Acrylics Limited	Director on the Board
	Punjab Venture Investor Trust Limited	Director on the Board
	Punjab Alkalies & Chemicals Limited	Director on the Board
	Punjab Communications Limited	Managing Director - Board
Punjab State Industrial Development Corporation Limited	Managing Director - Board	

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

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 annually and accordingly Mr S.K. Tuteja, Ms Pallavi Shroff, Ms Ramni Nirula, Mr Rajiv Dewan and Mr Ajay Relan, Directors are retiring at the ensuing Annual General Meeting. All retiring directors, except Mr Ajay Relan, offer themselves for re-appointment. The Screening Committee and Board has recommended re-appointment of retiring directors who are retiring and offer themselves for re-appointment. The Board has also recommended appointment of Mr Raman Kumar as Director of the Company in place of Mr Ajay Relan, who does not seek re-appointment. A brief profile of Mr Raman Kumar is given in the explanatory statement to the notice of Annual General Meeting.

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 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 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. 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's 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 the shareholders within the stipulated time and are also uploaded on Company's official website www.tridentindia.com.

The Company generally publishes its financial results in the Business Standard, Economic Times and Dosh Sewak. During the year 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, 2007	■ Business Standard	10.07.2007
	■ Dosh Sewak	10.07.2007
Unaudited financial results for the quarter ended September 30, 2007	■ Business Standard	12.10.2007
	■ Dosh Sewak	12.10.2007
Unaudited financial results for the quarter ended December 31, 2007	■ Business Standard	22.01.2008
	■ Dosh Sewak	22.01.2008
	■ The Economic Times	22.01.2008
	■ Nav Bharat times	22.01.2008
Audited financial results for the quarter and year ended March 31, 2008	■ Business Standard	28.06.2008
	■ Dosh Sewak	28.06.2008

c) Compliance officer

The Board has appointed following officials as Compliance Officer of the Company:

1. Mr Pawan Jain, Vice President and Company Secretary (e-mail Id: pawanjain@tridentindia.com)
2. Mr Ratnesh P Rukhariyar, Deputy Company Secretary (e-mail Id: ratneshrukhariyar@tridentindia.com)

The Compliance officers can be contacted for any investors related matter relating to the Company on contact no. +91-161-5039999, 2304000; and Fax no. +91-161-5039900, 5038800.

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
17th	Thursday	September 27, 2007	10:30 AM	Trident Complex, Raikot Road, Barnala	None
16th	Wednesday	September 27, 2006	10.00 AM	Trident Complex, Raikot Road, Barnala	None
15th	Saturday	July 9, 2005	9.00 AM	Trident Complex, Raikot Road, Barnala	Two

e) Postal ballots

Following two special resolutions were passed by way of postal ballot during the year 2007-8.

Sr. No.	Date of passing	Description of special resolution	Voting Pattern		Remarks
			For	Against	
1	June 29, 2007	Approval of Abhishek Employee Stock Options Plan, 2007	99.99%	.01%	Passed with requisite majority
2	June 29, 2007	Approval for Issue of Warrants on Preferential basis	99.99%	.01%	Passed with requisite majority

Mr S C Gupta, Retired District Attorney, 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 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 last three years.
- During the year 2004-5, the Company had to pay a penalty of Rs 60,000/- under protest imposed by SEBI for alleged violation in terms of Regulation 6(3) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997. Subsequently, the Company had filed an appeal against this order to the SEBI 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 SEBI to refund the penalty so 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 and 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 the mandatory requirements of clause 49 of Listing Agreements entered into with Stock Exchanges.

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 Compensation Committee comprising of 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 household of shareholders.
- d) The performance evaluation of all directors (executive and non-executive) is done by the Screening Committee, which comprises of two Independent directors, one Executive director and one independent person having expertise in Human Resources.
- e) The Company has adopted 'Whistle Blower Policy'. No personnel have 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 24, 2008
Day	Wednesday
Time	10.30 AM
Venue	Trident Complex, Raikot Road, Barnala -148001

b) Financial calendar

Next Financial year	April 1, 2008 to March 31, 2009
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c) The financial results will be adopted as per the following tentative schedule:

For the quarter ended June 30, 2008	July 2008 (4th week)
For the quarter ended September 30, 2008	October 2008 (3rd week)
For the quarter ended December 31, 2008	January 2009 (3rd week)
For the quarter and year ended March 31, 2009	May 2009 (2nd week)

d) Date of book closure for the purpose of dividend and Annual General Meeting:

The Share Transfer Book and Members' Register shall remain closed from September 18, 2008 to September 24, 2008 (both days inclusive) for the purpose of the eighteenth Annual General Meeting of the Company.

e) Listing on stock exchanges

As on March 31, 2008, 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

f) Listing fees

Listing fees for the year 2008-9 has been paid to the Stock Exchanges where the equity shares of the Company are listed in the month of April, 2008 i.e. within the stipulated time.

g) Stock code

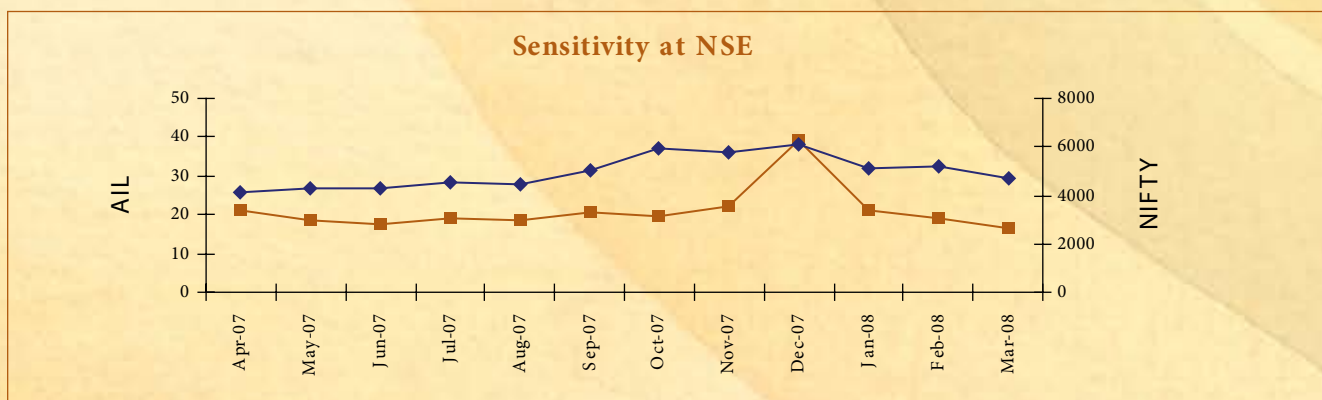
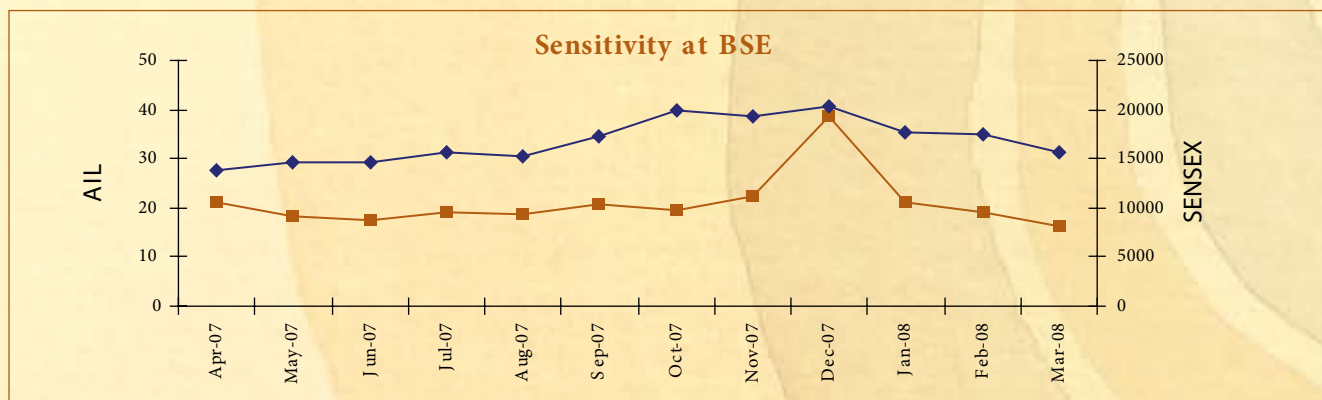
The Company's code at the stock exchanges and news agencies are:

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

h) 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, 2007	21.70	19.35	641842	14383.72	12425.52	22.00	19.60	1391556	4217.90	3617.00
May, 2007	21.80	18.10	1710226	14576.37	13554.34	21.80	18.00	2582822	4306.75	3981.15
June, 2007	19.05	17.00	813258	14683.36	13946.99	19.25	17.05	1119960	4362.95	4100.80
July, 2007	23.60	17.15	3672353	15868.85	14638.88	23.70	17.15	5948597	4647.95	4304.00
August, 2007	19.45	17.05	1456364	15542.40	13779.88	19.40	17.10	2244008	4532.90	4002.20
September, 2007	21.75	18.90	3598733	17361.47	15323.05	22.00	18.80	4794347	5055.80	4445.55
October, 2007	25.25	18.80	6903041	20238.16	17144.58	25.40	18.30	7953659	5976.00	5000.95
November, 2007	24.60	18.45	5846555	20204.21	18182.83	24.60	18.00	6816871	6011.95	5394.35
December, 2007	38.75	22.00	26148299	20498.11	18886.40	39.00	22.15	30086131	6185.40	5676.70
January, 2008	42.65	20.00	8279070	21206.77	15332.42	42.70	20.50	9121094	6357.10	4448.50
February, 2008	23.75	18.55	2323313	18895.34	16457.74	23.80	18.90	3019133	5545.20	4803.60
March, 2008	19.20	14.35	1691476	17227.56	14677.24	19.25	14.50	2252798	5222.80	4468.55



i) 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 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 : +91-11-23541234, 42541234, Fax : +91-11-41540064

E-Mail: rta@alankit.com

j) Share transfer system

All physical share transfers, dematerialisation etc are handled by M/s Alankit Assignments Limited, Registrar and Share Transfer Agent 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

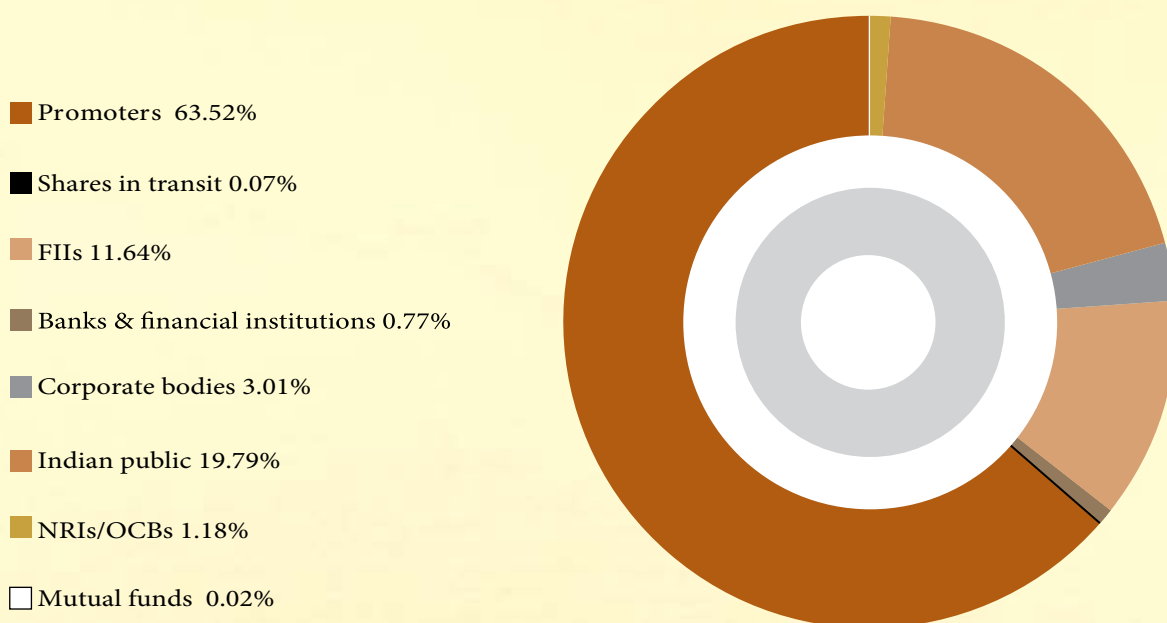
As on March 31, 2008 the distribution of shareholding was as follows:

Shareholding of nominal value in Rs	Shareholders		Shareholding	
	Number	%age	Shares	%age
Upto 5000	67888	80.08	13774702	7.09
5001 to 10000	10306	12.16	7902404	4.07
10001 to 20000	4073	4.80	5963561	3.07
20001 to 30000	1050	1.24	2692683	1.39
30001 to 40000	360	0.43	1300318	0.67
40001 to 50000	357	0.42	1697056	0.87
50001 to 100000	428	0.50	3207553	1.65
100001 and above	316	0.37	157656398	81.19
Total	84,778	100.00	19,41,94,675	100.00

l) Category wise shareholding as on March 31, 2008

Category	No. of shares held	% of shareholding
Promoters		
Indian Promoters	12,33,43,373	63.52
Institutional Investors		
-Mutual Funds	42,065	0.02
-Banks, Financial Institutions	14,99,758	0.77
-FIIs	2,25,94,560	11.64
Others		
-Corporate Bodies	58,43,110	3.01
-Indian Public	3,84,30,301	19.79
-NRIs/OCBs	22,98,327	1.18
-Shares in Transit	1,43,181	0.07
Grand Total	19,41,94,675	100.00

Shareholding Pattern



m) Details of shares held more than 1% as on March 31, 2008

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

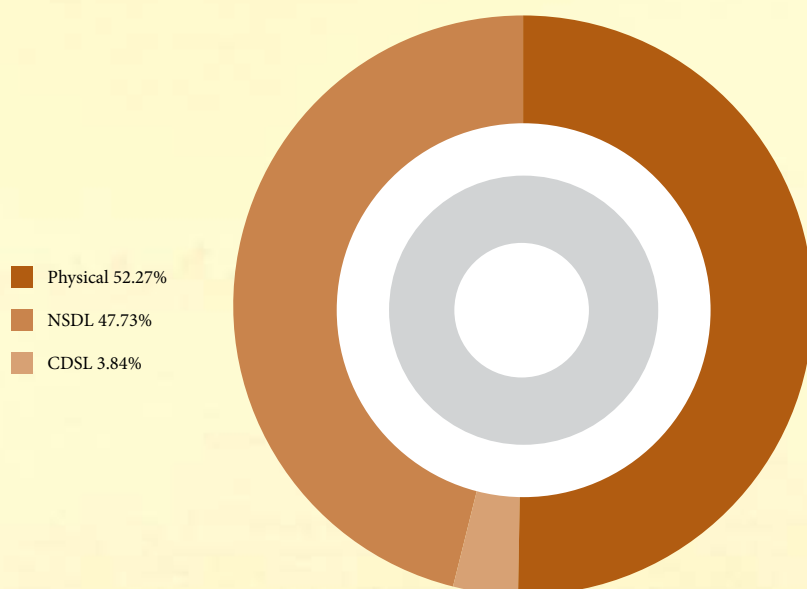
n) Dematerialisation of shares

The equity shares of the Company are compulsory 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, 2008 is given hereunder:

Particulars	As on 31 March, 2008		As on 31 March, 2007	
	No. of shares	% age	No. of shares	% age
No. of shares dematerialised	9,26,91,760	47.73	9,19,23,091	47.33
-NSDL	8,52,24,767	43.89	8,67,35,014	44.66
-CDSL	74,66,993	3.84	51,88,077	2.67
No. of shares in physical form	10,15,02,915	52.27	10,22,71,584	52.67
Total	19,41,94,675	100.00	19,41,94,675	100.00

Dematerialisation of shares as on March 31, 2008



o) Correspondence received/resolved

Nature	Number of letters (April 2007 – March 2008)		
	Received	Attended	Pending
Transfer of Shares	13	13	Nil
Dividend/Revalidation	447	447	Nil
Duplicate shares	132	132	Nil
Loss of shares	325	325	Nil
SEBI/Stock Exchange	12	12	Nil
Change of Address	1453	1453	Nil
Conversion	294	294	Nil
Misc. like Demat / Mandate / Nomination / POA / Annual Report / Transmission etc.	466	466	Nil
Total	3142	3142	Nil

p) Share transfer/demat requests in process

As on March 31, 2008, 17 cases of transfer comprising of 4869 equity shares were in process and 2 demat request forms comprising of 200 equity shares were in process for dematerialisation.

q) Warrants and stock options

As on March 31, 2008, two crores eighty lacs (2,80,00,000) warrants of the face value of Rs 10/- each were outstanding. These warrants were issued at a price of

Rs 21.30 pursuant to the approval of shareholders taken through Postal Ballot on June 29, 2007. The allottee of warrants has an option to get these warrants converted into equity shares of the Company within 18 months from the date of allotment (i.e. July 9, 2007).

The Company has also granted options to its employees during the year under review. Total 79,01,462 options were granted to eligible employees on July 9, 2007 by the Compensation Committee as per the terms and

conditions of Abhishek Employee Stock Options Plan, 2007. As per the terms of the plan, the Company can allot a maximum of 99,09,733 options to eligible employees from time to time. One option entitles the participant for one equity share of the Company subject to fulfillment of vesting criteria. Since these are the options given to participants, the exact impact on the paid up capital of the Company depends on exercise of rights of participants to convert these options into equity shares of the Company.

The Company has no other outstanding convertible instrument

- r) 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.

s) 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 law.

t) 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.

u) Plant locations

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

Yarn division:		Terry towel division:	Paper and chemicals division:
Trident Complex, Raikot Road, Barnala-148 101 (Punjab)	Trident Complex, Hoshangabad Road, Budni, Sehore-466 445 (Madhya Pradesh)	Trident Complex, Mansa Road, Dhaula, Barnala-148 101 (Punjab)	Trident Complex, Mansa Road, Dhaula, Barnala-148 101 (Punjab)

v) Address of subsidiaries

US subsidiary	Europe subsidiary	Indian subsidiary
Abhishek Industries Inc. 295 Fifth Avenue Suite 909, New York NY 10016, USA	Abhishek Europe SA Place Pury 3 C/o Cabinet Béguin D'expertise Fiscale CBEF SA 2001 Neuchâtel, Switzerland	Abhishek Global Ventures Limited Trident Complex Raikot Road Barnala, Punjab

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



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, 2008, 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: June 27, 2008

Manjula Banerji
Partner
Membership No. 086423

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

We have reviewed financial statements and cash flow statement for the year April 1, 2007 to March 31, 2008 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: Shimla

Date : June 27, 2008

Arun Goyal

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 2007-8, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: Shimla

Date : June 27, 2008

Pawan Jain

Company Secretary

Rajinder Gupta

Managing Director