



# CORPORATE GOVERNANCE REPORT

## 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](http://www.tridentindia.com).

## Board of Directors

As on the date of report, the Board comprised of six Directors, of which more than 66 percent are Non-executive and Independent directors. The Company has a Non-executive and Independent chairman. Two Directors on the Board are Executive directors. None of the Directors on the Board is a member of more than five Board level committees as required under the Code except Mr S K Tuteja. However, he is not a 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:

- a. apart from receiving Director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates which may affect independence of the Director
- b. is not related to promoters or persons occupying management positions at the Board level or 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 or was not partner or an executive during the preceding three years, of any of the following:
  - i) the statutory audit firm or the internal audit firm that is associated with the Company, and

- ii) the legal firm(s) and consulting firm(s) that have a material association with the Company
- e. is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the Director
- f. is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares
- g. is not less than 21 years of age

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

- The concept of materiality is relevant from the recipient's point of view and not from that of the Company
- The term material needs to be defined in percentage. Ten percent 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 Ninula and Mr Rajiv Dewan are categorised as Independent Directors.

Other details relating to the Board are as follows:

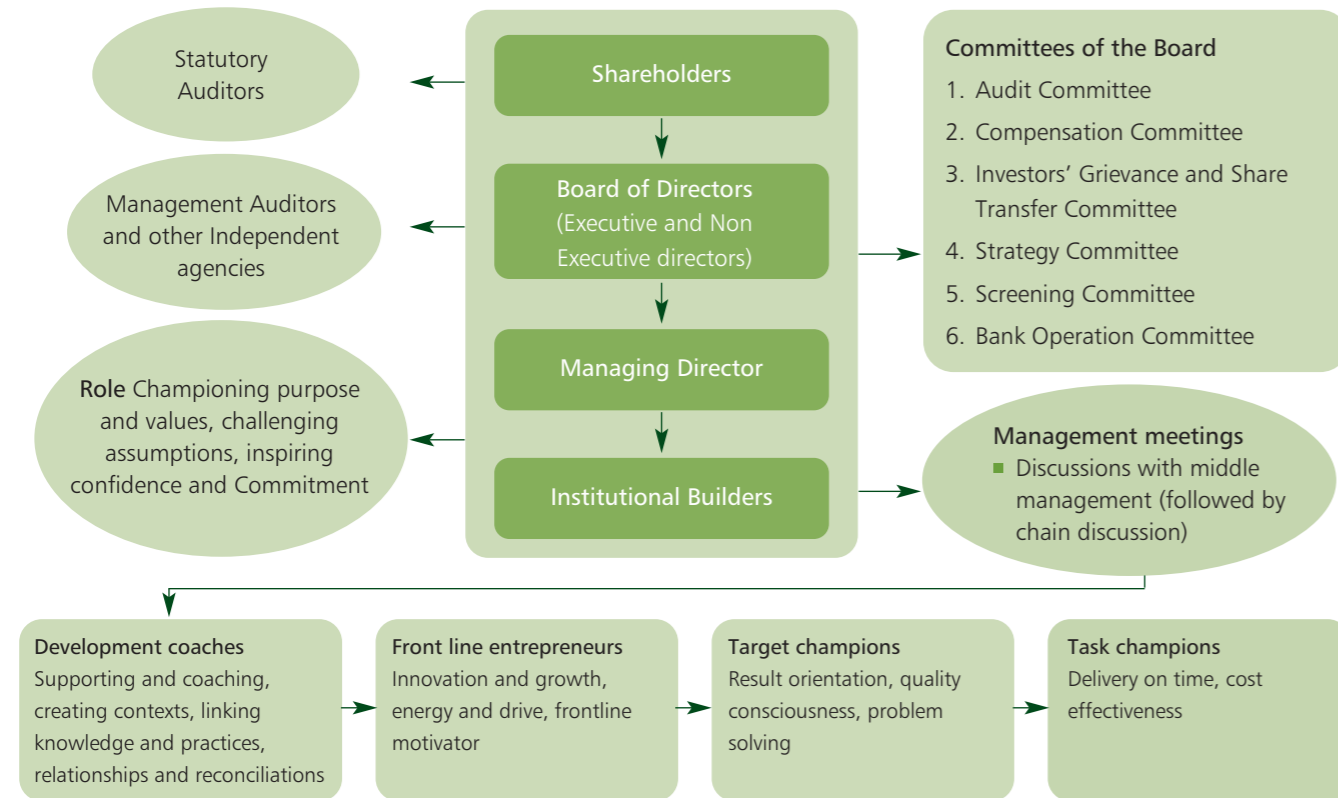
Name	Designation	Category	Shareholding in Company (No. of shares)	No. of directorships held in all public companies #	No. of Board Committees' memberships held in all public companies @	No. of Board Committees' chairmanships held in all public companies @
Mr S K Tuteja	Chairman	Non-Executive, Independent	–	14	10	4
Mr Rajinder Gupta	Managing Director	Executive	588,266	8	1	–
Ms Pallavi Shroff	Director	Non-Executive, Independent	–	4	2	–
Ms Ramni Nirula	Director	Non-Executive, Independent	–	5	1	–
Mr Rajiv Dewan	Director	Non-Executive, Independent	23,290	8	5	1
Mr Raman Kumar	Wholetime Director	Executive	–	5	–	–

# 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, 2009 and March 31, 2010

Sr. no	Particulars	No. of meetings held during the year	Date of meetings
1	Board meeting	5	May 15, 2009, July 23, 2009, September 23, 2009, October 27, 2009, January 21, 2010
2	Audit Committee meeting	4	May 15, 2009, July 23, 2009, October 27, 2009, January 21, 2010
3	Compensation Committee	1	July 23, 2009
4	Investors' Grievance and Share Transfer Committee	4	May 30, 2009, August 8, 2009, September 15, 2009, January 21, 2010
5	Screening Committee	1	May 15, 2009

There was a maximum time gap of not more than 85 days between two consecutive Board meetings and 95 days between two consecutive Audit Committee meetings.

## Attendance of each Director at the meetings of the Company

The detail of attendance of each Director of the Company in the Board and Committee meetings held during the financial year 2009-10 is given below:

Name of Director	Board		Audit Committee		Compensation Committee		Investors' Grievance and Share Transfer Committee		Screening Committee	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Mr S K Tuteja	5	4	4	4	1	1	4	4	1	1
Mr Rajinder Gupta	5	5	≈	≈	≈	≈	4	1	1	1
Ms Pallavi Shroff	5	0	≈	≈	1	0	≈	≈	1	0
Ms Ramni Nirula	5	4	4	4	1	1	≈	≈	≈	≈
Mr Rajiv Dewan	5	4	4	3	≈	≈	4	3	≈	≈
Mr Karan Avtar Singh ^	5	0	≈	≈	≈	≈	≈	≈	≈	≈
Mr Raman Kumar	5	5	≈	≈	≈	≈	≈	≈	≈	≈

- \* No. of meetings held during the tenure of respective Directors

- ≈ Not a member of the Committee

- ^ Mr Karan Avtar Singh ceased to be Director w.e.f. May 3, 2010.

- Mr S K Tuteja and Mr Rajiv Dewan were present in the Annual General Meeting of the Company held on August 27, 2009

- The Chairman of Audit Committee and Investors' Grievance and Share Transfer Committee were present in Annual General Meeting of the Company held on August 27, 2009.

- Dr M A Zahir, an HR expert and independent person who is a member of Screening Committee of the Company, has attended one meeting (out of total one meeting) of the Committee held during the financial year 2009-10

### 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 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
- 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, 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

### 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 the Committees ensures that the same is in line with laws of land. The Board proactively reviews terms of reference of the 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:

- 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.
- Recommending the appointment and removal of external Auditor, fixation of audit fee and also approval for payment of any other services.
- 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 that may have potential conflict with the interest of the Company at large
- Reviewing with management, external and internal Auditor, adequacy of internal control systems
- 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
- Discussion with internal Auditors any significant findings and follow up thereon
- 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

- 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
- Reviewing the Company's financial and risk management policies
- 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.
- 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/CEO 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/split 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, review of projects.

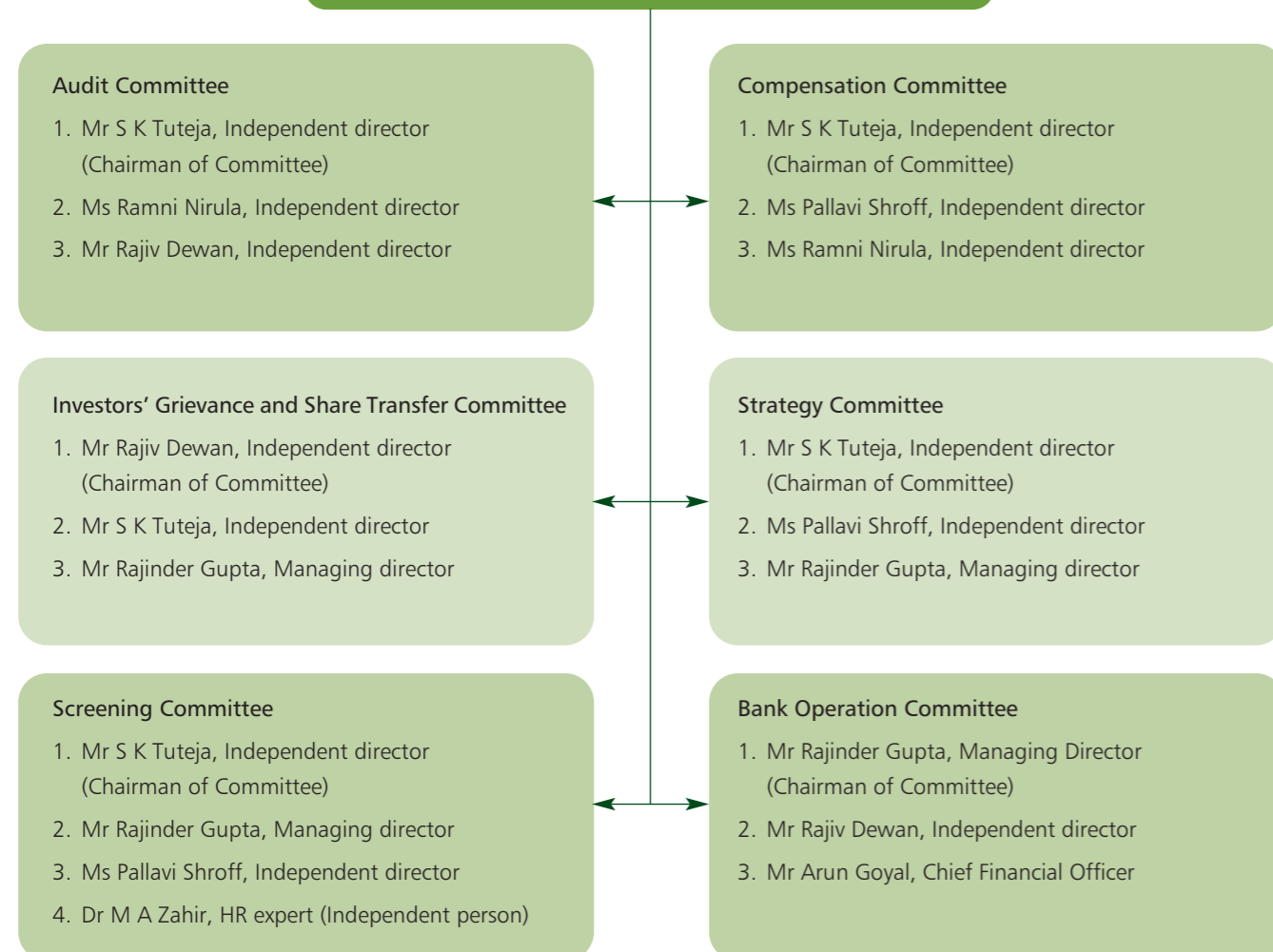
#### Screening Committee

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.

#### Bank Operation Committee

The broad terms of reference of Bank Operation Committee inter-alia include bank operating powers, changes thereon and other banking related issues of the Company with the banks/financial institutions.

### Composition of board level committees



## Directors' remuneration

### Remuneration policy of Directors

#### Executive director

The remuneration paid to the Executive directors is recommended by the Compensation 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 the Board and the Committee (as the case may be), 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.

The synopsis of approvals for the remuneration paid to Mr Rajinder Gupta, Managing director, Mr Raman Kumar, Wholtime director and sitting fees paid to Non-executive directors during the year ended March 31, 2010 is given hereunder:

Sr. no	Approving authority	Date of approval		
		Executive directors		Non-executive directors
		Mr Rajinder Gupta (Managing director)	Mr Raman Kumar (Wholtime director)	
1	Compensation Committee	June 26, 2008	October 9, 2008	Not applicable
2	Board of Directors	June 27, 2008	September 24, 2008	May 15, 2009
3	Shareholders in General Meeting	September 24, 2008	August 27, 2009	December 12, 2003

During 2009-10, 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 are detailed below:

### Relationships of Directors, their business interests and remuneration

(Amount in Rs)

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid/payable during the year ended March 31, 2010			
			Sitting fee	Salary and perks	Commission	Total
Mr S K Tuteja	None	None	280,000	–	–	280,000
Mr Rajinder Gupta	None	Promoter	–	24,000,000	1,733,182	25,733,182
Ms Pallavi Shroff	None	None	–	–	–	–
Ms Ramni Nirula	None	Nominee of ICICI, a lender to the Company	180,000*	–	–	180,000
Mr Rajiv Dewan	None	None	200,000	–	–	200,000
Mr Karan Avtar Singh ^	None	Nominee of PSIDC, an equity investor of the Company	–	–	–	–
Mr Raman Kumar	None	None	–	1,680,000	–	1,680,000

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

^ Mr Karan Avtar Singh ceased to be a Director w.e.f. May 3, 2010

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 35,600 was paid to M/s Amarchand & Mangaldas & Suresh A Shroff & Co., during the financial year 2009-10 towards fees for legal services. 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 percent of the net profits of the Company as computed under Section 349 of the Companies Act, 1956, as per the terms of his appointment recommended by the Compensation Committee in its meeting held on June 26, 2008 and approved by the Board in its meeting held on June 27, 2008 and the shareholders in their Annual General Meeting held on September 24, 2008.

Termination of agreement with Managing director and Wholtime director and severance fees

The employment of Managing director and Wholtime director

shall terminate automatically in the event of their ceasing to be a Director of the Company in the General Meeting and/or in the event of their 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 position as Directors, committee members, partners and shareholders in other reputed companies, associations and firms. The committee memberships/ chairmanships held by the Directors in other corporate as on March 31, 2010 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- Share Transfer and Investors' Relationship Committee
	Shree Renuka Infraprojects Limited	Chairman- Board
	Adani Logistics Limited	Chairman- Board
	National Bulk Handling Corporation Limited	Chairman-Board
	AZZ Maintenance & Engineering Services Limited	Chairman-Board
	Sohrab Spinning Limited	Chairman-Board
	Tiger Cold Chain (P) Ltd	Chairman-Board
	Pegasus Assets Reconstruction (P) Ltd	Chairman-Board
	Shree Renuka Sugar Limited	Director - Board Member- Share Transfer and Investors' Relationship Committee
	Mundra Port and Special Economic Zones Limited	Director - Board Member- Audit Committee Member- Share Transfer and Investors' Relationship Committee
	Adani Power Limited	Director - Board Chairman- Audit Committee
	Small Industries Development Bank of India	Director - Board
	SVIL Mines Limited	Director - Board
	Indian Energy Exchange Limited	Director - Board
	Axis Private Equity Limited	Director – Board Chairman- Audit Committee
	Precision Pipes and Profiles Company Limited	Director - Board Member- Share Transfer and Investors' Relationship Committee
Capstone Capital Services (P) Ltd	Director - Board	
Mr Rajinder Gupta	Abhishek Energy Corporation Limited	Chairman - Board Shareholding > 2 percent
	Himalayan Ayurvedic & Agro Research Centre Limited	Chairman- Board
	Madhuraj Foundation Limited	Chairman- Board
	Abhishek Global Ventures Limited	Chairman- Board
	Abhishek Industries Inc.	Director - Board
Trident Infotech Inc.	Director - Board	

Name of Directors	Name of Companies	Position held/ interest
	Trineta Technologies Limited	Director - Board
	Abhishek Ventures & Projects Limited	Director - Board
	Trident Corporation Limited	Director - Board
	Trident Towels Limited	Shareholding > 2 percent
Ms Pallavi Shroff	Maruti Suzuki India Limited	Director - Board Member - Audit Committee
	Kotak Mahindra Old Mutual Life Insurance Limited	Director - Board
	Juniper Hotels Limited	Director - Board Member - Audit Committee
	PTL Enterprises Limited	Director - Board
Ms Ramni Nirula	Artemis Health Sciences Pvt. Limited	Director - Board
	Artemis Medicare Services Pvt. Limited	Director - Board
	Jindal Steel & Power Limited	Director - Board
	ICICI Comm Trade Limited	Director - Board
Mr Rajiv Dewan	Haldia Petro Chemicals Limited	Director - Board
	Jubilant Foodworks Limited	Director - Board
	Trident Agritech Limited	Chairman - Board
	Malwa Industries Limited	Director - Board Member - Audit Committee
	Punjab Communications Limited	Director - Board Member - Audit Committee Member - Investors' Grievance Committee
	Malwa Millenium Designs Limited	Director - Board
	Trineta Technologies Limited	Director - Board
	Abhishek Ventures & Projects Limited	Director - Board
	Trident Aerospace Limited	Director - Board
	R Dewan & Co.	Partner
Mr Raman Kumar	Abhishek Corporate Services Limited	Director - Board
	Rainbow Retail Limited	Director - Board
	Asian Trading Corporation Limited	Director - Board
	Himalayan Ayurvedic & Agro Research Centre Limited	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's 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 and Wholtime director shall retire annually and accordingly Mr S K Tuteja, Ms Pallavi Shroff, Ms Ramni Nirula and Mr Rajiv Dewan, Directors are retiring at the ensuing Annual General

Meeting. All retiring Directors, offer themselves for re-appointment. The Screening Committee and Board have recommended re-appointment of Directors who are retiring and offer themselves for re-appointment.

The brief profile of the Directors being appointed and 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.

All material information about the Company is promptly sent through facsimile/e-mail 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 along with 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](http://www.tridentindia.com).

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

Financial Results	Newspapers	Date of publication
Unaudited financial results for the quarter ended June 30, 2009	<ul style="list-style-type: none"> <li>■ Business Standard</li> <li>■ Desh Sewak</li> </ul>	July 24, 2009 July 24, 2009
Unaudited financial results for the quarter ended September 30, 2009	<ul style="list-style-type: none"> <li>■ Business Standard</li> <li>■ Desh Sewak</li> </ul>	October 28, 2009 October 28, 2009
Unaudited financial results for the quarter ended December 31, 2009	<ul style="list-style-type: none"> <li>■ Business Standard</li> <li>■ Rozana Spokesman</li> </ul>	January 22, 2010 January 22, 2010
Audited financial results for the quarter and year ended March 31, 2010	<ul style="list-style-type: none"> <li>■ Business Standard</li> <li>■ Rozana Spokesman</li> </ul>	May 4, 2010* May 4, 2010*

\*Proposed

### c) Compliance Officer

The Board has appointed following officials as Compliance Officers of the Company.

1. Mr Pawan Jain, Company Secretary (e-mail ID: [pawanjain@tridentindia.com](mailto:pawanjain@tridentindia.com).)
2. Mr Ratnesh P Rukhariyar, Deputy Company Secretary (e-mail ID: [ratneshrukhariyar@tridentindia.com](mailto:ratneshrukhariyar@tridentindia.com))

The Compliance Officers can be contacted for any investor related matter relating to the Company on contact no. +91-161-5039999, 5038888; 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
19th	Thursday	August 27, 2009	10:30 am	Trident Complex, Raikot Road, Barnala	Following three special resolutions were passed: <ul style="list-style-type: none"> <li>■ Appointment of Mr Raman Kumar as Wholtime director and payment of remuneration thereof</li> <li>■ Increase in remuneration of Mr Abhishek Gupta</li> <li>■ Employees Stock Options Scheme</li> </ul>
18th	Wednesday	September 24, 2008	10:30 am	Trident Complex, Raikot Road, Barnala	Following two special resolutions were passed: <ul style="list-style-type: none"> <li>■ Re-appointment of Mr Rajinder Gupta as Managing director and remuneration thereof</li> <li>■ Appointment of Mr Abhishek Gupta, son of Managing director as an employee of the Company</li> </ul>
17th	Thursday	September 27, 2007	10:30 am	Trident Complex, Raikot Road, Barnala	None

e) Postal ballots

The following ordinary resolution was passed during the financial year 2009-10 for which the Board had appointed Mr S C Gupta, Retired District Attorney as scrutiniser:-

Sr. no.	Date of passing	Description of ordinary resolution	Voting pattern		Remarks
			For	Against	
1	August 27, 2009	Ordinary resolution under Section 293(1)(a) of the Companies Act, 1956 for creation of charge against the assets of the Company	99.99 percent	0.01 percent	Passed with requisite majority

Details of resolution to be passed through Postal ballot

The Company proposes some resolutions to be passed through Postal Ballot for wider participation of shareholders of the Company. The Postal ballot notice alongwith necessary resolutions and detailed procedure is being sent to shareholders separately.

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 the last three years.
- No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other authority on any matter related to capital market during the last three years.

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:

- Code of conduct for prevention of insider trading
- Code of corporate disclosure
- Whistle Blower Policy
- Combined code of Corporate governance and conduct
- Safety, Health and Environment (SHE) Policy
- Values framework
- Risk management procedure

Compliance status with mandatory and non-mandatory requirements of Clause 49 of the 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:

- The 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
- 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
- Presently, half yearly financial performance is not being sent to each household of shareholders
- 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.
- The Company has adopted Whistle Blower Policy. No personnel is denied access to the Audit Committee.

General shareholders information

The following information would be useful to our shareholders:

a) Annual General Meeting

Date	September 25, 2010
Day	Saturday
Time	10:30 am
Venue	Trident Complex, Raikot Road, Barnala -148101

b) Financial calendar

Next financial year April 1, 2010 to March 31, 2011

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

For the quarter ended June 30, 2010	July 2010 (3rd week)
For the quarter and half year ended September 30, 2010	November 2010 (1st week)
For the quarter and period ended December 31, 2010	February 2011 (1st week)
For the quarter and year ended March 31, 2011	May 2011 (2nd week)

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		Nifty		
	High	Low		High	Low	High	Low	High	Low	
April, 2009	10.40	6.88	849,556	11,492.10	9,546.29	10.50	6.75	1,043,597	3,517.25	2,965.70
May, 2009	14.52	8.09	844,809	14,930.54	11,621.30	14.65	8.00	1,392,901	4,509.40	3,478.70
June, 2009	15.24	10.50	1,281,034	15,600.30	14,016.95	15.40	11.00	1,669,846	4,693.20	4,143.25
July, 2009	14.30	13.61	1,428,138	15,463.46	15,240.53	14.35	13.65	1,630,917	4,599.90	4,529.15
August, 2009	15.29	14.90	2,381,768	16,002.46	15,699.13	15.30	14.80	2,276,782	4,743.75	4,659.10
September, 2009	16.75	14.16	2,362,175	16,943.49	15,356.72	16.75	14.10	3,420,426	5,036.30	4,576.60
October, 2009	17.10	14.20	3,220,521	17,457.26	15,993.83	17.00	14.15	3,986,079	5,181.95	4,738.40
November, 2009	15.60	13.25	1,647,133	17,290.48	15,330.56	15.65	13.25	3,036,798	5,138.00	4,538.50
December, 2009	16.79	14.05	3,755,832	17,486.05	16,577.78	16.70	13.90	4,707,166	5,214.60	4,942.25
January, 2010	19.34	14.85	29,983,942	17,790.33	16,182.14	19.35	14.50	31,339,119	5,310.85	4,824.95
February, 2010	16.95	13.50	3,852,981	16,552.99	15,651.99	16.65	13.55	4,677,535	4,951.15	4,675.40
March, 2010	15.54	12.50	4,171,540	17,793.01	16,249.67	15.50	13.80	4,989,307	5,329.55	4,858.45

Source: Reuters

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

The Share Transfer Book and Members' Register shall remain closed from Saturday, September 18, 2010 to Saturday, September 25, 2010 (both days inclusive) for the 20th Annual General Meeting of the Company.

e) Listing on stock exchanges

As on March 31, 2010, the equity shares of the Company are listed on the following exchanges:

1. Bombay Stock Exchange Limited

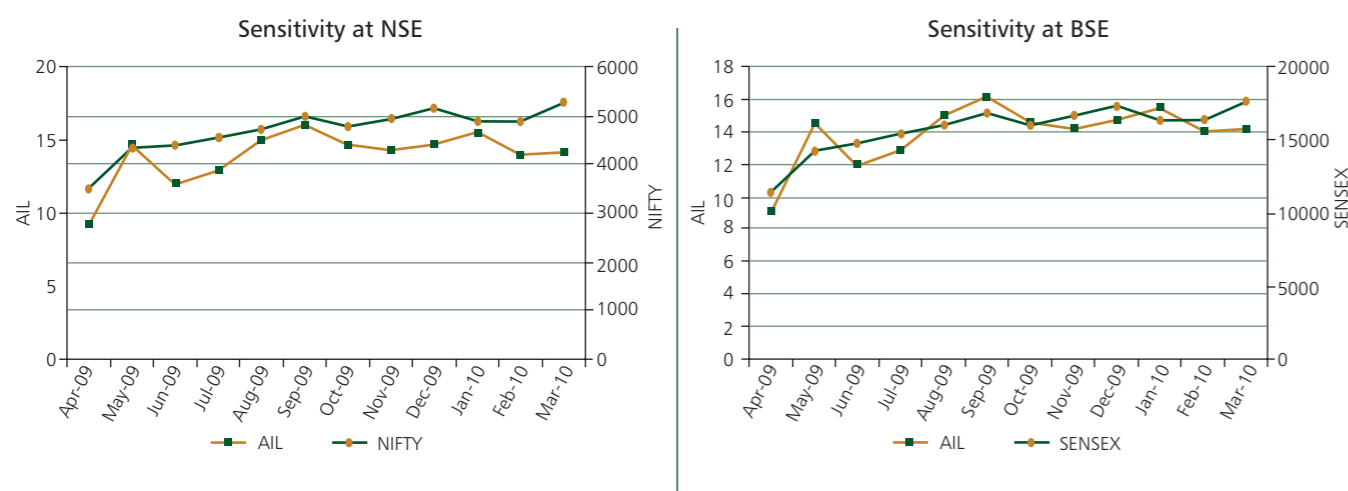
Phiroze Jeejeebhoy Towers  
25th Floor, Dalal Street,  
Mumbai – 400 001

2. 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 2010-11 has been paid to the stock exchanges where the equity shares of the Company are listed in the month of April, 2010 i.e. within the stipulated time.



**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 and rematerialisation 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 : +91-11-42541967  
 e-mail : rta@alankit.com

**j) Share Transfer System**

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

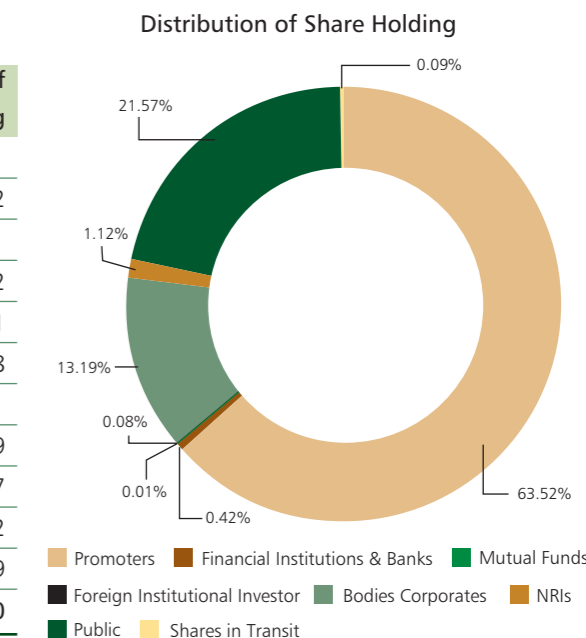
**k) Distribution of shareholding**

As on March 31, 2010 the distribution of shareholding was as follows:

Shareholding of nominal value in Rs	Shareholders		Shareholding	
	Number	Percent	Shares	Percent
up to 5,000	65,910	78.18	13,523,136	6.09
5,001 to 10,000	10,647	12.63	8,303,244	3.74
10,001 to 20,000	4,491	5.33	6,711,115	3.02
20,001 to 30,000	1,228	1.45	3,167,574	1.42
30,001 to 40,000	446	0.53	1,612,249	0.73
40,001 to 50,000	507	0.60	2,427,245	1.09
50,001 to 100,000	564	0.67	4,293,359	1.93
100,001 and above	513	0.61	182,156,753	81.98
<b>Total</b>	<b>84,306</b>	<b>100.00</b>	<b>222,194,675</b>	<b>100.00</b>

**l) Category wise shareholding as on March 31, 2010**

Category	No. of shares held	Percent of shareholding
<b>Promoters</b>		
Indian promoters	141,143,373	63.52
<b>Institutional investors</b>		
– Mutual Funds/UTI	42,065	0.02
– Banks, financial institutions	919,235	0.41
– FIIs	172,482	0.08
<b>Others</b>		
– Corporate bodies	29,297,722	13.19
– Indian public	47,921,087	21.57
– NRIs/OCBs	2,501,824	1.12
– Shares in transit	196,887	0.09
<b>Grand total</b>	<b>222,194,675</b>	<b>100.00</b>



**m) Details of shares held more than one percent as on March 31, 2010**

Name of shareholder	No. of shares held	Percent of shareholding
Madhuraj Foundation	79,538,423	35.80
Punjab State Industrial Development Corporation Limited	7,715,596	3.47
Smt Mayadevi Trust	3,879,480	1.75
Madhuraj Foundation Limited	49,421,608	22.24
Prudent Traders Private Limited	18,860,000	8.49

**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, 2010 is given hereunder:

Particulars	As on March 31, 2010		As on March 31, 2009	
	No of shares	Percent	No of shares	Percent
No of shares dematerialised	93,502,729	42.08	93,275,616	41.98
– NSDL	38,592,226	17.37	45,369,268	20.42
– CDSL	54,910,503	24.71	47,906,348	21.56
No of shares in physical form	128,691,946	57.92	128,919,059	58.02
<b>Total</b>	<b>222,194,675</b>	<b>100.00</b>	<b>222,194,675</b>	<b>100.00</b>

o) Correspondence received/resolved

Nature	Number of letters (April 2009 – Mar 2010)		
	Received	Attended	Pending
Transfer of shares	30	30	Nil
Dividend/Revalidation	81	81	Nil
Duplicate shares	26	26	Nil
Loss of shares	79	79	Nil
SEBI/Stock exchange	15	15	Nil
Change of address	218	218	Nil
Conversion	128	128	Nil
Misc. like demat / mandate / nomination / POA / annual report / transmission	348	348	Nil
<b>Total</b>	<b>925</b>	<b>925</b>	<b>Nil</b>

p) Share transfer/demat requests in process

As on March 31, 2010, there were two requests for dematerialisation of 100 shares each and one request for transfer of 100 shares was in process.

q) Stock options

- The Company has granted options to its employees under Abhishek Employee Stock Options Plan, 2007. The Company has made two grants under the scheme till the date. The first grant was made on July 9, 2007 and second grant was made on July 23, 2009 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 9,909,733 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. As on March 31, 2010 a total of 7,999,647 options were outstanding and in force. There has not been any exercise of option during the financial year 2009-10.
- The Company had also introduced new Abhishek Employee Stock Options Scheme, 2009 after the approval of shareholders in their meeting held on August 27, 2009. This scheme may be implemented through trust route. There has not been any grant under Abhishek Employee Stock Options Scheme, 2009 till now.

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 and issue of duplicate warrants. Dividend which remains unpaid/unclaimed over a period of seven years shall be transferred to the Investor Education and Protection Fund as per the 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 the 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, Dhaura, Barnala - 148 101 Punjab	Trident Complex, Mansa Road, Dhaura, Barnala - 148 101 Punjab

v) Address of subsidiaries

US subsidiary	Indian subsidiary
Abhishek Industries Inc. 295 Fifth Avenue Suite 909, New York NY 10016, USA	Abhishek Global Ventures Ltd. Trident Complex Raikot Road Barnala, Punjab

w) Address for correspondence

Abhishek Industries Limited  
E- 212, Kitchlu Nagar  
Ludhiana 141 001, Punjab, India  
Phone no. 91-161-5039999, 5038888;  
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, 2010, 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*  
Registration No. 015125N

Place: New Delhi  
Date : May 3, 2010

**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, 2009 to March 31, 2010 and to the best of our knowledge and belief:

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

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

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

Place : New Delhi  
Date : May 3, 2010

**Arun Goyal**  
*Chief Financial Officer*

**Rajinder Gupta**  
*Managing Director*

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## 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 2009-10, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place : New Delhi  
Date : May 3, 2010

**Pawan Jain**  
*Company Secretary*

**Rajinder Gupta**  
*Managing Director*