TRIDENT GROUP

# A fresh perspective

**TRIDENT LIMITED**

23rd Annual Report 2012-13

# A fresh perspective

## Contents



A new perspective is always critical to an organisation's existence. It enables it to drive growth and profitability by providing fresh approach to developing and maintaining business relationships with its multiple stakeholders. At Trident, our mission is to constantly enhance our shareholders' prosperity through new learning and acumen. The year gone by has been a year of fresh perspective, wherein the realization to build a customer-friendly and shareholder focused organization has come out strong. This new perspective is enabling us to produce tangible outcomes that will lead us to a positive and improved business climate as well as enhance communication and collaboration between the organization and its various stakeholders.

# Expanding product mix & market footprints

> "By entrenching in newer geographies, Trident would broaden its business horizon and also explore opportunities that would establish it as a global leader."

Increase in client base and demand for products has given impetus to our expansion plans. By entrenching in newer geographies, Trident would broaden its business horizon and also explore opportunities that would establish it as a global leader. Courtesy new and enhanced product offerings and pricing strategies, the Company plans to spread its global presence.

To create momentum and maintain the leadership position in the industry, the Company is devising customer-friendly strategies, of which enhanced product mix forms the core. The Company's customer-centered product strategy is designed to enable volume growth through both upgrades and new launches.

The Company is focused to stay relevant for its customer by continuously offering new and innovative products resulting in long lasting relationship with existing customers and inviting new customers across geographies. Launch of 'Trident Royal Touch', a premium range of eco-friendly paper, in the copier paper segment is one such endeavor.

The product basket of the Company is continuously being re-invented to predict market dynamics and consumer behaviors.



# Attainment
# of business excellence

> "The best management practices have been imbibed in the culture of our organsation which not only enhances efficiency and quality but also augments shareholders' value and customer satisfaction."




At Trident, business excellence leads to value creation for all its stakeholders viz. customers, shareholders and employees among others. The best management practices have been imbibed in the culture of our organasation which not only enhances efficiency and quality but also augments shareholders' value and customer satisfaction. It is also a tool used for measuring and benchmarking the business results. During the year, we took various measures to strengthen our existing systems, enhance our plant efficiency, asset life and productivity and also to further explore opportunities for future improvements. The initiatives include:

- Implementation of TPM Policy with an objective to achieve zero accidents, zero defects and zero breakdowns.
- Adoption and activation of all the eight pillars of TPM.
- High level of involvement by manufacturing as well as support functions to make improvements in their operations.
- Regular CLRI (Cleaning, Lubricating, Re-tightening, Inspection) across the organization wherein instead of specialized maintenance teams, CLRI is taken care of by the operators in order to enhance the ownership
- 'Takshashila' the dedicated training centre of the Company committed to strengthen the knowledge base and improve skill level of the employees.

# Focusing brand Trident

> "Trident introduced various new and value-added products in paper and textile divisions and have been received well in the market."

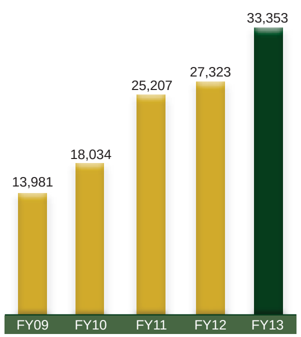
A solid brand identity can tell an important story, setting expectations, gaining attention and fostering relationships. Since brand valuation can help transform an intangible idea into a concrete asset, Trident is working diligently and meticulously to cultivate a new brand identity for itself — an identity that will set Trident apart from its peers and establish us as world leader in our respective business domains. The aim is to first become the most trusted national brand and to realize this; Trident has collaborated with best consultants and innovators from the field of media. Charting of media plan for achieving marketing campaign objectives, investing in research operations to study the demand in the domestic market and develop products and strengthen the manufacturing capabilities; we are inching towards our goal at a much faster pace.

At the product level, the Company is taking equal measures to improve its quality and introduce products which meet benchmarking standards in innovation, looks, and quality. During the year, Trident introduced various new and value-added products in paper and textile divisions and have been received well in the market. The recognitions and awards received during the year have further boosted our brand perspective and standing in the market. For the path breaking achievements undertaken to strive towards formulating innovative HR policies, Trident was conferred with the prestigious 'CITI Birla Award for Human Resource Management in Textile Mills'.

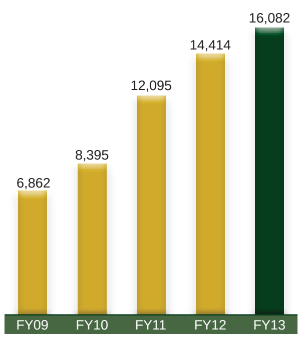

# Financial Highlights

| | Unit | Mar-13 | Mar-12 | Mar-11 | Mar-10 | Mar-09 | Mar-08 | Mar-07 | Mar-06 | Mar-05 | Dec-03 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| No. of Months | (No.) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 15 | 12 |
| Gross Turnover | (₹ Million) | 36,846 | 30,984 | 28,296 | 19,737 | 15,242 | 12,232 | 9,924 | 8,810 | 8,090 | 8,449 |
| Net Sales | (₹ Million) | 33,353 | 27,323 | 25,207 | 18,034 | 13,981 | 10,487 | 8,166 | 7,436 | 7,056 | 4,638 |
| Exports | (₹ Million) | 16,082 | 14,414 | 12,095 | 8,395 | 6,862 | 5,193 | 4,352 | 4,190 | 3,300 | 2,076 |
| EBITDA | (₹ Million) | 5,778 | 3,202 | 4,140 | 3,560 | 2,605 | 1,818 | 1,794 | 1,588 | 1,464 | 1,064 |
| PAT | (₹ Million) | 493 | (437) | 671 | 565 | (530) | 400 | 409 | 568 | 426 | 359 |
| Networth | (₹ Million) | 7,063 | 6,505 | 5,315 | 5,028 | 4,463 | 4,452 | 3,995 | 3,585 | 3,150 | 2,701 |
| Fixed Assets (Gross Block) | (₹ Million) | 34,056 | 33,323 | 25,827 | 23,388 | 21,032 | 13,273 | 12,101 | 10,074 | 8,218 | 4,951 |
| Total Debt | (₹ Million) | 22,398 | 22,837 | 19,181 | 17,111 | 15,569 | 12,856 | 9,899 | 6,895 | 4,664 | 1,941 |
| Long Term Debt | (₹ Million) | 9,492 | 12,726 | 11,125 | 11,859 | 11,528 | 10,272 | 7,614 | 5,032 | 3,502 | 1,267 |
| Enterprise Value (EV) | (₹ Million) | 24,385 | 25,912 | 22,270 | 19,980 | 16,930 | 15,643 | 13,270 | 12,031 | 10,659 | 6,100 |
| EBITDA Margin | (%) | 17 | 12 | 16 | 20 | 19 | 17 | 22 | 21 | 21 | 23 |
| EV/EBITDA | (Times) | 4.23 | 8.09 | 5.38 | 5.61 | 6.50 | 8.60 | 7.40 | 7.58 | 7.28 | 5.73 |
| Debt Equity Ratio | (Times) | 3.17 | 3.51 | 3.61 | 3.40 | 3.49 | 2.88 | 2.48 | 1.92 | 1.47 | 0.70 |
| EPS | (₹) | 1.60 | (1.59) | 3.02 | 2.54 | (2.64) | 2.06 | 2.11 | 2.93 | 2.19 | 1.84 |
| Cash EPS | (₹) | 10.09 | 5.94 | 11.74 | 10.39 | 2.80 | 6.32 | 6.46 | 6.35 | 6.16 | 4.35 |
| Net Debt to EBITDA | (Times) | 3.81 | 7.06 | 4.62 | 4.73 | 5.90 | 6.85 | 5.22 | 4.04 | 2.99 | 1.69 |
| Book Value/share | (₹) | 22.72 | 21.27 | 23.91 | 22.63 | 20.09 | 22.92 | 20.57 | 18.12 | 16.22 | 13.91 |
| RoCE | (%) | 19 | 6 | 13 | 11 | 9 | 6 | 9 | 11 | 13 | 17 |

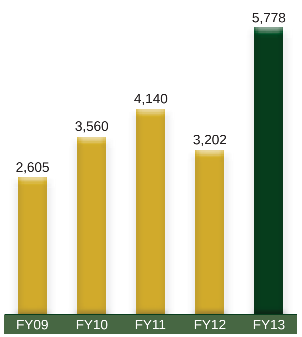
Net Sales (₹ Million)



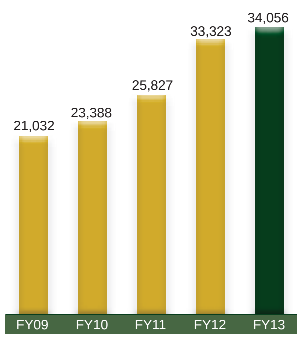

Exports (₹ Million)



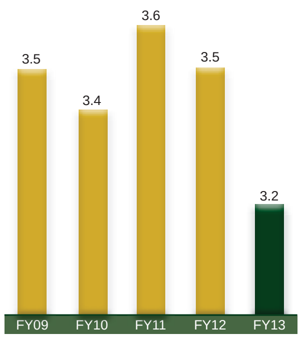

EBITDA (₹ Million)



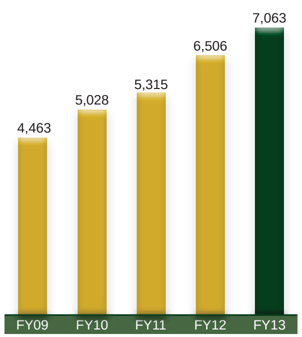

Fixed Assets (Gross) (₹ Million)




Debt Equity Ratio (Times)




Net Worth (₹ Million)



# About Trident

- One of the world's largest terry towel manufacturers
- One of the India's largest exporters of terry towels
- One of the world's largest wheat-straw based paper manufacturers
- One of India's leading yarn spinners
- Embraced globally best technology at all stages of manufacturing
- Customer base across 70 countries across the globe
- Offers Employment to about 10,000 families across its business verticals

## Our capacities

| Yarn | Home Textiles | Paper | Chemicals | Power |
|---|---|---|---|---|
| 365,904 spindles, 3,584 rotors, 8,400 MT cotton & blended yarns per month and 6,825 TPA of processed yarn | 388 looms that produce 14.5 million pieces of towels per month | 450 MT per day | 100,000 TPA sulphuric acid | 50 MW captive power generation |

## Vision

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

## Values

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

## Philosophy

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

## Our strengths

- Large scale and integrated operations
- Strong clientele comprising of MNCs in 70 countries across the globe which comprises 9 of the top 10 retailers in U.S., 6 leading retailers in Europe and 5 of the top 7 in Australia and New Zealand (ANZ)
- Best-in-class technology
- Proven track record in project management
- A diverse mix of human capital and the cumulative employee strength of around 10,000
- High quality standards which meet AATCC & ISO norms

## Our presence

| Dhaula, Punjab, India | Sanghera, Punjab, India |
|---|---|
| a. 3 Home Textile, 2 Paper, 3 Energy & 1 Chemical Unit(s)<br>b. Takshashila (Center of Excellence)<br>c. Workers Colony | a. 5 Yarn Units<br>b. Ananda (Leadership Workshop)<br>c. Workers Colony<br>d. Girls Hostel |
| **Budni, Madhya Pradesh, India** | **Corporate Offices** |
| a. 3 Yarn Units<br>b. Girls Hostel<br>c. Proposed Yarn and Home Textiles Units | a. India: Ludhiana, Chandigarh, Bhopal and Gurgaon<br>b. U.S.: New York |

# Chairman’s Message

“We adopted an agile and highly responsive approach during the year to recognize opportunities in a challenging environment and further strengthen our position across each of our business verticals.”

Dear Shareholders,

Taking a fresh perspective is part of our journey to achieve progress, deliver growth and create value in a sustained manner. We adopted an agile and highly responsive approach during the year to recognize opportunities in a challenging environment and further strengthen our position across each of our business verticals.

We today are a best-in-class player with real economies of scale in our key business verticals of Yarn, Terry Towel and Wheat-Straw based Paper. Our efforts over the last several years towards improving efficiencies, de-bottlenecking capacities, modernization of facilities, expanding global markets, enhancing product mix, optimizing costs, making judicious investments and strengthening the brand is reflected in the marked improvement of our operational and financial performance during the year.

With our emphasis on quality and innovation combined with improving productivity through various initiatives viz. Total Productivity Management (TPM), 5S Kaizen and Kobatsu Kaizen, we have further strengthened our engagement proposition to our customers offering them advantages of economies of scale, consistently high quality products at competitive pricing.

While the general economic mood is cautiously optimistic, we enter the next year with confidence of maintaining the growth momentum enabled by larger capacities, better utilization and improved product offerings. We have combined our operational focus with prudent financial management that will help us strengthen our financials, create room to drive growth and deliver enhanced value on a sustained basis.

I would like to take this opportunity to express my gratitude to all our stakeholders for their continued confidence in us and their endorsement of our growth journey. I would also like to state that our accomplishments and actions authenticate our commitment to our customers and all our business associates. Further, I thank all our shareholders for their support and motivation and their faith in our even exciting journey going forward.

With warmest regards,

**Rajinder Gupta**
**Chairman**

# Board of Directors' Profile

## Mr Rajinder Gupta (DIN 00009037)

Mr Rajinder Gupta, aged 54 years, is the founder of Trident Limited and Non-executive Chairman of the Board. He has done advanced Management Programme from Harvard Business School, USA. Mr Rajinder Gupta had been serving the Company as Managing Director since 1992 till 2012. Mr Gupta is a first generation entrepreneur having rich & varied exposure of promoting industrial ventures over the last two decades. He is the person behind the stupendous growth of the Trident Group. He holds directorship of various companies and is also actively associated with several philanthropic ventures.

Mr Rajinder Gupta has been awarded with the prestigious "Padmashree" award in 2007 by Hon'ble President of India in recognition of his distinguished services in the field of trade and industry.

Mr Rajinder Gupta was also conferred with the "Udyog Ratna" award for the year 2005 by PHD Chamber of Commerce and Industry and "PHD Chamber of Commerce Distinguished Entrepreneurship Award, 2005" by The President of India.

## Ms Pallavi Shroff (DIN 00013580)

Ms Pallavi Shroff, aged 57 years, is MMS, Bachelor of law and is a lawyer by profession. She has a vast experience of over 30 years as a leading litigation practitioner in the area of Corporate laws and Banking. She has been recognized by international publications for her leading practice in arbitration and dispute resolution. As a member of several high powered committees, appointed by the Government of India, she has been closely associated with the formulation of several important commercial statutes. She was named Best Woman Lawyer of India at the Legal Era Law Awards 2012.

Ms Pallavi Shroff is currently a partner of M/s Amarchand & Mangaldas & Suresh A Shroff & Co., leading legal firm of India. She is regularly called upon by the Government departments and ministries to advice them on various issues. Ms Pallavi Shroff's area of expertise inter alia include corporate and commercial laws, anti dumping, arbitration and dispute resolution, competition and anti-trust, intellectual property rights, etc.

## Dr M A Zahir (DIN 00002973)

Dr. M A Zahir, aged 70 years, is PhD by qualification. He is a well known management guru and former Professor of Management & Dean (Retd.) Punjab Agricultural University, Ludhiana. He is the founder of Synetic Business School (SBS) a B-School at Ludhiana. He has vast experience in the field of providing Consultancy and imparting training to the Corporate Houses.

His rich experience in the sphere of management is very well utilized by top corporate houses of Northern India. Presently, he is occupying the position of Chairman of Synetic Business School and holds Directorship in various companies.

## Mr Rajiv Dewan (DIN 00007988)

Mr Rajiv Dewan, aged 51 years, is a Fellow member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. Mr Dewan possesses a rich and varied experience in tax planning, management consultancy, business restructuring, capital market operations, SEBI related matters and other corporate laws. Prior to starting his own practice, Mr Dewan worked in senior positions in renowned textile companies of north India.

## Mr Sanjay Jain (DIN 00613752)

Mr Sanjay Jain, aged 51 years, holds Post Graduate Diploma in Risk Management (PGDRM) and has over 25 years rich and varied experience in Corporate Strategy, Financial Management, Merger & Acquisitions and Project planning & implementation. Mr Sanjay Jain is founder director of TFS Business Advisors India Private Limited and holds directorships in various companies.

## Mr Vikas Pratap (DIN 01129385)

Mr Vikas Pratap, aged 44 years, is B.E. (Electronics & Electrical Communication) by qualification and is an IAS officer currently occupying the position of Secretary cum Director of Industries, Government of Punjab with additional charge of the post of Managing Director of PSIDC. He joined Indian Administrative Services in the year 1994 and since then he has been diligently serving the Government at higher posts.

He holds the positions of Chairperson, Managing Director and Director in various Companies. Apart from holding the above stated corporate positions, he has also worked as Managing Director of PUNSUP, MILKFED, PRTC, Deputy Commissioner-Fatehgarh Sahib, Deputy Commissioner- Ferozepur and Commissioner- Municipal Corporation, Ludhiana.

## Mr Deepak Nanda (DIN 00403335)

Mr Deepak Nanda, aged 53 years, is B.Sc. (Hons) and M.Sc. (Hons) by qualification and has done his Master of Science and Advance Training in Computer Software and Management. He possesses more than two and half decades of experience and specializes in business development, client relationship, contract negotiations, project implementation and delivery, improving the efficiency & effectiveness of client's business.

Mr. Nanda had over a decade's experience of working very closely with different State Governments, PSUs, Boards & Corporations, Educational Institutions in North-West India and helping them to develop their e-governance strategies, IT Roadmaps, deploying key solutions and facilitating the change management. He is also alumni of Indian Institute of Management, Ahmedabad.

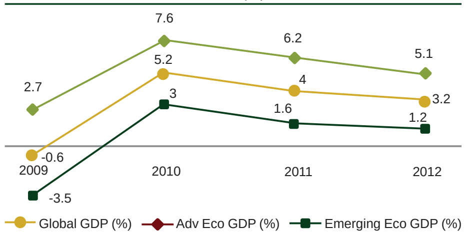
# Management Discussion & Analysis



## Economic Overview

The global economic growth remained slow for the second consecutive year in 2012 recording 3.2% growth against 4% in 2011 as per International Monetary Fund estimates. While Euro Area countries posted a negative -0.6% growth in 2012 owing to continued sovereign debt crisis, the U.S. at 2.2% and Japan at 2% brought back some momentum. Emerging & Developing economies remained at the forefront with 5.1% growth although it was their lowest in last three years. Major challenges during 2012 for advanced economies were higher unemployment whereas developing and emerging economies faced higher inflation and lack of fresh capital inflows amidst weak global growth.

Global Economic Growth (%)

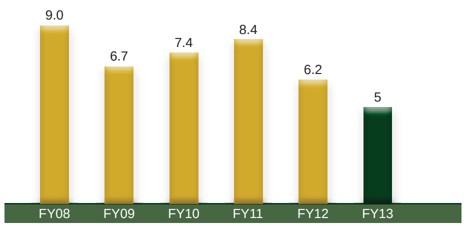



*Source: IMF (World Economic Outlook, April 2013)*

The growth of Indian economy was slow for the second successive year in FY13 at 5%, which was also its lowest in last ten years. Major challenges for the Indian economy were high inflation; lack of fresh capital inflows; near stagnation in existing projects' completion across industries; and higher current account deficit due to lower exports.

The Government of India stepped in with a host of fiscal and regulatory measures to restore growth and investment sentiments. Foreign Direct Investment (FDI) norms, were relaxed in multiple sectors like Aviation, Multi/Single Brand Retail, Broadcasting Services, Insurance and Pension among others. Divestment of Public Sector Undertakings (PSUs) was resumed during FY13 to raise around ₹24,000 crores. These measures helped the government checking its Fiscal Deficit at 5.2% of the GDP in FY13 against the 5.9% in FY12. The Reserve Bank of India (RBI), also intervened in second half of FY13 with substantial monetary measures to check inflation and to induce economic growth. RBI announced reduction in Repo Rate from 7.5% to 6.5%, Reverse Repo Rate from 8.5% to 7.5% and Cash Reserve Ratio (CRR) from 4.75% to 4% to infuse liquidity in the banking system.

India GDP Growth Rate (%)

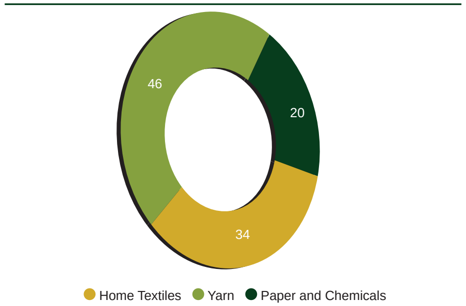



*Source: CSO*

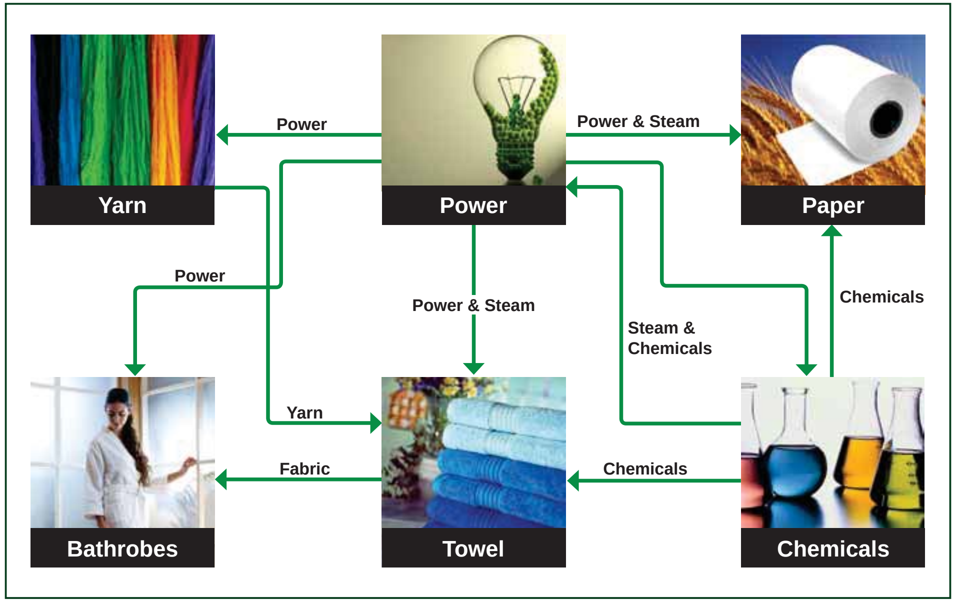
## Corporate Overview

Trident Limited is the flagship company of Punjab headquartered Trident Group, a well diversified business conglomerate having consolidated turnover of ₹33,577 million. Trident Limited's business spans across, Yarn (cotton & blended), Home Textiles (terry towels and bathrobes) Paper, Chemicals and Energy. Trident is an established player with leadership position in areas of its businesses interest and has its customer base spread across 70 countries across the globe besides strong domestic presence. Trident derives 48% of its revenues from exports. Trident is a Govt. recognized Star Trading House with Exports of ₹16,082 million during FY 13.

Trident - Segment-wise Revenue Contribution - FY13 (%)



Trident derives its strengths from its integrated business model, large scale of operations, continuous expansion, business excellence, global presence and more than 25 years of lineage.




**Key Corporate Highlights:**

- During FY13 Trident renewed its focus on product innovation, including patented technologies, for better functionality and aesthetics
- The Board of Directors of Trident have approved expansion and modernization plan involving ₹16,668 million of capex, likely to commence by October 2013. The expansion will add additional capacities to both Home Textiles and Yarn segment besides modernization of facilities.
- During FY13, Trident's Board approved the increase of its equity stake in Trident Corporation Limited (TCL) from 12.74% to more than 26% in line with requirements of para 3 of the Electricity Rules 2005 as TCL will be providing more than 51% of its power to the Company.
- During FY13 only, Trident Limited acquired 100% stake in Trident Global Corp Ltd to make it a wholly owned subsidiary. Trident Global Corp will act as front end marketing arm of the Group.

## Business Segment Performance

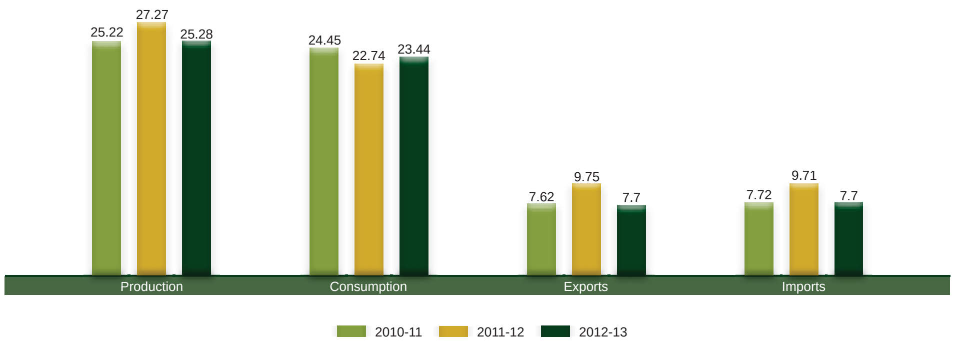
### Trident Yarn Segment

**Industry Overview**

As per International Cotton Advisory Committee (ICAC), global cotton production is estimated to be 25.9 million tonnes whereas the mill use is expected at 23.4 million tonnes in 2012-13. This is estimated to lead to oversupply of 2.4 million tonnes during this period. Global Cotton Yarn demand is primarily dependent on cotton prices and the comparative price of man-made fibres and yarn. The global cotton prices have witnessed a trend of high volatility over past three years due to crop fluctuations in China, India and other cotton producing countries. During 2012-13 only the global cotton trade is estimated to drop by 21% to 7.7 million tonnes post an equal growth percentage of 21% in 2011-12 compared to 2010-11.

India is second largest cotton producer, globally, after China. Courtesy its ability to cater to wider range of yarn products like cotton yarn, weaving yarn and yarns with different

Global Cotton Demand - Supply (MT)




*Source: International Cotton Advisory Committee*

specifications, India has managed to gain a dominant position in global cotton yarn exports market. As per Ministry of Textiles' latest report, India is estimated to have grown its export of Cotton Yarn, Fabrics and made-ups by 25.39% during FY13 to ₹408.9 billion compared to ₹326.1 billion in FY12.

**Segment Overview**

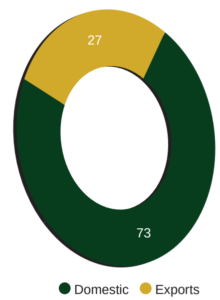
Trident Limited has an installed capacity of 365,904 spindles and 3,584 rotors, capable of manufacturing 8,400 tonnes of cotton and blended yarn per month. The Company also has Yarn processing capacities of 6,825 TPA. Company's Yarn products are marketed under Trident brand. Yarn segment contributes 46% to the Company's aggregate revenues. Yarn segment has export presence in 19 countries and witnessed 27% exports contribution to the total Yarn revenues of ₹16,837 million during FY13. While the segment's revenues witnesses 44% increase from ₹11,685 million in FY12, the Profit Before Interest & Tax (PBIT) recorded strong rebound from loss of ₹54 million in FY12 to PBIT of ₹1,340 million in FY13.

**Segment Strengths**

**Technological Edge:** Trident has imported state-of-the-art Machinery from Rieter-Switzerland, Murata- Japan, Zinser-Germany and Savio- Italy besides LMW-India.

**Economies of Large Scale:** Trident has one of country's largest single-location spinning capacities, providing the economies of scale in production.

Yarn Segment - Revenue Mix FY13 (%)




**Vast product range:** A wide range of product basket across cotton yarn, blended yarn, special open-ended & other specialized yarns, organic cotton and spun yarn categories.

**Global recognitions in quality and standards:**

- Licensed to use 'Supima Cotton', Egyptian Cotton' and 'Cotton USA' logos
- Certified by FLO for 'Fair Trade Cotton'
- GOTS Certification by CUC for 'Organic Cotton'
- ISO 9001 Certified by Intertek & ISO 14001:2004 for EMS
- Certified by Oekotex, Switzerland for safe Dyes & Chemicals
- Compliant to AATCC, ASTM & CTPAT standards

**Trident Yarn segment - Wide Product Portfolio**

| | | |
|---|---|---|
| Combed weaving | Zero twist yarn | Cotton/ Linen Blends |
| Carded weaving | 100% cotton dyed yarn | Cotton/ Excel Blends |
| Combed hosiery | 100% cotton gas mercerized yarn | Cotton/ Sarona Blends |
| Carded hosiery | Roving grindle yarn | Cotton/PVA (Wrapper yarn) |
| Open end yarns | Polyester / Cotton Blends | Cotton/Giza Blends |
| Slub yarn | Bamboo / Cotton Blends | Cotton/Pima Blends |
| Compact yarn | Cotton/Viscose Blends | Organic cotton |
| Core spun yarn | Cotton/ Modal Blends | Fair Trade cotton |
| Core spun slub yarn | Cotton/Soya Blends | BCI cotton |
| Eli-twist yarn | Cotton/ Lyocell Blends | BMP cotton |
| TFO double yarn | Cotton/ Wool Blends | C&A certified cotton |

**Segment Highlights**

- **Future Expansion:** As part of ₹16,668 million expansion plan, 1.76 lac Spindles, producing 38,802 TPA Yarn, will be added to manufacturing capacities. Post expansion total Yarn capacity will become 5.42 lakh Spindles, 3,584 rotors capable of manufacturing 12,000 tonnes of cotton & blended yarn per month.
- **Enhanced Utilization:** During FY 13, due to full utilization of capacity implemented during FY 12, the yarn division production clocked at 84,490 MT, a 41.7% increase over 59,611 MT produced in FY 12.
- **Market Expansion:** The Company's consistent endeavours to look for demand growth, helped it enter new markets like Denmark, Turkey, UAE, Bahrain, Tunisia, Algeria, Ivory Coast, Vietnam, Pakistan, Morocco, Indonesia, Nepal, Netherlands, Slovenia, Mexico with niche products that are likely to deliver higher margins as well.
- **Cost Optimization:** The Company undertook various cost optimization measures like Kaizen, TQM, TPM, 5S, change management to have lean manufacturing, together with enhanced utilization, helped Company achieve higher sales, better realizations and increased profitability.
- **New Product Launches:** Trident launched Core Filament Yarn and Contamination Free Yarn during FY 13 in line with its strategy to increase value-added product contribution across business verticals.

**Segment Outlook**

Outlook for the Yarn segment is expected to be stable going forward. As per recent ICAC report, China's dominance in terms of Cotton Mill use is showing trends of weakening, leading to spread of additional mill use across other Asian countries wherein India happens to be a strong no. 2 player. Preparing for the unfolding opportunities, Trident has recently announced capacity expansion in its Yarn segment together with enhancing its product-mix with more value-added products and higher capacity utilization. Country's favorable domestic demographics and the Company's expansion in newer export markets shall further strengthen its future outlook.

## Trident Home Textiles

**Industry Overview**

Textile products are broadly categorized under Fibre, Yarn, Fabric, Apparel and Made-ups. Global Textile & Apparel trade is estimated to have been USD 662 billion in 2011 and is expected to grow at a CAGR of 5% over corresponding 10 years to reach USD 1,060 billion as per Technopack's Textile and Apparel Compendium 2012. The Global Fabric trade is estimated to have been USD 74 billion in 2011. 60% of the global textile & apparel consumption is spread among the U.S, Canada, Europe, China and Japan. On the production side, China, India, Bangladesh, Pakistan, Vietnam, Thailand and Indonesia alone contribute 60% of total production. Home Textiles include carpets, rugs, bedding products, kitchen linen, table linen, bathroom furnishings, window treatment, hammocks, curtains and upholstery. The growth of home textiles has taken a hit over recent years, courtesy economic slowdown in some advanced economies including Euro Area. China continues to dominate the home textiles market in exports, followed by some other low cost production countries from Asian sub-continent.

Textile Industry in India is the second largest employment generator after agriculture and contributes 14% to total industrial production; 4% to India's GDP; and 11% to total exports. As per Ministry of Textiles, the total textile exports during FY 13 are projected to be USD 31.7 billion or ₹1.72 trillion as against USD 33.3 or ₹1.59 trillion in FY 12. The same is expected to reach USD 64.41 billion by end of March 2017. As per Technopak's Textile and Apparel Compendium 2012, India's Textile & Apparel Industry is estimated to have been USD 89 Billion in 2011 and is projected to become USD 223 billion by 2021 at a CAGR of 9.5% (2011-2021). Domestic market contributes 60-65% of the total market size and rest 35-40% is estimated to have come from exports. Indian Home Textiles market is estimated to be ₹184 Billion in 2011 and is estimated to reach ₹408 Billion by 2021, at a CAGR of 8% (2011-2021) as per Technopack's 2012 Compendium.

Given the fact that cost of labour is rising in China besides slowing growth momentum, India is likely to gain a better share in exports market, where many producers have already tied-up with renowned retail store chains likes TARGET; Wal-Mart; JC Penny; IKEA; Bed, Bath & Beyond; and many more.

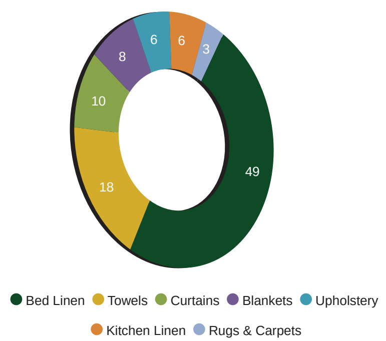
**Segment Overview**

In its Home Textiles segment, Trident has installed capacity of 388 looms of different specifications namely Jacquards (54), Air Jet Dobby (296) and Rapier Dobby (38). Trident's capacities are capable to produce 43,200 tonnes of towels per annum. This also translates into 14.5 million pieces of towels and 90,000 Bathrobes a month. Company has strong exports market across 70 countries contributing 85% to the segment's total revenues of ₹12,694 million. Trident's Home Textiles products are sold under various established brands, namely Home Essential, Classic, Kids & Mom, Floral, Colors, Indulgence.

During FY13 Home Textiles segment revenues and PBIT were relatively flat at ₹12,694 million & ₹1,195 million respectively.

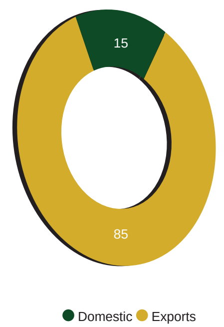
During FY 13, Home Textiles segment's production at 30,741 MT and sales of 30,995 MT both remained relatively flat courtesy tough global business environment and rising competition. The absence of growth was noticed due to demand contraction in EU countries and some other advanced economies, otherwise considered as high home textile users.

Indian Home Textiles - Product Mix (%)




*Source: Textile and Apparel Compendium 2012, Technopack*

Trident Home Textiles - Export & Domestic Revenue - FY13 (%)



**Trident Home Textiles - Product Portfolio**

| |
|---|
| Solid Bath Ensembles |
| Jacquard Bath Ensembles |
| Beach Towels |
| Christmas Bath / Hand / Finger tip sets |
| Subli-static Printed Towels |
| Embroidered Towels |
| Bathrobes in all styles/designs |

**Segment Strengths:**

- **Large Scale of Operations:** The Company is amongst world's largest terry towel manufacturers and draws economies of scale from large capacities.
- **Best-in-class technology and machinery:** Trident has tie-up with some of global-best technology partners and system providers to bring best-in-class, cost-effective and fast produced products.
- **Globally renowned clientele:** Trident is associated with some of world's most renowned retail companies as its customers. Ralph & Lauren, Calvin Klien, Target, IKEA, Wal Mart, Bed, Bath and Beyond, J C Penny are the leading ones to name.
- **Integrated Operations:** Trident's integrated business model brings in natural synergies in Home Textile segments' business operations. Around 20% of the Yarn segment's production is utilized by Home Textile segment
- **Quality Standards:** Trident has been acclaimed with numerous certifications and recognitions as testimony to truly world class quality of its products. JC Penny award for 'Best Quality for Home' and 'Innovation'; Rajiv Gandhi National Quality Award by Bureau of Indian Standards (BIS) and 'Best Supplier Quality Award' from IKEA are a few to name besides AATC and ISO standard certifications.

**Segment Highlights**

- **Capacity Expansion:** With the Group's expansion plans in place, the Company's current loom capacity is projected to go up by 500 looms. The project is likely to commence by October, 2013. Post expansion, the Company's capacity of 500 looms, will enable the Company to manufacture 3.6 million meters of sheeting/month.
- **Diversifying Product-Mix:** During FY13 whereas sales volumes had no year-on-year growth, the diversified product mix, with value-added products, led to better profitability. For further diversification, the Company is planning to venture in bed sheets and pillow covers products.
- **Cost Rationalization:** The Company improved its profitability with rationalization of operational costs during FY13 and curtailed middle line overheads.
- **Geographical Expansion:** The Company would export its products to newer geographies like Japan, Korea, Europe and Middle East. This would include penetration in markets that have less/no presence of the Company.
- **Awards & Recognitions:**
  - o Silver trophy for "Top Exporters – Terry Towel" in the category of 'Madeups' and the Bronze trophy for "Highest Global Exports" by Cotton Textile Export Promotion Council (TEXPROCIL).
  - o Recognized as "Principal Partner – Bath" for the year 2012-13 by Sears Holdings Corporation for partnering the development of successful Bath Shop programs.

**Segment Outlook**

During FY13, the Company has invested in product diversification and facility modernization. The Company aims to improve its market share, garner newer export markets and better realizations going forward. The global economic outlook, by IMF, projects global economic growth recovery from 2013 onwards including advanced economies. With improved market conditions, in India and globally, higher capacities and diverse product range the Company expects to put up decent performance going forward. At domestic front, the regulatory changes too, bring growth opportunity for the sector. The Technology Upgradation Fund Scheme (TUFS) for the Textile sector will witness ₹11,952.8 crores of allocation during the 12th Five Year Plan (2012-17). TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets.

## Paper, Chemicals and Energy

**Industry Overview - Paper**

Global Paper & Board production is estimated to be 398.9 million tonnes and its consumption is estimated to be 399 million tonne in 2011 as per Confederation of European Paper Industries (CEPI). Asia remained the largest producer (43.8%) and also the largest consumer (45.5%) of Paper and Board in 2011. North American region was the largest contributor at 37% to the total pulp production of 183.8 million tonnes in 2011, followed by Asia at 23.3%. However, Asia was the largest consumer of Pulp at 32.9% followed by North America at 31.6%.

World's 15th largest paper manufacturer, Indian Paper industry is expected grow at a CAGR of ~6.4% between FY 12 and FY 17 to reach 15.5–16 MT by 2017 as per March 2013 CARE Ratings' Paper Industry report. The CAGR growth is higher from 5.8% during previous 5 year period FY08-FY12. However, in per capita paper consumption, at about 10 Kg, India is far behind China (42 Kg), the U.S. (312 Kg) and 25 Kg in Malaysia. In India, the industry comprises of Paperboard & Industrial Packaging or Paperboard (~45%), Printing & Writing Paper (P&W) and Newsprint (~20%). India is able to meet maximum of its paper needs from domestic production except for newsprint with 60% imports and certain high grades of P&W papers. The size of Indian Paper Industry is estimated to be around ₹35,000 crore (USD 7 billion) by Indian Paper Manufactures Association (IPMA).

**Segment Overview - Paper**

Trident is world's largest wheat straw based paper producer. Wheat straw is a waste which comes out of production of wheat, for which India is the second largest producer in the world after China. Trident draws 10% of its Paper segment revenues (₹7,248 million) from exports across 35 countries including India, Middle East, Africa, U.S., Latin America and the U.K. through a strong network of 60 distributors. Paper segment contributes 20% to the Company's total revenues. Using advanced technology in wheat-straw based paper manufacturing, the Company is able to progress towards sustainable growth by reducing input costs and adding environmental sustainability. The Company uses its by-products to generate co-generation power to save energy cost. The Company has its focus on producing eco-friendly paper. The Company also uses Elemental Chlorine Free (ECF) pulp to reduce environmental impact.

**Trident Paper Segment - Product Portfolio**

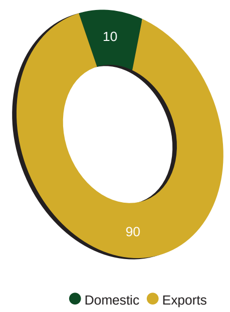
| |
|---|
| **Writing and printing paper** |
| Branded copier paper: Trident Spectra, Trident My Choice, Trident Natural, Trident Eco Green, Trident Royal Touch |
| Maplitho paper under brands like: Diamond Line, Silver Line, Crystal Line, Super Line, Prime Line, Nature Line and Base Line |
| **Bible and offset printing paper** |
| Cream-wove |
| Watermark paper |
| Colour paper |

The company has per day production capacity of 450 MT of paper and 265 tonnes of pulp. During FY13, the Company produced 152,811 MT of paper products and recorded sales of 153,028 tonnes which was 4.5% higher than FY12.

**Segment Highlights & Strengths - Paper**

- **High Margin, Eco-friendly products:** During FY13, Trident launched new copier paper, branded as 'Trident Royal Touch'. This is a premium range and positions the Company in eco-friendly and high-end consumer segment. Trident also launched Platinum Line Maplitho (ISO 92 brightness) and Stiffner and FSC (Forest Stewardship Council) certified Maplitho papers.

Trident Paper Revenue - FY13 (%)



- **Maintaining Strong Market Presence:** The Company continues to have significant market presence with its existing brands – 'Trident Spectra', Trident My Choice', 'Trident Eco Green' and 'Trident Natural'.
- **Leadership in Environment-friendly paper products:** Trident is world's largest wheat-straw based paper manufacturer and amongst global few to have ECF bleaching and oxygen Delignification manufacturing process. This process helps save 5,000 trees per day when compared with 100% wood pulp based units.
- **Presence across diverse customer segments:** Trident's paper products are positioned and cater to almost all customer segments 'Trident Natural' and 'My Choice' in economy segment, 'Trident Spectra' in mid segment and 'Trident Eco Green' & 'Trident Royal Touch' in Premium copier segment. Thereby the Company is able to distribute its sales across segments towards a de-risked product-mix.
- **Brand & Marketing Investment:** Trident has been investing in its own brands and marketing network to leverage higher realizations and volumes too. During FY13 also, with launch of new product range in premium & eco-friendly segment, Trident has strengthened its brand positioning.

**Segment Outlook - Paper**

The Company now has a strategy to move ahead with paying more focus towards copier segment in times to come, to improve realisations. The Company is also positioning itself as a premium and eco-friendly paper product provider. This shall improve Company's realizations and expand export market in advance economies particular about environmentally sustainable products.

**Industry Overview – Chemicals**

The Global Chemical Industry is estimated to be around USD 4.12 trillion annual turnover in 2010 which is expected to rise at 3% per year growth rate till 2050 as per recent Organisation for Economic Co-operation and Development (OECD) sales outlook. Chemical Industry is estimated to account for 4.3% of total global GDP. As per the outlook, China is expected to grow more than 10% till 2015 and just around 10% during 2016 – 2021. India's growth as per the said outlook is estimate at 9% (2012 – 2014) and 8% (2015-2021).

**Segment Overview - Chemicals**

Trident has current capacity of 100,000 TPA production of Sulphuric Acid, manufactured with state-of-the-art machinery from DE Dietrich, Germany. The Company's Sulphuric Acid products categories of 'Commercial Grade', 'Battery Grade' and 'AR & LR Grade' cater to the diverse needs of battery, zinc sulphate, alum, detergent, dyes and fertilisers industries/ sectors. During FY13, the Company produced 81,003 MT of Sulphuric Acid, 81% capacity utilization.

**Industry Overview - Energy**

Power sector contributes massive 31% budget outlay within Infrastructure sector in the 12th Five Year Plan (2012-2017), thereby shall be a priority sector. The total capacity addition in the 12th Plan is targeted at 100,000 MW with around 50% contribution from private sector. The 11th Five Year Plan is estimated to have added 50,000 MW of capacity with approx. 33% private sector contribution.

**Segment Overview - Energy**

The Company has Captive Power producing capacity of 50MW, produced through 3 Mega Turbines and 2 Power Boilers. The Captive Power makes Trident Power self-sufficient for all its businesses. During FY13, Trident produced 3.20 lac MWH units of energy for its captive consumptions.

**Segment Strengths & Highlights - Energy**

- Uninterrupted and cost-efficient power supply to group businesses
- Multi Fuel-boiler technology for use of multiple fuels including waste material (wheat-straw, pulp etc.)
- Strengthens Trident's overall green product company positioning

**Segment Outlook - Energy**

Energy is going to witness higher production and power load factor considering that the Company as a strategy is focussing on higher capacity utilization across business segments. Since Trident's energy segment is equipped with best-in-class plant configuration that gives flexibility to use multiple fuels including waste residue, the same augurs well for Trident's overall green product and production positioning.

**Financial Performance Review**

FY13 was a year of profitable growth for Trident Ltd. The Company recorded 22% growth in consolidated revenues, 80% growth in EBIDTA and 180% growth in EBIT.

Following is a detailed analysis of the Company's financial performance with respect to operational performance:

**Statement of Profit & Loss**

**Revenues:** The Company's total revenues in FY 13 were ₹33,577 million, which were up 22% against previous financial year's total revenues of ₹27,524 million. The growth was primarily led by much higher capacity utilisation in the first full year of operations post expansion of cotton yarn spinning and processing segment and the product mix rationalisation in cotton yarn and paper/chemicals segments. The Company recorded 48% of its revenues from exports and 52% from domestic markets.

**Net Sales:** Net Sales of ₹33,353 million during FY13 were 22% higher than ₹27,323 million in FY12 on account of improved capacity utilization rates leading to increased product off-take. Further augmenting sales growth were the improved realizations on account of enhanced product mix by adding value-added products

**Segmental Revenues:** The Company's total revenues comprised of 46% from yarn segment, which contribute ₹16,837 million. The home textiles contributed around 34%, ₹12,694 million to the total revenue. Paper and Chemicals segment contributed around 20% to total revenues at ₹7,248 million.

**EBIDTA:** Trident closed the FY 13 on a robust note with an EBIDTA of ₹5,778 million, up 80% against ₹3,202 million in FY 12. EBIDTA margins at 17.2% improved by 560 bps over FY 12, courtesy enhanced utilization, stabilisation of expanded capacity in cotton yarn and thrust on increasing value-added products across yarn and paper/chemicals segment catering to niche customer segments, offering higher realisation. The cost control by through CLRI [Cleaning, Lubricating, Re-tightening, Inspection) across the organization also augured well for the profitability margins of the Company.

**Interest costs control:** Despite higher scale of operations the Company was able to keep its interest costs under control. This was done by long-term debt repayment ₹3,234 million from internal accruals and other sources. However, due to heightened scale of operations, short-term borrowings of the Company increased leading 37.0% increase in total interest cost at ₹2,353 million.

**Net Profit:** The Company recorded net profit of ₹493 million in FY 13, marking a turnaround in the financial performance from a net loss of ₹437 million in FY12, despite not so favourable economic and industry scenario. During FY 13, the Company was able to consolidate its operations, produce more and enhance the product mix besides entering newer markets. The performance turnaround in FY 13, also led to a positive EPS of ₹1.60 against a negative EPS of ₹1.59 in FY12.

**Balance Sheet**

**Equity Capital:** Following the issue of 5,000,000 equity shares of ₹10 each against the outstanding warrants at a premium of ₹7.05 each to promoters, the Company's equity capital expanded to ₹3,108 million, as against ₹3,058 million in FY 12.

**Reserves & Surplus:** The reserves and surplus of company improved to ₹3,954 million at the close of FY 13, as against ₹3,426 million during FY 12. This was enabled by internal accruals out of profits and partly the premium earned on fresh issue of equity shares.

**Borrowings:** The Company's long term borrowings for FY13 came down substantially to ₹9,492 million against ₹12,726 million in FY 12, courtesy repayment ₹3,234 million as long term debts. However, for the higher capacity utilization in FY 13, the Company's short term borrowings increased to ₹9,674 million, from ₹7,357 million in FY 12.

**Debt Equity:** The Company managed to bring down its debt equity to 3.17 times, following the repayment of certain long-term debts. The same stood at 3.51 times at the close of FY 12.

**Current Ratio:** The Company's current ratio was relatively flat at 0.73 times at the end of FY 13, in comparison to 0.74 times in FY 12.

### Key Strategies

**New Positioning:** The Company changed its corporate positioning in consonance with its philosophy "Inspired by Challenge", aptly translating Company's profitable performance amidst challenging times. The same was evident in the yarn segment, where costs were brought down, production was increased and realizations were improved.

**Geographic Expansion:** Apart from the US and EU, the Company made a breakthrough in many newer countries and regions including Australia, Canada, Japan and several other CIS regions in past two years. The same has helped the Company de-risk business geographically by reducing dependence on its traditional markets.

**Consolidating Operations:** Trident's strategy entailed consolidating its operations wherein all existing capacities were put to maximum utilization. Cost rationalization was key focus of consolidation leading to higher profitability. Trident also implemented CLRI [Cleaning, Lubricating, Re-tightening, Inspection) across the organization wherein instead of specialized maintenance teams, CLRI is taken care of by workers to enhance ownership.

**Enhancing Product Mix with value-added products:** Trident adopted strategy of increasing the share of value-added products in its overall product mix across Yarn and Paper segments, and has definitive plans to implement the same in home textiles segment also. Trident introduced 'Trident Royal Touch' paper range in premium and eco-friendly range. In yarn segment, Company introduced Core Filament Yarn and other varieties of value added yarn. In Home Textiles segment, Trident's recently announced expansion entails producing bed-sheet products through 500 additional looms. Trident has also strategized to sell multiple products to its existing client base thereby increasing revenues from existing clients.

## Threats and Risks Management

A majority of risks faced by the Company are inherent to business activities of the Company and the global network, ranging from agricultural crops in monsoon, economic cycles across various global regions and foreign exchange fluctuations. These are industry specific in nature and relate to the cyclical movements of demand of sectors of business operation of company and also the macro-economic cyclical movements of Indian and various global regions as a whole. The Company takes due care at its own end to ensure that its business suffers from minimal affects of such risks related to its business by remaining conservative during cyclical downturns. Such risks where the Company keeps a close watch with close checks regularly include:

**Foreign Currency Risks:** Since the Company has a widespread network of clientele catering to 70 countries on a global scale in home textiles, wheat straw based/ eco-friendly paper and some varieties of yarn, it is always subject to the risk of foreign currency fluctuations. However, as a mitigation measure, the Company has already written off the past mark to market losses. Currency Risk is now managed by continuous monitoring the exposure and limiting the same in view of applicable margins under the relevant product/market segment.

**Geo Economic Global Cycles:** The Company operates as a leading home textiles and paper supplier across all regions, from US, Mexico, EU, Australia and many other countries. Due to same, its business orders from vendors all tend to come down, in times when various countries or regions start facing a cyclical slowdown. As a preventive measure, the geographical mix of the entire revenues mopped up by the Company is evenly spread between domestic business it derives, and its export orders. The Company also strives hard to widen its geographical mix across various regions, to ensure that regions coming under the cyclical slowdown don't hit the Company's order book due to improved scale of orders from other regions.

**Input Sourcing Risk:** The Company has to source cotton in every season, to enable it to manufacture cotton yarn and cotton spinning in different blends, at both its manufacturing hubs in Punjab and M.P. The same is primarily dependent on the harvest of cotton crop in every season and subsequently the prices of same. At times, the cotton yield may be lower than expected due to agricultural yield, according to rain and other factors, and the prices of cotton may show volatility. However, the Company has multiple vendors in place, for its requirements of cotton input, and keeps back-up storage of same, to safeguard against the same.

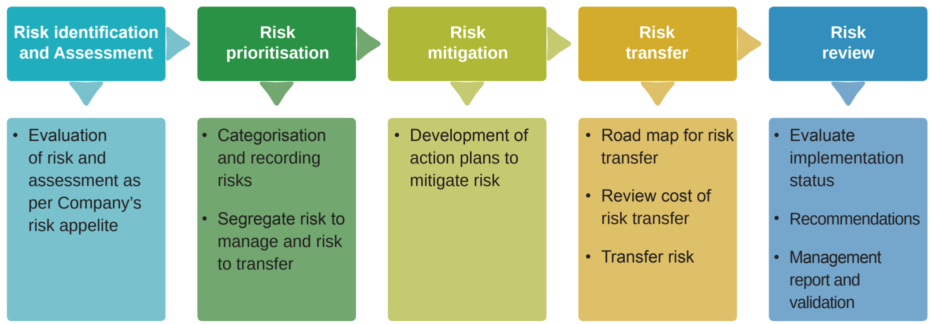
**Competition from China and ASEAN region:** The Company faces a regular competition from China and some ASEAN regions etc in the cotton yarn and home textiles which it caters to multi-brand retail chain stores and overseas producers. However, given a scenario in which the labour cost is moving up slowly in China, the Company hopes to take advantage of economies of scale in yarn and home textiles in times ahead to create a better market share for itself.

### Risk Management Framework

Trident considers an effective and structured risk management process as an integral part of its business management towards creating and protecting stakeholder value. The Company has thus formulated a structured risk identification, review and mitigation process. The Key elements of the process are:

- Continuous Risk Identification
- Prioritizing risk on the basis of impact and intensity
- Risk mitigation through identified pre-measures
- Risk transfer through effective roadmap, review and process to transfer
- Risk review for continuous strengthening of mitigation measures

**Process Flow to mitigate risks**




## Internal Control System

The Company has put in adequate internal control system in place, in synergy with the requirements of the Company's areas of operations and its widespread network, which independently appraises the Company of the requirements in its advisory capacity from time to time to improve and evaluate the systems already followed by the Company across its areas of operations and policies. The team remains active in taking various calls based on the size and scale of business operations of interest of the Company, and insists on following a framework, in view of the complexities of overall business profile of the Company.

The Audit Committee guides the internal audit team about the scope of audit to bring a higher efficiency in major areas of operation of the Company. The internal audit team discusses their findings with the management, to appraise their views on the same, to help the Company quickly enable the improved framework suggested, in case it is found more useful for the Company's smooth functioning. The internal audit team's findings and significant changes suggested by them are reviewed by Audit Committee of Company to offer the best solutions and views on such findings, which are given effect, based on solutions suggested.

## Corporate Sustainability

Trident has been consistently working towards integrating Corporate Social Responsibility into its values, culture, operations and business decisions at all levels of the organisation. Over the years, the nature of the Company's involvement with the community has undergone a change. Being a responsible citizen, the Company has a value system of giving back to society and improving the life of the people. Some key initiatives undertaken comprise the following:

- Sponsorship of Takshashila Vocational Training Institutes at Barnala & Budni to meet the demand of textile skilled workers by providing training and developing the right kind of skill set of youth.
- Various Medical camps organized like Skin camp, general medical camp, RG stone Speciality Hospital camp etc
- First plant in North India to start Night shift for female members
- Blood Camps organized regularly in association with Red Cross
- MOU has been signed with the CM of MP for funding and construction of additional wards in the Community Health Centre, Budhni
- ESI and Medical insurance for all members, In house dispensary, 24*7 emergency ambulance provided for Members and their family
- Adoption of Malvi Hospital in Hoshangabad in process
- Availability of special doctors inside the factory premises providing free medical checkups and medicines for all members
- Within campus accommodation for 1,200+ female members
- Social Security Schemes/Insurance for Members and their family
- Village cluster adoption with 200 villages and more than 71,000 acres of land and 2,000 farmers in Punjab
- Technical guidance to farmers in better management crop practices & techniques
- Regular contribution to various NGOs and sponsorship to aspiring professionals within industry
- Eco friendly paper made with wheat straw (Agri-waste) saving more than 5,000 Trees/Day
- First Mill in the world to use ECF Bleaching on wheat straw
- Within factory plantation of 125,000 Eucalyptus trees
- Rain water harvesting & waste water management with state of the art ETP

## Human Resources

Trident is amongst few in the country to have started business simulation model for recruiting fresh talent, to have apt human resources mix and to provide right role for the right candidate. The unique model is expected to improve the efficiency across functions and levels. The Company has started offering performance based compensation in FY 13, in line with total productivity management program to bring cost efficiencies and to have higher motivation level amongst employees. Under this program the Company has started a quarterly cash award for TPM in manufacturing area for breakthrough innovation, cross learning and certain other criteria.

During FY13, trident received CITI Birla Award for Human Resource Management in Textile Mills during 2011-12 by CITI-Birla Economic and Textile Research Foundation.

Trident regularly imparts training to its employees to improve their skills, garner leadership traits, to get motivated to rise to the occasion and perform better. All these initiatives in turn are aimed at achieving the Company's common growth objective. The Company endeavours to retain performing candidates, nurture them for bigger roles in future and to leverage their continued tenure & experience with the Company. At the close of FY 13, the company had total employees strength of about 10,000 people.

Trident has well-structured organizational hierarchy to provide and most suitable roles to respective employees and management & leadership team. There are four categories under which the hierarchy is made. The details of management team composition as on March 31, 2013 are given below:

| | |
|---|---|
| Institution Builder (IB) | 5 |
| Development Coaches (DC) | 28 |
| Frontline Entrepreneurs (FLE) | 9,751 |

## Outlook

The stabilization of operations of the yarn segment helped the Company to focus on niche category of combed and processed yarns. The higher capacity utilization enabled the Company to clock an export turnover which constituted 73% of yarn sales. Going ahead, the Company is adding more value added products for niche customer segments in the paper segment, which will help in improving the profitability.

In home textiles, the Company is associated with global retail brands across the globe including Ralph & Lauren, Calvin Klein, JC Penney, IKEA, Target, Wal-mart, Macy's, Kohl's, Sears, Sam's club, Burlington and other esteemed customers in US, Mexico, Australia and Europe etc. The home textiles products of company are exported across 70 countries.

With these factors in mind, the Company hopes to have a better outlook in the period ahead in the light of global economic growth recovery from 2013 onwards.

***Cautionary Statement***

***This discussion contains certain forward-looking statements based on assumptions and current situations and expectations. The various risks and uncertainties associated thereto could cause the actual results to differ materially from those projected in forward looking statements. Market data and product information contained in this report is gathered from published and unpublished reports and their accuracy cannot be assured.***

***The management reserves every right to re-visit any predictive statement as may be deemed fit.***

# Directors'Report

**Dear Shareholders,**

Your Directors are pleased to present the 23rd Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2013.

## FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2013 is summarised below:

[₹ million]

| Particulars | | Current Year | Previous Year |
|---|---|---|---|
| a) | Net sales | 33,352.6 | 27,322.8 |
| b) | PBIDT | 5,778.1 | 3,202.4 |
| c) | Less : Interest | 2,352.8 | 1,717.8 |
| d) | PBDT | 3,425.3 | 1,484.6 |
| e) | Less : Depreciation | 2,614.4 | 2,075.3 |
| f) | Profit/(Loss) before Tax | 810.9 | (590.7) |
| g) | Less : Provision for Tax | 317.6 | (153.3) |
| h) | Net profit / (Loss) after Tax | 493.3 | (437.4) |
| i) | Earnings / (Loss) per share (₹) | 1.60 | (1.59) |

## CORPORATE OVERVIEW

The Company operates in diversified business segments viz. Yarn, Terry Towel, Paper and Chemicals. The Company also has captive power plant to cater to needs of its various business segments.

## RESULTS OF OPERATIONS

**Financial performance and review**

The net sales of the Company for the year under review increased to ₹33,352.6 million as compared to ₹27,322.8 million in the previous financial year, registering a growth of approximately 22 percent. The Operating Profit (EBIDTA) for the year has been ₹5,778.1 million as compared to ₹3,202.4 million in the previous financial year, increased by about 80 percent. The Company has earned a net profit of ₹493.3 million as against net loss of ₹437.4 million in the previous financial year.

Total paid up capital of your Company has increased from ₹3,058.4 million to ₹3,108.4 million during the year under review, due to allotment of 5,000,000 equity shares pursuant to conversion of warrants issued on preferential basis.

A detailed discussion on financial and operational performance of the Company is given under "Management Discussion & Analysis Report" forming part of this Annual Report.

## DIVIDEND

Keeping in view the consolidation, modernisation and other future investment possibilities in order to meet competition, your Directors have decided not to recommend any dividend for the year under review.

## CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company contributed a sum of ₹373.9 million to the exchequer by way of central excise duty in addition to other direct and indirect taxes during the year under review.

## EXPORTS

Export sales accounted for 48 percent of net sales. During the year under review, export sales increased by 12 percent from ₹14,413.8 million in the previous year to ₹16,081.7 million in the current year.

## EXPANSIONS / MODERNISATION

During the year under review the implementation of second phase of yarn spinning expansion project involving setting up of 134,448 spindles and 2,040 rotors is deferred due to changing global economics and the strategic need to consolidate for future growth. Directors of the Company take pleasure in informing you that the implementation of two spinning expansion project envisaging expansion of spinning capacity at Budni by installing 101,184 additional spindles and other balancing equipment to manufacture approximately 7,413 TPA of additional cotton yarn of higher count and value added varieties & by installing 74,880 additional spindles and other balancing equipment to manufacture approximately 31,389 TPA of additional cotton yarn are planned. Post expansion, the installed capacity of the Company would increase from 365,904 spindles to 541,968 spindles.

Further the company has also planned to set up a bed sheeting unit in Budni, Madya Pradesh with a loom capacity of 500 looms. The unit will manufacture and export certain varieties of sheeting products. The above projects will entail a capital outlay of ₹16,668.0 million.

## SUBSIDIARIES

As on the last day of financial year under review, Company had one Indian wholly owned subsidiary "Trident Global Corp Limited". The Annual accounts of the subsidiary company

alongwith the reports of the Directors' and Auditors' thereon and all related detailed information are open for inspection by any investor including investor of subsidiary company at the registered office of the Company and of the subsidiary company. The Company will make available these documents to investors including investors of subsidiary company upon receipt of request from them. The investors, if they desire, may write to the Company to obtain a copy of the financials of the subsidiary company.

A statement giving information on the financials of subsidiaries for the year ended March 31, 2013 and the consolidated financial statements prepared by the Company in accordance with Accounting Standard are given in the Annual Report for the reference of the members.

### DIRECTORS

In accordance with the provisions of Articles of Association of the Company, all the directors, for the time being, except the Wholetime Director, shall retire annually and accordingly Mr. Rajinder Gupta, Ms Pallavi Shroff, Mr. Rajiv Dewan and Dr. M A Zahir, Directors are retiring at the ensuing Annual General Meeting. All retiring directors offer themselves for re-appointment. Your Directors recommend the aforesaid appointments for your approval.

During the year Ms. Kavita Singh ceased to be Director w.e.f. September 24, 2012. Mr. Sanjay Jain was appointed as Director of the Company in the Annual General Meeting held on September 24, 2012. Mr. Sanjay Jain is retiring at the ensuing Annual General Meeting and do not seek re-appointment. Mr. Vikas Pratap was appointed as Additional Director of the Company w.e.f. October 25, 2012 and holds office upto the date of ensuing Annual General Meeting. Further Mr. Abhishek Gupta, ceased to be Director and Managing Director of the Company w.e.f. October 25, 2012. The Board places on record its appreciation of the services rendered by Ms. Kavita Singh, Mr. Abhishek Gupta, Mr. Sanjay Jain and Mr. Vikas Pratap during their respective tenures.

Mr. Rajinder Gupta was re-designated as a Director in non executive capacity w.e.f. October 25, 2012 and has been appointed as Non executive Chairman of the Board w.e.f. May 15, 2013.

### CORPORATE ADVISORY BOARD

During the year under review a Corporate Advisory Board was constituted with Mr. Abhishek Gupta as its Chairman to act as a representative of shareholders of the Company to take strategic decisions, to enhance shareholders' value and to empower the Chief Operating Officers/Key Managerial Personnel with substantial powers of management of the affairs of the Company. All business verticals & key functions are now headed by respective Chief Operating Officers and Key Managerial personnel.

### FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits and no amount of principal or interest was outstanding as of balance sheet date.

### NO DEFAULT

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and/or banks during the year under review.

### CORPORATE GOVERNANCE

Your Company is committed to adhere to the best practices & highest standards of Corporate Governance. It is always ensured that the practices being followed by the Company are in alignment with its philosophy towards corporate governance. The well-defined vision and values of the Company drive it towards meeting business objectives while ensuring ethical conduct with all stakeholders and in all systems and processes.

Your Company proactively works towards strengthening relationship with constituents of system through corporate fairness, transparency and accountability. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter & spirit. Your Company proactively revisits its governance principles and practices as to meet the business and regulatory needs.

Detailed compliances with the provisions of Clause 49 of the Listing Agreement for the year 2012-13 are given in Corporate Governance Report, which is attached and forms part of this report. The Auditors' certificate on compliance with corporate governance norms is also attached thereto.

### HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The human resources development function of the Company is guided by a strong set of values and policies. Your Company strives to provide the best work environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. The details of initiatives taken by the Company for development of human resources are given in Management Discussion & Analysis Report.

The Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under review.

### RECOGNITIONS & AWARDS

During the year under review, your Company has been conferred with following awards and recognitions:

- Special Commendation" for the Golden Peacock Environment Management Award - 2012
- CITI-Birla Award for Human Resource Management in Textile Mills during 2011-12
- 2nd Position in CONCOR EXIM Star Award in the category of "Exporter-Northern Region" by Container Corporation of India Ltd.
- Texprocil - Silver Trophy for Best Terry Towel Exporter in Made-ups Category and the Bronze Trophy for Best Global Exporter (Overall).
- Company has been recognized as "Principal Partner - Bath" for the year 2012-13 by Sears Holdings Corporation.

### AUDITORS & AUDITORS' REPORT

M/s Deloitte, Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from M/s Deloitte, Haskins & Sells, Chartered Accountants, under Section 224(1) of the Companies Act, 1956 confirming their eligibility and willingness to accept the office of the Statutory Auditors for the year 2013-14, if re-appointed. They have also furnished Certificate of their Independence and copy of certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended March 31, 2013. The Auditors' Report for the year is self explanatory & do not contain any qualification/adverse remarks, hence need no comments. The observation in the Auditor's Report for the year ended March 31, 2012 regarding non accounting of restatement loss on forward contracts and mark to market loss on open put derivative options stands resolved since the loss on forward contracts and derivative options has been accounted for at the time of settlement during the year under review.

### COST AUDIT

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and subject to the approval of the Central Government, the Board of Directors of your Company has re-appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditor for the financial year 2013-14 to carry out an audit of cost accounts of the Company in respect of textile, paper and chemical divisions. The Cost Audit Report for the previous financial year ended March 31, 2012 has been filed with Central Government within the prescribed time limit.

The Cost Audit Report in respect of cost accounts for the financial year ended March 31, 2013 is required to be filed with the Central Government within 180 days from the close of financial year. The Cost Audit Report for the financial year ended March 31, 2013 is under finalization and shall be filed with the Central Government within the prescribed time limit.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given as Annexure I hereto and forms part of this report.

### DISCLOSURE ON ESOP

The Company's Employee Stock Options Plan, 2007 has been constituted in accordance with the Securities and Exchange Board of India (Employee Stock Options Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. The relevant disclosure on Company's stock options scheme as per these guidelines has been provided in Annexure II hereto and forms part of this report.

The Certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders would be placed at the Annual General Meeting for inspection by members.

### PARTICULARS OF THE EMPLOYEES

As per the provisions of Section 217(2A) of the Companies Act, 1956, the statement of particulars of the employees etc. forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the abovesaid information is being sent to all the members and other entitled persons. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

### RESPONSIBILITY STATEMENT OF DIRECTORS

A Directors' Responsibility Statement, setting out the requirements pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 is annexed as Annexure III hereto and forms part of this report.

### ACKNOWLEDGEMENTS

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Central Government, Government of Punjab, Government of Madhya Pradesh, Financial Institution(s), Bank(s), Customers, Dealers, Vendors and society at large.

Your Directors also wish to convey their appreciation for collective contribution & hard work of employees across all level. The Board, also, takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders and their confidence in management and look forward to their continued support in future too.

For and on behalf of the Board

| | | |
|---|---|---|
| Place : Ludhiana | **Rajinder Gupta** | **Deepak Nanda** |
| Date : May 15, 2013 | *Chairman* | *Wholetime Director* |

# Annexure I to the Directors' Report

Information As Per Section 217(1)(e) read With The Companies (Disclosure of Particulars in the report of Board Of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

## 1. CONSERVATION OF ENERGY

**1.1 Energy conservation measures taken:**

- Introduction of Corrocoated technology in pumps.
- Arresting of air leakages & reduction of power consumption of Air Compressors through regular audits and optimization.
- Installation of VFD on Boiler.
- Installation of invertors on fan motors.
- Re-engineering of humidification plant.

**1.2 Additional investments and proposals, if any, being implemented for reduction of consumption of energy.**

- Installation of MV drive on FD Fan.
- Installation of energy efficient cooling tower pumps.
- Installation of invertors on fan motors & main air fans to optimize suction and reduction of power consumption.
- Replacement of Electrical heater by Steam Radiator

**1.3 Impact of measures taken at 1.1 and 1.2 above for reduction of energy consumption and consequent impact on the cost of production of goods:**

On account of the above said measures adopted by the company, considerable saving in energy and reduction in cost of production has been achieved. However, due to change in product mix, there is an increase in power consumption per kilogram in Cotton Yarn in current year as compared to corresponding previous year.

| Particulars | Units | Year ended 31.03.2013 | Year ended 31.03.2012 |
|---|---|---|---|
| Electricity | | | |
| **Purchased** | | | |
| Units | MWH | 237,197 | 159,617 |
| Total Amount | ₹ million | 1,398.53 | 828.33 |
| Rate per unit | ₹/Kwh | 5.90 | 5.19 |
| **Own Generation** | | | |
| Through Diesel Generator | | | |
| Units | MWH | 78 | 142 |
| Units/liter of diesel | KWH | 3.06 | 3.15 |
| Diesel Cost/Unit | ₹/Kwh | 13.78 | 12.02 |
| Through Steam Turbine | | | |
| Units | MWH | 319,524 | 322,518 |
| Units per tonne of steam | KWH | 153 | 147 |
| Cost per unit | ₹/Kwh | 4.20 | 4.44 |
| Coal | | | |
| Quantity | MT | 210,331 | 200,544 |
| Total Cost | ₹ million | 985 | 989 |
| Average Rate | ₹/MT | 4,682 | 4,930 |
| Furnace Oil | | | |
| Other / Internal Generation | | | |
| **Consumption per Unit of production** | | | |
| Cotton Yarn | Kwh/Kg | 3.07 | 2.75 |
| Towel | Kwh/Kg | 2.33 | 2.32 |
| Yarn Processing | Kwh/Kg | 2.43 | 2.48 |
| Paper | Kwh/Kg | 0.98 | 1.03 |
| Sulphuric Acid | Kwh/Kg | 0.06 | 0.06 |

## 2. TECHNOLOGY ABSORPTION

**Efforts made in technology absorption as per Form B**

**RESEARCH & DEVELOPMENT (R & D)**

**2.1.1 (a) Specific areas in which R & D carried out by the Company**

- Development of new textiles products with different combinations of blended cottons and yarns.
- Development of new products in paper.

**2.1.1 (b) Benefits derived as a result of the above R & D**

- Market penetration, product diversification & new customer development.
- Increase in Revenue.
- Better brand image.

**2.1.1 (c) Future Plan of Action:**

- New Product Development–Eco friendly towels, Fancy Yarns, High End Hosiery segment Yarns, Adaptive technology Yarns, premium paper.
- Eco friendly innovations.
- Exploring new products and markets for our products with customization.

**2.1.1 (d) Expenditure incurred on R & D:**

Expenses incurred on research and development booked under respective general accounting heads and as such no amount can be quantified separately under the head research and development expenses.

**2.1.2 TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

**2.1.2 (a) Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- Installation of Texparts New Technology ZUW Spindles (with centrifugal clutch) by replacing old version of knurled spindles.
- Installation of Hairiness Module in winding machines to arrest the bobbins of high hairiness in compact and off centering in CSY yarn.
- Addition of automatic Folding & Packing machine in Home Textiles Section.
- Installation of Blow Heat Recovery in wood fiber line for recovery of waste heat.

**2.1.2 (b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc :**

The Company was able to enlarge its product basket and deliver value added products to the large base of customer/markets spread globally.

The Company was able to enhance its productivity and rationalize the manufacturing costs towards optimization.

The product portfolio was of better quality based on environment friendly technology. The manufacturing costs were also rationalized towards optimization. The value added and productivity enhancement also resulted in additional contribution.

**2.1.2 (c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :**

(i) Technology imported

The latest state of the art technology in fabric transporting systems, spinning, weaving, processing, dyeing, cutting, stitching, pulping, boilers from the world-renowned suppliers in an effort to improve productivity and product quality, in addition to reducing consumption of energy and scarce natural resources.

(ii) Year of import 2008-2013

(iii) Has technology been fully absorbed? Yes

(iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. Not applicable

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

**3.1 Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans**

The Company is presently exporting its products to more than 70 countries across the globe. The Company is growing its market base. Consistent efforts are being made to capture new avenues for exports.

**3.2 Total foreign exchange used and earned**

[₹ million]

| Particulars | Current Year | Previous Year |
|---|---|---|
| Earnings (FOB value of exports) | 16,081.7 | 14,413.8 |
| Outgo (CIF value of imports) | 884.7 | 2,253.3 |
| Traveling expenses | 4.4 | 4.6 |
| Other expenses | 213.7 | 134.2 |

# Annexure II
# to Directors' Report

Disclosure related to Employee Stock Option Scheme of the Company:

In financial year 2007-8, the Company had the Employee Stock Options Plan, 2007. The plan was approved by the special resolution of shareholders passed on June 29, 2007 by way of postal ballot. The Company has made two grants under the scheme till 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 & conditions of Trident Employee Stock Options Plan, 2007. The options were granted at the latest available closing market price prior to the date of meeting. The Company calculates employee compensation cost using the intrinsic value of option.

The relevant information with respect to Company's stock options plan as on March 31, 2013 is given below:

**Details of Options**

| Grant | First Grant | Second Grant |
|---|---|---|
| Date of Grant | July 9, 2007 | July 23, 2009 |
| Total option granted | 7,901,462 | 3,993,000 |
| Exercise Price | ₹17.55 | ₹11.20 |
| Options Vested | 3,353,049 | 1,119,196 |
| Options Exercised | Nil | 139,010 |
| Total no. of shares arising as result of exercise of Options | Nil | 139,010 |
| Options lapsed * | | |
| (*Lapsed options include options forfeited and options cancelled / lapse) | 4,548,413 | 1,988,664 |
| Variation in terms of Options | None | None |
| Money realised by exercise of Options | Nil | 1,556,912 |
| Total number of options in force | 3,353,049 | 1,865,326 |
| Employee wise details of options granted to: | | |
| • Senior Managerial Personnel | | |
| Mr. P.K. Markanday | 393,052 | 132,000 |
| Mr. Arun Goyal | 393,052 | 132,000 |
| Mr. Rajiv Gupta* | 314,441 | 132,000 |
| Mr. Ravi Tandon# | 235,831 | - |
| Mr. Rajiv Kumar Mediratta* | - | 82,500 |
| • Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | None | None |
| • Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant | None | None |

* Since ceased to be in employment of the company. Options granted and unvested included in Options lapsed.

# Since superannuated.

**Difference between Intrinsic Value and Fair Value of Stock Options and impact of this difference on net profit and EPS:**

| Pro Forma Adjusted Net Income/(Loss) and Earning Per Share | |
|---|---|
| Net Profit/(Loss) as reported (₹ million) | 493.2 |
| Add: Intrinsic Value Compensation Cost (₹ million) | 0.0 |
| Less: Fair Value Compensation Cost (₹ million) | 1.3 |
| **Adjusted Pro Forma Net Profit/(Loss) (₹ million)** | **491.9** |

**Earning Per Share (₹)**

| | Basic | Diluted |
|---|---|---|
| As Reported | 1.60 | 1.60 |
| Adjusted Pro Forma | 1.60 | 1.60 |

**Weighted average exercise price and Weighted average fair value of Options granted during the year – NIL**

| Particular | Exercise Price (₹) | Fair Value (₹) |
|---|---|---|
| Exercise price equals market price | 11.20 | 6.25 |
| Exercise price is greater than market price | Not applicable | Not applicable |
| Exercise price is less than market price | Not applicable | Not applicable |

**Description of method and significant assumptions used to estimate the fair value of options granted during the year**

No Grant has been made during the financial year 2012-13. However the fair value of options granted during the year 2009-10 has been estimated using Black-Scholes Option pricing model.

# Annexure III
# to the Directors' Report

Directors' Responsibility Statement pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended March 31, 2013.

The statement of the Directors' responsibility on the annual accounts of the Company for the year ended March 31, 2013 is provided below:

i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit/loss of the Company for the year ended March 31, 2013.

iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) That the Directors had prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Place : Ludhiana
Date : May 15, 2013

**Rajinder Gupta**
*Chairman*

**Deepak Nanda**
*Wholetime Director*

# Corporate Governance Report

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance at Trident cares for the overall well-being and welfare of all constituent of the system and takes into account the stakeholders' interest in 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 a 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 laws 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

As on the date of report, the Board comprised of seven Directors, of which more than 85% are Non-executive and more than 71% are Independent directors. One Director on the Board is Executive Director. None of the Directors on the Board is a member of more than ten Board level committees or act as Chairman 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 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, Dr. M A Zahir, Ms Pallavi Shroff, Mr Rajiv Dewan, Mr Sanjay Jain and Mr Vikas Pratap are categorised as Independent directors.

Other details relating to the Board are as follows:

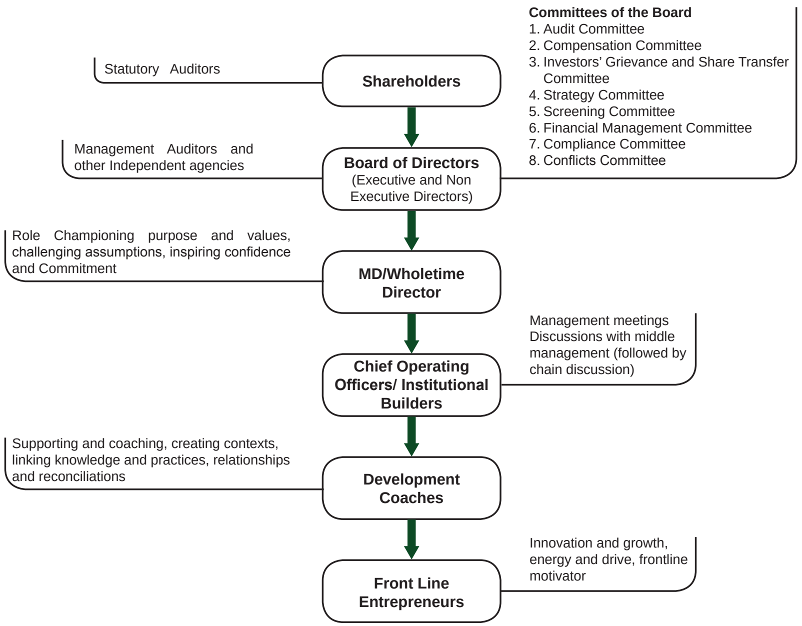
| Name | Designation | Category | Shareholding in Company (No. of shares) | No. of directorships held in all public Companies # | No. of Board Committees' memberships held in all public companies @ | No. of Board Committees' chairmanships held in all public companies @ |
|---|---|---|---|---|---|---|
| Mr Rajinder Gupta | Chairman | Non Executive, Non Independent | - | 6 | - | - |
| Ms Pallavi Shroff | Director | Non-Executive, Independent | - | 5 | 1 | - |
| Mr Rajiv Dewan | Director | Non-Executive, Independent | 23,290 | 14 | 4 | 1 |
| Dr M A Zahir | Director | Non-Executive, Independent | 5,510 | 8 | 4 | 2 |
| Mr Sanjay Jain | Director | Non-Executive, Independent | 125 | 4 | 1 | 1 |
| Mr Vikas Pratap | Additional Director | Non-Executive, Independent | - | 3 | - | - |
| Mr Deepak Nanda | Wholetime Director | Executive, Non Independent | - | 5 | 1 | - |

# including Trident Limited and excluding private and foreign companies

@ Board Committee for this purpose includes Audit Committee and Shareholders'/Investors' Grievance Committee (including Board Committees of the Company)

## 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

Atleast four Board meetings are held in a year, one in each quarter to review the financial results and other items of the agenda. The gap between 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 are 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, 2012 and March 31, 2013:-

| Sl. no | Particulars | No. of meetings held during the year | Date of meetings |
|---|---|---|---|
| 1 | Board | 6 | April 23, 2012, May 25, 2012, August 9, 2012, October 25, 2012, November 12, 2012, February 3, 2013 |
| 2 | Audit Committee | 4 | May 25, 2012, August 9, 2012, November 12, 2012, February 3, 2013 |
| 3 | Compensation Committee | 1 | April 23, 2012 |
| 4 | Investors' Grievance and Share Transfer Committee | 3 | July 18, 2012, October 30, 2012, February 3, 2013 |
| 5 | Screening Committee | 3 | April 23, 2012, May 25, 2012, October 25, 2012 |
| 6 | Strategy Committee | - | - |
| 7 | Financial Management Committee | 7 | May 5, 2012, August 9, 2012, September 27, 2012, November 12, 2012, January 5, 2013, February 9, 2013, March 9, 2013 |
| 8 | Compliance Committee | 1 | February 3, 2013 |
| 9 | Conflicts Committee | - | - |

There was a maximum time gap of not more than 82 days between two consecutive Board meetings and 94 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 2012-13 is given below:

| Name of Director | Board | | Audit Committee | | Compensation Committee | | Investors' Grievance and Share Transfer Committee | | Screening Committee | | Strategy Committee | | Financial Management Committee | | Compliance Committee | | Conflicts Committee | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Held* | Attended | Held* | Attended | Held* | Attended | Held* | Attended | Held* | Attended | Held* | Attended | Held* | Attended | Held* | Attended | Held* | Attended |
| Mr Rajinder Gupta @ | 6 | 6 | 2 | 2 | ≈ | ≈ | ≈ | ≈ | 3 | 3 | ≈ | ≈ | 3 | 3 | ≈ | ≈ | ≈ | ≈ |
| Ms Pallavi Shroff | 6 | 0 | ≈ | ≈ | 1 | 0 | ≈ | ≈ | 3 | 0 | 0 | 0 | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ |
| Mr Rajiv Dewan | 6 | 6 | 4 | 4 | 1 | 1 | 3 | 3 | 3 | 3 | 0 | 0 | 7 | 7 | 1 | 1 | 0 | 0 |
| Dr M A Zahir | 6 | 6 | 4 | 4 | 1 | 1 | 3 | 3 | 3 | 3 | 0 | 0 | ≈ | ≈ | ≈ | ≈ | 0 | 0 |
| Ms Kavita Singh ^ | 3 | 0 | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ |
| Mr Deepak Nanda | 6 | 6 | ≈ | ≈ | ≈ | ≈ | 2 | 2 | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | 1 | 1 | ≈ | ≈ |
| Mr Abhishek Gupta # | 4 | 4 | ≈ | ≈ | ≈ | ≈ | 1 | 1 | ≈ | ≈ | ≈ | ≈ | 3 | 3 | ≈ | ≈ | ≈ | ≈ |
| Mr Sanjay Jain % | 3 | 2 | 2 | 2 | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | 4 | 4 | ≈ | ≈ | 0 | 0 |
| Mr Vikas Pratap % | 2 | 0 | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ | ≈ |

- * No. of meetings held during the tenure of respective Directors
- ≈ Not a member of the Committee
- ^ Ms Kavita Singh ceased to be Director w.e.f. September 24, 2012.
- Mr Rajinder Gupta, Dr M A Zahir and Mr Rajiv Dewan were present in the Annual General Meeting of the Company held on September 24, 2012
- #Mr Abhishek Gupta ceased to be Director and Managing Director of the Company w.e.f. October 25, 2012.
- @ Mr Rajinder Gupta ceased to be Managing director of the Company w.e.f. April 23, 2012, re-designated as Non executive Director of the Company w.e.f October 25, 2012 and appointed as Non-executive Chairman of the Board w.e.f. May 15, 2013.
- % Mr Sanjay Jain and Mr Vikas Pratap were appointed as Director and Additional Director of the Company w.e.f. September 24, 2012 and October 25, 2012 respectively
- The Chairman of Audit Committee and Investors' Grievance and Share Transfer Committee were present in Annual General Meeting of the Company held on September 24, 2012

**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 with by the Company. The draft minutes of the proceedings of each Board/Committee meeting duly initialed by the Chairman of the meeting are circulated to the Board/Committee 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 and/or its committee 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
- 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 etc.

## BOARD LEVEL COMMITTEES

The Board has constituted various Committees of Board 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.

**Composition of board level committees**

**Audit Committee**
1. Dr M A Zahir, Independent director (Chairman of Committee)
2. Mr Rajiv Dewan, Independent director
3. Mr Sanjay Jain, Independent director

**Compensation Committee**
1. Dr M A Zahir, Independent director (Chairman of Committee)
2. Ms Pallavi Shroff, Independent director
3. Mr Rajiv Dewan, Independent director

**Investors' Grievance and Share Transfer Committee**
1. Mr Rajiv Dewan, Independent director (Chairman of Committee)
2. Dr M A Zahir, Independent director
3. Mr Deepak Nanda, Non-Independent director

**Strategy Committee**
1. Ms Pallavi Shroff, Independent director (Chairman of Committee)
2. Mr Rajiv Dewan, Independent director
3. Dr M A Zahir, Independent director
4. Mr Samir Joshipura, Member

**Screening Committee**
1. Dr M A Zahir, Independent director (Chairman of Committee)
2. Mr Rajiv Dewan, Independent director
3. Dr Pramod Kumar, Independent HR Expert

**Financial Management Committee**
1. Mr Rajiv Dewan, Independent director (Chairman of Committee)
2. Mr Sanjay Jain, Independent director
3. Mr Arun Goyal, Chief Financial Officer

**Compliance Committee**
1. Mr Rajiv Dewan, Independent director (Chairman of Committee)
2. Mr Deepak Nanda, Non-Independent director
3. Mr Arun Goyal, Chief Financial Officer

**Conflicts Committee**
1. Mr Rajiv Dewan, Independent director (Chairman of Committee)
2. Dr M A Zahir, Independent director
3. Mr Sanjay Jain, Independent director

**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:

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 judgement by management
- Qualification on draft Audit Report
- Significant adjustments arising out of audit
- The going concern assumption
- Compliance with accounting standards
- Compliance with Stock Exchange and legal requirements concerning financial statements
- Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large

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 have post audit discussion to ascertain any area of concern

i) Reviewing the Company's financial and risk management policies

j) To review the functioning of the Whistle Blower mechanism

k) 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.

l) To approve/review the unaudited Quarterly Financial results and publish the same as required in the Listing Agreement.

m) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

n) Approval/ recommendation of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

Apart from above the committee also reviews other matters as may be required to be reviewed by Audit Committee under 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/ dematerlisation/ rematerlisation/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 resource management, performance review and monitoring, review of projects, formation of Special Purpose Vehicles, approval of business alliance and decide upon business reconstruction.

### SCREENING COMMITTEE

The broad terms of reference of Screening Committee inter-alia include determination of appropriate characteristics, skills and experience for the Board members & senior management personnel and to make recommendation to the Board and to shareholders on the induction of any new Director.

### FINANCIAL MANAGEMENT COMMITTEE

The broad terms of reference of Financial Management Committee inter-alia include deciding bank operating powers & changes thereon, other banking related issues of the Company, approval and monitoring of borrowing in INR/ foreign currencies, investments, loans and corporate guarantees, conversion of loans into INR/foreign currency and review of foreign exchange transactions of the company.

### COMPLIANCE COMMITTEE

The broad terms of reference of Compliance Committee inter-alia include to oversee legal compliance by the Company, highlighting instances of non-compliance to the Board with its recommendations to minimize the probable risk, provide its report/recommendation to the Board of Directors on the overall compliance structure of the Company and performing such other functions as the Board of Directors may entrust to the Committee.

### CONFLICTS COMMITTEE

The broad terms of reference of Conflicts Committee inter-alia include reviewing all transactions/agreements with related parties, reviewing all transactions that may be entered into with any person otherwise than on arm's length basis and providing recommendations to the audit committee and the implications of entering into these transactions and performing such other functions as the Board of Directors may entrust to the Committee.

### DIRECTORS' REMUNERATION

**Remuneration policy of Directors**

**Executive Directors**

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 and such authorities, as the case may be.

**Non-executive Directors**

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 Board is also authorised to pay to Non-executive Directors commission @ 1% of net profits of the Company or any other percentage of net profits as may be permissible under the provisions of applicable statutory enactments at the time of payment, over and above the usual sitting fees in the manner as thought proper by the Board. The remuneration paid to the Non-executive directors is approved by the Board of Directors, subject to the approval by the shareholders.

The synopsis of approvals for the remuneration paid to Mr Rajinder Gupta, Managing director, Mr Abhishek Gupta, Managing director, Mr Deepak Nanda, Wholetime Director and sitting fees paid to Non-executive directors during the year ended March 31, 2013 is given hereunder:

| Sr. no | Approving authority | Date of approval | | | |
|---|---|---|---|---|---|
| | | Executive directors | | | Non-executive directors |
| | | Mr Rajinder Gupta | Mr Abhishek Gupta | Mr Deepak Nanda | |
| | | (Managing director) | | (Wholetime director) | |
| 1 | Compensation Committee | May 16, 2011 | April 23, 2012 | November 12, 2011 | Not applicable |
| 2 | Board of Directors | May 16, 2011 | April 23, 2012 | November 12, 2011 | October 24, 2003/ April 23, 2012 |
| 3 | Shareholders | July 12, 2011 | June 12, 2012 | June 12, 2012 | December 12, 2003/ June 12, 2012 |

During 2012-13, the Company did not advanced 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**

| Name of the Director | Relationship with other Directors | Business relationship with the Company, if any | Remuneration paid/payable during the year ended March 31, 2013 | | |
|---|---|---|---|---|---|
| | | | Sitting fee (in ₹) | Salary and perquisites (in ₹) | Total (in ₹) |
| Mr Rajinder Gupta@ | Father of Mr Abhishek Gupta | Promoter | 180,000 | 1,833,333 | 2,013,333 |
| Ms Pallavi Shroff | None | None | - | - | - |
| Mr Rajiv Dewan | None | None | 340,000 | - | 340,000 |
| Dr M A Zahir | None | None | 340,000 | - | 340,000 |
| Ms Kavita Singh ^ | None | None | - | - | - |
| Mr Deepak Nanda | None | None | - | 6,380,000 | 6,380,000 |
| Mr Abhishek Gupta# | Son of Mr Rajinder Gupta | None | | 15,497,797 | 15,497,797 |
| Mr Sanjay Jain% | None | None | 80,000 | - | 80,000 |
| Mr Vikas Pratap % | None | None | - | - | - |

@ Mr Rajinder Gupta ceased to be Managing director of the Company w.e.f. April 23, 2012, re-designated as Non executive Director of the Company w.e.f October 25, 2012 and appointed as Non-executive Chairman of the Board w.e.f. May 15, 2013.

^ Ms Kavita Singh ceased to be Director w.e.f. September 24, 2012.

# Mr Abhishek Gupta ceased to be Director and Managing Director of the Company w.e.f October 25, 2012

% Mr Sanjay Jain and Mr Vikas Pratap were appointed as Director and Additional Director of the Company w.e.f. September 24, 2012 and October 25, 2012 respectively

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 ₹2,287,070/- was paid to M/s Amarchand & Mangaldas & Suresh A Shroff & Co., during the financial year 2012-13 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.

Mr Rajinder Gupta has entered into lease agreement with the company for taking lease of residential building of the company. Accordingly, a sum of ₹900,000/- has been received from Mr Rajinder Gupta as lease rent during the year under review.

### CRITERIA FOR PAYMENT OF COMMISSION

The members vide their resolution passed by means of Postal Ballot on June 12, 2012 have approved payment of commission @ 1% of net profits of the Company or any other percentage of net profits as may be permissible under the provisions of applicable statutory enactments at the time of payment to the Non-Executive Directors of the Company for a period of five financial years commencing from April 1, 2012. The payment of above said commission will be over and above the usual sitting fees for attending the meetings of the Board/Committee of the Board and the commission will be payable in such proportion and in such manner, as may be determined by the Board.

### TERMINATION OF AGREEMENT WITH WHOLETIME DIRECTOR AND SEVERANCE FEES

The employment of Wholetime 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, 2013 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 Rajinder Gupta | Trident Group Limited | Chairman - Board |
| | Trident Corporation Limited | Chairman - Board |
| | Abhishek Energy Corporation Limited | Chairman - Board<br>Shareholding > 2 percent |
| | Trinetra Technologies Limited | Director - Board |
| | Trident Aerospace Limited | Director - Board |
| | Trident Infotech Inc. | Director - Board |
| | Trident Towels Limited | Shareholding > 2 percent |
| Ms Pallavi Shroff | Maruti Suzuki India Limited | Director - Board<br>Member - Audit Committee |
| | PTL Enterprises Limited | Director - Board |
| | Artemis Health Sciences Limited | Director - Board |
| | Artemis Medical Services Limited | Director - Board |
| | Juniper Hotels Private Limited | Director - Board<br>Member - Audit Committee |
| | Amarchand & Mangaldas & Suresh A Shroff & Co. | Partner |
| Mr Rajiv Dewan | Malwa Industries Limited | Director - Board<br>Member - Audit Committee |
| | Punjab Communication Limited | Director - Board<br>Member - Audit Committee<br>Member - Investors' Grievance Committee |
| | Malwa Millenium Designs Limited | Director - Board |
| | Trinetra Technologies Limited | Director - Board |
| | Abhishek Ventures and Projects Limited | Director - Board |
| | Trident Aerospace Limited | Director - Board |
| | Trident Powercom Limited | Director - Board |
| | Trident Corporate Services Limited | Director - Board |
| | Trident Corporate Solutions Limited | Director - Board |
| | Trident Brokers Limited | Director - Board |
| | Trident Swaasthya Limited | Director - Board |
| | Trident Research Limited | Director - Board |
| | Trident Brands Limited | Director - Board |
| | Oswal Industrial Enterprise Private Limited | Director - Board |
| | R Dewan & Co | Partner |
| Dr M A Zahir | Hero Cycles Limited | Director - Board<br>Member - Audit Committee |
| | Ralson (India) Limited | Director - Board |
| | Rockman Industries Limited | Director - Board<br>Member - Audit Committee |
| | IOL Chemicals and Pharmaceuticals Limited | Director - Board<br>Chairman - Audit Committee |
| | Sohrab Spinning Mills Limited | Director - Board |
| | Lotus Integrated Texpark Limited | Director - Board<br>Member - Audit Committee |
| | Majestic Auto Limited | Director - Board |
| Mr Vikas Pratap | Indian Acrylics Limited | Chairman - Board |
| | Punjab State Industrial Development Corporation Limited | Managing Director - Board |
| Mr Sanjay Jain | Lotus Integrated Texpark Limited | Chairman - Board<br>Chairman - Audit Committee |
| | TFS Investments Private Limited | Director - Board<br>Shareholding > 2 percent |
| | Rainbow Retail Limited | Director - Board |
| | Trident Aerospace Limited | Director - Board |
| | TFS Business Advisors India Private Limited | Director - Board<br>Shareholding > 2 percent |
| Mr Deepak Nanda | Punjab Venture Capital Limited | Director - Board |
| | Trident Chemicals Limited | Director - Board |
| | Trident Green Technologies Limited | Director - Board |
| | Trident Aerospace Limited | Director - Board |
| | M D E-Infra Consultants Private Limited | Shareholding > 2 percent |
| | SME Business Services Limited | Shareholding > 2 percent |

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 Wholetime director shall retire annually and accordingly Mr Rajinder Gupta, Ms Pallavi Shroff, Mr Rajiv Dewan, Mr Sanjay Jain and Dr M A Zahir, Directors are retiring at the ensuing Annual General Meeting. All retiring Directors offer themselves for re-appointment except Mr Sanjay Jain, who do not seek 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 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 updates 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, Statement of Profit and Loss, Cash Flow Statement along with the 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 and Punjabi Jagran. 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, 2012 | • Business Standard<br>• Punjabi Jagran | August 10, 2012<br>August 10, 2012 |
| Unaudited financial results for the quarter and half Year ended September 30, 2012 | • Business Standard<br>• Punjabi Jagran | November 13, 2012<br>November 13, 2012 |
| Unaudited financial results for the quarter and nine Months ended December 31, 2012 | • Business Standard<br>• Punjabi Jagran<br>• The Economic Times | February 4, 2013<br>February 4, 2013<br>February 4, 2013 |
| Audited financial results for the quarter and year ended March 31, 2013 | • Business Standard<br>• Punjabi Jagran | May 16, 2013*<br>May 16, 2013* |

* Proposed

**c) Compliance Officer**

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

1. Mr Pawan Jain, Company Secretary (e-mail ID: pawanjain@tridentindia.com)
2. Mr Pawan Babbar, Deputy Company Secretary (e-mail ID: pawanbabbar@tridentindia.com)

The Compliance Officers can be contacted for any investor related matter relating to the Company on contact no. +91-161-5039999; and fax no. +91-161-5039900.

**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 |
|---|---|---|---|---|---|
| 22nd | Monday | September 24, 2012 | 10:30 am | Trident Group, Raikot Road, Sanghera, Barnala | No Special Resolution was passed at meeting |
| 21st | Friday | September 30, 2011 | 10:30 am | -do- | No Special Resolution was passed at meeting |
| 20th | Saturday | September 25, 2010 | 10.30 am | -do- | No Special Resolution was passed at meeting |

**e) Postal ballots**

The following resolutions were passed through Postal Ballots during the financial year 2012-13 for which the Board had appointed Mr S C Gupta, retired District Attorney as scrutiniser:-

| Sl no. | Date of passing resolutions | Description of ordinary resolution(s) and special resolution(s) | Voting pattern | | Remarks |
|---|---|---|---|---|---|
| | | | For | Against | |
| 1 | June 12, 2012 | Ordinary resolution under Section 260 for Appointment of Mr. Deepak Nanda as Director | 99.99% | 0.01% | Passed with requisite majority |
| | | Special resolution under Section 198, 269, 309, 311 read with Schedule XIII of the Companies Act, 1956 for Appointment of Mr. Deepak Nanda as Wholetime Director | 99.99% | 0.01% | Passed with requisite majority |
| | | Ordinary resolution under Section 260 for Appointment of Mr. Abhishek Gupta as Director | 99.99% | 0.01% | Passed with requisite majority |
| | | Special resolution under Sections 198, 269, 309, 311, 314 read with Schedule XIII of the Companies Act, 1956 for Appointment of Mr. Abhishek Gupta as Managing Director | 99.99% | 0.01% | Passed with requisite majority |
| | | Special resolution under Section 198, 309, 310, 314 of the Companies Act, 1956 for Payment of Remuneration to Non-Executive Directors | 99.99% | 0.01% | Passed with requisite majority |
| | | Special resolution under Section 314 of the Companies Act, 1956 for Appointment of Ms Neha Gupta as an employee of the Company | 99.98% | 0.02% | Passed with requisite majority |
| 2 | December 18, 2012 | Special resolution under Section 31 of the Companies Act, 1956 for Alteration in Articles of Association | 99.99% | 0.01% | Passed with requisite majority |

### 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 transactions detailed in the notes 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 abstain from participating in the discussion or decision on such matters. The Audit Committee/ conflicts 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:

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) Safety, Health and Environment (SHE) Policy

f) Values framework

g) 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:

a) 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.

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. However, Company on quarterly basis sends financial results to all shareholders who have registered their e-mail ids with depositories/ RTA/ Company.

d) No qualification has been observed in the Financial Statements for the year ended March 31, 2013

e) The performance evaluation of all Directors (executive and non-executive) is done by the Screening Committee, which comprises of two Independent directors and one independent person having expertise in Human Resources.

f) 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 21, 2013 |
| Day | Saturday |
| Time | 10:30 AM |
| Venue | Trident Group, Sanghera, Punjab |

**b) Financial calendar**

| | |
|---|---|
| Next financial year | April 1, 2013 to December 31, 2013 |

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

| | |
|---|---|
| For the quarter ended June 30, 2013 | August 2013 (1st week) |
| For the quarter and period ended September 30, 2013 | November 2013 (1st week) |
| For the quarter and year ended December 31, 2013 | February 2014 (2nd week) |

**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 14, 2013 to Saturday, September 21, 2013 (both days inclusive) for the purpose of Annual General Meeting.

**e) Listing on stock exchanges**

As on March 31, 2013, the equity shares of the Company are listed on the following exchanges:

1 **BSE 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 2013-14 has been paid to the stock exchanges where the equity shares of the Company are listed in the month of April, 2013 i.e. within the stipulated time.

**g) Payment of Depository Fees**

Annual Custody/ Issuer fee for the year 2013-14 has been paid by the Company to NSDL and CDSL.

**h) Stock code**

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

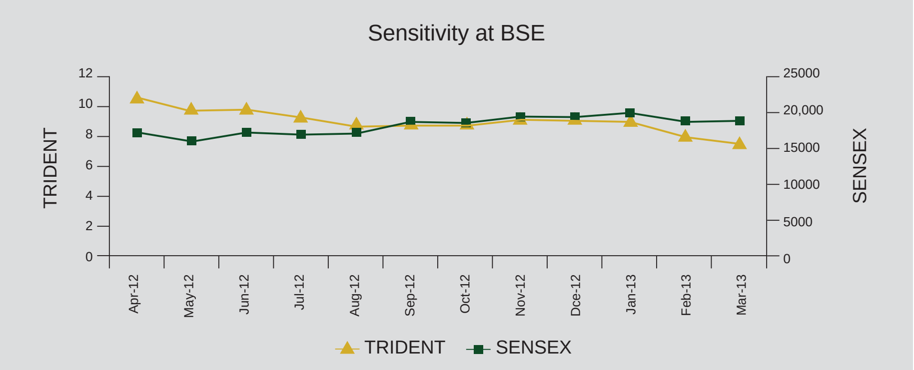
| Sl | Name of stock exchanges | Stock code | Reuters code | Bloomberg |
|---|---|---|---|---|
| 1 | BSE Limited | 521064 | TRIE.BO | TRID:IN |
| 2 | National Stock Exchange of India Limited | TRIDENT | TRIE.NS | TRID:IN |

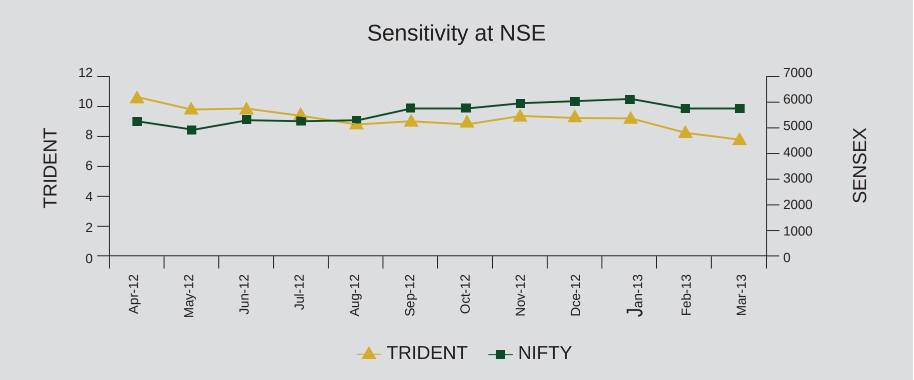
**i) Market price data**

Monthly high and low prices of equity shares of Trident Limited at the BSE 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, 2012 | 11.45 | 10.25 | 318,107 | 17,664.10 | 17,010.16 | 11.40 | 10.20 | 452,069 | 5,378.75 | 5,154.30 |
| May, 2012 | 11.50 | 9.70 | 512,581 | 17,432.33 | 15,809.71 | 11.30 | 9.60 | 668,443 | 5,279.60 | 4,788.95 |
| June, 2012 | 10.09 | 9.30 | 290,434 | 17,448.48 | 15,748.98 | 10.05 | 9.10 | 417,558 | 5,286.25 | 4,770.35 |
| July, 2012 | 10.40 | 9.11 | 319,642 | 17,631.19 | 16,598.48 | 10.45 | 9.00 | 300,819 | 5,348.55 | 5,032.40 |
| August, 2012 | 9.85 | 8.25 | 269,485 | 17,972.54 | 17,026.97 | 9.90 | 8.50 | 321,785 | 5,448.60 | 5,164.65 |
| September, 2012 | 9.60 | 8.50 | 418,126 | 18,869.94 | 17,250.80 | 9.60 | 8.40 | 423,228 | 5,735.15 | 5,215.70 |
| October, 2012 | 9.65 | 8.61 | 618,685 | 19,137.29 | 18,393.42 | 10.00 | 8.65 | 618,652 | 5,815.35 | 4,888.20 |
| November, 2012 | 10.30 | 8.71 | 753,762 | 19,372.70 | 18,255.69 | 10.40 | 8.75 | 985,348 | 5,885.25 | 5,548.35 |
| December, 2012 | 10.00 | 8.95 | 516,567 | 19,612.18 | 19,149.03 | 10.00 | 8.90 | 541,278 | 5,965.15 | 5,823.15 |
| January, 2013 | 9.59 | 8.62 | 428,373 | 20,203.66 | 19,508.93 | 9.60 | 8.70 | 896,381 | 6,111.80 | 5,935.20 |
| February, 2013 | 9.80 | 8.00 | 338,201 | 19,966.69 | 18,793.97 | 9.85 | 8.00 | 497,994 | 6,052.95 | 5,671.90 |
| March, 2013 | 8.50 | 6.90 | 403,447 | 19,754.66 | 18,568.43 | 8.50 | 6.75 | 402,769 | 5,971.20 | 5,604.85 |

Source: Reuters



**j) Registrar and Share Transfer Agent**

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

M/s Alankit Assignments Limited
(Unit: Trident Limited)
2E/21 Jhandewalan Extension, New Delhi – 110 055
Tel : +91-11-23541234, 42541234,
Fax : +91-11-23552001
e-mail : rta@alankit.com

**k) Share Transfer System**

All share transfers physical as well as electronic 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.

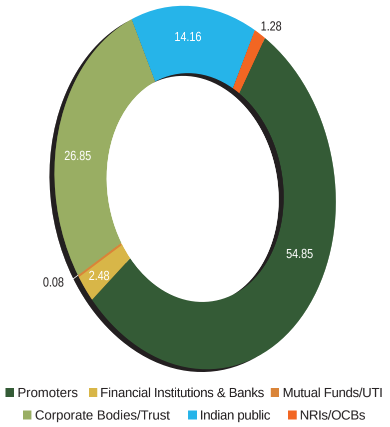
**l) Distribution of shareholding**

As on March 31, 2013 the distribution of shareholding was as follows:

| Shareholding of nominal value in ₹ | Shareholders | | Shareholding | |
|---|---|---|---|---|
| | Number | Percent | Shares | Percent |
| up to 5,000 | 50,720 | 79.47 | 9,688,956 | 3.12 |
| 5,001 to 10,000 | 6,763 | 10.60 | 5,562,520 | 1.79 |
| 10,001 to 20,000 | 3,123 | 4.89 | 4,845,760 | 1.56 |
| 20,001 to 30,000 | 1,004 | 1.57 | 2,621,737 | 0.84 |
| 30,001 to 40,000 | 459 | 0.72 | 1,666,634 | 0.54 |
| 40,001 to 50,000 | 531 | 0.83 | 2,549,250 | 0.82 |
| 50,001 to 100,000 | 643 | 1.01 | 4,884,319 | 1.57 |
| 100,001 and above | 580 | 0.91 | 279,017,936 | 89.76 |
| **Total** | **63,823** | **100.00** | **310,837,112** | **100.00** |

**m) Category wise shareholding as on March 31, 2013**

| Category | No. of shares held | Percent of shareholding |
|---|---|---|
| **Promoters** | | |
| Indian promoters | 170,484,000 | 54.85 |
| **Institutional investors** | | |
| - Mutual Funds/UTI | 258,572 | 0.08 |
| - Banks, Financial Institutions | 7,715,596 | 2.48 |
| **Others** | | |
| - Corporate Bodies/Trust | 83,450,161 | 26.85 |
| - Indian public | 44,953,747 | 14.46 |
| - NRIs/OCBs | 3,975,036 | 1.28 |
| **Grand Total** | **310,837,112** | **100.00** |




**n) Details of shares held more than five percent as on March 31, 2013**

| Name of shareholder | No. of shares held | Percent of shareholding |
|---|---|---|
| Madhuraj Foundation | 120,484,000 | 38.76 |
| Trident Group Limited | 30,000,000 | 9.65 |
| Trident Capital Limited | 20,000,000 | 6.43 |
| Prudent Traders Private Limited | 18,860,000 | 6.07 |

**o) 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, 2013 is given hereunder:

| Particulars | As on March 31, 2013 | | As on March 31, 2012 | |
|---|---|---|---|---|
| | No of shares | percent | No of shares | percent |
| No. of shares dematerialised | 280,400,376 | 90.21 | 265,165,829 | 86.70 |
| - NSDL | 69,379,745 | 22.32 | 47,194,912 | 15.43 |
| - CDSL | 211,020,631 | 67.89 | 217,970,917 | 71.27 |
| No. of shares in physical form | 30,436,736 | 9.79 | 40,671,283 | 13.30 |
| **Total** | **310,837,112** | **100.00** | **305,837,112** | **100.00** |

**p) Conversion of Warrants**

The Company had issued 20,000,000 warrants to M/s Trident Capital Limited, a promoter group entity and 15,000,000 warrants to M/s Glaze Ventures Private Limited, a non promoter group entity at a premium of ₹7.05/- i.e. at 17.05/- on April 27, 2011 pursuant to the approval of the shareholders by postal ballot on March 25, 2011. The allottees of warrants had an option to get these warrants converted into equivalent number of equity shares of the Company within 18 months from the date of allotment.

During the year ended March 31, 2012, the Company has converted 30,000,000 warrants out of total of 35,000,000 warrants into the equity Shares pursuant to the exercise of option by the warrant holders. Further, during the year ended March 31, 2013, Trident Capital Limited has exercised the conversion option in respect of the remaining 5,000,000 warrants and accordingly the same were converted into equivalent no. of equity shares of the Company.

The Company has no other convertible Instruments outstanding as on March 31, 2013.

**q) Correspondence received/resolved**

| Nature | Number of letters (April 2012 – Mar 2013) | | |
|---|---|---|---|
| | Received | Attended | Pending |
| Transfer of shares | 11 | 11 | - |
| Dividend/Revalidation | 444 | 444 | - |
| Annual Report | 69 | 69 | - |
| Loss of shares | 57 | 57 | - |
| SEBI/Stock exchange | 10 | 10 | - |
| Change of address/ status/mandate | 345 | 345 | - |
| Conversion | 295 | 295 | - |
| Misc. like demat/ nomination/POA/ transmission etc. | 163 | 163 | - |
| **Total** | **1394** | **1394** | **-** |

**r) Share transfer/demat requests in process**

As on March 31, 2013, there were no requests for dematerialisation or transfer in process.

**s) Stock options**

1. The Company has granted options to its employees under Trident Employee Stock Options Plan, 2007. The Company has made two grants under the scheme till 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 Employee Stock Options Plan, 2007. As per the terms of the plan, the Company can allot a maximum of 9,709,733 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, 2013 a total of 5,218,375 options were outstanding and in force. There has been no exercise of options during the financial year 2012-13.
2. The Company had also introduced Trident Employee Stock Options Scheme, 2009 after the approval of shareholders in their meeting held on August 27, 2009. This scheme has not been implemented. There has not been any grant under Trident Employee Stock Options Scheme, 2009 till now.

**t) Trident Limited – Unclaimed Securities Suspense Account**

The unclaimed shares as lying to the credit of "Trident Limited - Unclaimed Securities Suspense Account" at the end of the year are as follows:

| Particulars | No. of Shareholders | No. of Shares |
|---|---|---|
| Balance at the beginning of the year [A] | 23,003 | 9,848,671 |
| Addition made during the year [B] | 3 | 6,357 |
| **Total [C] = [A] + [B]** | **23,006** | **9,855,028** |
| Shareholders who approached Company for transfer of shares from suspense account during the year* | 132 | 60,474 |
| Shareholders to whom shares were transferred from suspense account during the year [D]* | 129 | 59,309 |
| Shareholders in process as on March 31, 2013 | 3 | 1,165 |
| **Balance at the end of the year [E] = [C] – [D]** | **22,885** | **9,795,719** |

* Includes 8 shareholders who filed only partial claims.

The shareholders who have not received the shares in exchange of their holding in Abhishek Spinfab Corporation Limited, Varinder Agro Chemicals Limited or Trident Infotech Limited under the scheme of amalgamation of these companies with the company may approach the Company or M/s Alankit Assignments Limited, the Registrar and Transfer Agents of the Company, with their correct particulars and proof of their identity for crediting of the Shares from the Unclaimed Securities Suspense Account to their individual demat Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**u) Unclaimed Dividend**

Shareholders who have not yet encashed their dividend warrants for the year 2005-6 and 2010-11 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. In compliance of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the information regarding unclaimed and unpaid amounts as on date of last annual general meeting has been uploaded on the official website of the company as well as website of Ministry of Corporate Affairs. The information relating to unpaid and unpaid dividend as on the date of forthcoming annual general meeting shall be uploaded within the prescribed time.

**v) Nomination**

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to the Company in Form 2B. Shareholders holding shares in demat form may contact their Depository Participant for the purpose.

**w) Plant locations**

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

| Yarn division | | Terry towel division | Paper and chemicals division |
|---|---|---|---|
| Trident Group, Raikot Road, Sanghera, Barnala - 148101 Punjab | Trident Complex, Hoshangabad Road, Budni, Sehore - 466 445 Madhya Pradesh | Trident Complex, Mansa Road, Dhaula, Barnala - 148 107 Punjab | Trident Complex, Mansa Road, Dhaula, Barnala - 148 107 Punjab |

**x) Address of subsidiary**

Trident Global Corp Limited
Trident Group
Raikot Road
Sanghera – 148 101
India

**y) Address for correspondence**

Trident Limited
Trident Group
Raikot Road
Sanghera – 148 101
India,
Phone no. 91-161-5039999,
Fax no. 91-161-5039900,
e-mail ID: investor@tridentindia.com;
website: www.tridentindia.com

# Compliance Certificate

To the Members of Trident Limited

1. We have examined the compliance of conditions of Corporate Governance by Trident Limited ("the Company") for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.
2. The Compliance of conditions of Corporate governance is the responsibility of the Management. Our examination was limited to a review of the 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.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in the above mentioned Listing Agreement.
4. 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

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Ludhiana
Date : May 15, 2013

# Wholetime Director & Chief Financial Officer Certification

We have reviewed financial statements and the cash flow statement for the year April 1, 2012 to March 31, 2013 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 statements 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 transactions have been 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 that 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: Ludhiana
Date : May 15, 2013

Arun Goyal
Chief Financial Officer

Deepak Nanda
Wholetime 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 2012-13, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: Ludhiana
Date : May 15, 2013

Pawan Jain
Company Secretary

Deepak Nanda
Wholetime Director

# Independent Auditors' Report to the Members of Trident Limited

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of TRIDENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 015125N)

**VIJAY AGARWAL**
(Partner)
(Membership No. 094468)

Place : Gurgaon
Date : May 15, 2013

# Annexure to the Independent Auditors' Report

**(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)**

Having regard to the nature of the Company's business/ activities/results during the year, clauses 4 (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.

(i) In respect of its fixed assets:

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) The fixed assets disposed-off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

   (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. However, in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The detail of unsecured loan/ advance given to a party is as under:

(₹ Millions)

| Particulars | No. of Parties | Amount involved |
|---|---|---|
| Balance at the beginning of the year | 1 | 64.4 |
| Amount recovered during the year | 1 | 41.2 |
| Balance at the end of the year | 1 | 23.2* |
| Maximum balance outstanding during the year | 1 | 64.4 |

* subsequently recovered

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

(c) The loan as referred to in paragraph (iii) (a) above is repayable on demand and the party has repaid the amount as called by the Company.

(d) There are no overdue amounts in respect of the loan granted as referred to in paragraph 4(iii) (a) to (c) above.

(e) The Company has, during the year, not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (f) and (g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.

(vi) The Company has not accepted any deposits from the public during the year.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

(c) There are no dues of Wealth Tax and Cess which have not been deposited as at March 31, 2013 on account of disputes. Details of dues of Income-tax, Service tax, Sales tax, Customs duty and Excise duty which have not been deposited as on March 31, 2013





on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where dispute is pending | Amount involved (₹ million) | Period to which the amount relates |
|---|---|---|---|---|
| Central Excise Law | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 122.0 | 2008-09, 2009-10 and 2010-11 |
| Customs Act | Customs Duty | Revisionary Authority, Department of Revenue | 0.5 | 2008-09, 2009-10, |
| Service Tax | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 3.2 | 2008-09, 2009-10 |
| Service Tax | Service Tax | Commissioner (Appeal) | 2.5 | 2006-07, 2007-08, 2008-09 |
| Income-tax Act | Income Tax | Asst. Commissioner of Income-tax | 9.4 | (A.Y.) 2004-05 |
| Income-tax Act | Income Tax | Income Tax Appellate Tribunal | 0.3 | (A.Y.) 2006-07 |
| Income-tax Act | Income Tax | Supreme Court | 10.0 | (A.Y.) 2004-05 |

The following matters have been decided in favour of the Company, although the department has preferred appeals at higher levels:

| Name of Statute | Nature of Dues | Forum where Department has preferred appeals | Amount (₹ million) | Period to which the amount relates |
|---|---|---|---|---|
| Central Excise Law | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 40.0 | 2005-06, 2006-07 |
| Central Excise Law | Excise Duty | High Court | 4.1 | 2010-11 |
| Central Excise Law | Excise Duty | Commissioner (Appeals) | 0.3 | 2012-13 |
| Service Tax Act | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 2.0 | 2004-05, 2005-06 |
| Service Tax Act | Service Tax | Commissioner (Appeals) | 1.5 | 2011-12 |
| Income Tax Act | Income Tax | Income Tax Appellate Tribunal | 73.2 | (A.Y.) 2004-05, 2005-06, 2006-07 and 2008-09 |
| Income Tax Act | Income Tax | High Court | 5.5 | (A.Y.) 1989-90, 1997-98 and 1999-00 |

(x) The Company does not have accumulated losses as at March 31, 2013 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

(xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima-facie, prejudicial to the interests of the Company as guarantees have been given for the companies which would support backward/forward integration of the Company's operations.

(xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating ₹903 million have been used for financing fixed assets.

(xvi) The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.

(xvii) The Company has not issued any debentures during the year.

(xviii) The Company has not raised any money by way of public issues during the year.

(xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 015125N)

**VIJAY AGARWAL**
(Partner)
(Membership No. 094468)

Place : Gurgaon
Date : May 15, 2013

# Balance Sheet as at March 31, 2013

(₹ million)

| | | Particulars | Note No. | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | | |
| | **1** | **Shareholders' funds** | | | |
| | | a) Share capital | 3 | 3,108.4 | 3,058.4 |
| | | b) Reserves and surplus | 4 | 3,954.3 | 3,425.8 |
| | | c) Money received against share warrants | 40 | - | 21.3 |
| | **2** | **Non-current liabilities** | | | |
| | | a) Long term borrowings | 5 | 9,491.8 | 12,725.7 |
| | | b) Deferred tax liabilities (net) | 32 | 1,070.1 | 759.8 |
| | | c) Long term provisions | 6 | 42.9 | 30.1 |
| | **3** | **Current liabilities** | | | |
| | | a) Short term borrowings | 7 | 9,673.6 | 7,356.5 |
| | | b) Trade payables | 8 | 1,658.5 | 1,821.7 |
| | | c) Other current liabilities | 9 | 3,841.5 | 3,447.6 |
| | | d) Short term provisions | 10 | 27.8 | 19.1 |
| | | **Total** | | **32,868.9** | **32,666.0** |
| **II** | **ASSETS** | | | | |
| | **1** | **Non-current assets** | | | |
| | | a) Fixed assets | | | |
| | | i) Tangible assets | 11 | 19,622.2 | 21,400.3 |
| | | ii) Intangible assets | 11 | 60.0 | 79.2 |
| | | iii) Capital work in progress | | 280.5 | 63.8 |
| | | b) Non-current investments | 12 | 619.7 | 556.5 |
| | | c) Long term loans and advances | 13 | 1,224.6 | 1,151.9 |
| | **2** | **Current assets** | | | |
| | | a) Current investments | 14 | 25.0 | - |
| | | b) Inventories | 15 | 6,909.9 | 5,204.0 |
| | | c) Trade receivables | 16 | 2,323.0 | 1,919.0 |
| | | d) Cash and bank balances | 17 | 331.1 | 230.3 |
| | | e) Short-term loans and advances | 18 | 1,436.6 | 2,049.2 |
| | | f) Other current assets | 19 | 36.3 | 11.8 |
| | | **Total** | | **32,868.9** | **32,666.0** |

**Accompanying notes forming part of the financial statements 1 to 45**

In terms of our report attached
**For DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

**VIJAY AGARWAL**
Partner

**RAJINDER GUPTA**
Chairman

**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013

Place : Ludhiana
Date : May 15, 2013



# Statement of Profit and Loss for the year ended March 31, 2013

(₹ million)

| | Particulars | Note No. | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|---|---|
| **1** | **REVENUE FROM OPERATIONS** | | | | | |
| | Gross sale of products and services | 20 | | 33,726.5 | | 27,616.7 |
| | Less: Excise duty | | | (373.9) | | (293.9) |
| | | | | 33,352.6 | | 27,322.8 |
| 2 | Other income | 21 | | 224.4 | | 201.6 |
| **3** | **Total Revenue (1+2)** | | | **33,577.0** | | **27,524.4** |
| **4** | **EXPENSES** | | | | | |
| | Cost of material consumed | 22 | | 18,198.2 | | 16,254.3 |
| | Purchase of stock in trade | 23 | | 226.1 | | 191.4 |
| | Changes in inventories of finished goods and work-in-progress | 24 | | (8.7) | | (189.8) |
| | Employee benefits expense | 25 | | 2,378.6 | | 2,014.9 |
| | Finance costs | 26 | | 2,352.8 | | 1,717.8 |
| | Depreciation and amortization expense | 11 | | 2,614.4 | | 2,075.3 |
| | Other expense | 27 | | 7,004.7 | | 6,051.2 |
| **5** | **Total Expenses** | | | **32,766.1** | | **28,115.1** |
| **6** | **Profit/(loss) before tax (3-5)** | | | **810.9** | | **(590.7)** |
| **7** | **Tax Expenses** | | | | | |
| | - Current tax | | 151.0 | | - | |
| | - Deferred tax charge/(credit) | | 277.5 | | (191.2) | |
| | - MAT credit entitlement | | (151.0) | | - | |
| | - Deferred tax charge for earlier years | | 32.8 | | 37.9 | |
| | - Current tax for earlier years | | 7.3 | 317.6 | - | (153.3) |
| **8** | **Profit/(Loss) for the year (6-7)** | | | **493.3** | | **(437.4)** |
| **9** | **Earnings/(loss) per equity share (face value ₹10 each)** | 34 | | | | |
| | - Basic | | | 1.60 | | (1.59) |
| | - Diluted | | | 1.60 | | (1.59) |

**Accompanying notes forming part of the financial statements 1 to 45**

In terms of our report attached
**For DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

**VIJAY AGARWAL**
Partner

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**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013

Place : Ludhiana
Date : May 15, 2013

# Cash Flow Statement for the year ended March 31, 2013

(₹ million)

| Particulars | Current year | | Previous year | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Net profit/(loss) before tax** | | **810.9** | | **(590.7)** |
| *Adjustments for:* | | | | |
| Depreciation and amortization expenses | 2,614.4 | | 2,075.3 | |
| Finance costs | 2,352.8 | | 1,717.8 | |
| Interest income | (43.3) | | (34.2) | |
| Profit on sale of non-current investments (non trade) | - | | (2.3) | |
| Loss on sale of current investments (non trade) | - | | 0.5 | |
| Provision for doubtful trade receivables | 2.9 | | - | |
| Provision for doubtful trade receivables no longer required written back | (22.7) | | - | |
| Bad debts recovered | (22.5) | | - | |
| Profit on sale of fixed assets (net) | (15.9) | 4,865.7 | (27.1) | 3,730.0 |
| **Operating profit before working capital changes** | | **5,676.6** | | **3,139.3** |
| *Changes in working capital:* | | | | |
| Adjustments for (increase)/decrease in operating assets: | | | | |
| Inventories | (1,705.9) | | 1,585.3 | |
| Trade receivables | (384.2) | | 77.6 | |
| Short-term loans and advances | 635.1 | | (591.1) | |
| Long term loans and advances | (115.9) | | (55.1) | |
| Other current assets | (17.3) | | 75.4 | |
| Adjustments for increase/(decrease) in operating liabilities: | | | | |
| Trade payables | (163.2) | | (73.0) | |
| Other current liabilities | (31.2) | | 50.6 | |
| Short term provisions | 8.7 | | (7.0) | |
| Long term provisions | 12.8 | (1,761.1) | (2.5) | 1,060.2 |
| **Cash generated from operations** | | **3,915.5** | | **4,199.5** |
| Income tax paid (net) | | (112.6) | | (38.9) |
| **Net cash from operating activities (A)** | | **3,802.9** | | **4,160.6** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Capital expenditure on fixed assets, including capital advances | (883.5) | | (6,181.5) | |
| Proceeds from sale of fixed assets | 86.1 | | 86.3 | |
| Purchase of current investments | (25.0) | | - | |
| Proceeds from sale of current investments | - | | 5.3 | |
| Purchase of long-term investments | (63.2) | | (104.8) | |
| Proceeds from sale of long-term investments | - | | 7.1 | |
| Share application money received back | - | | 30.0 | |
| Interest received | 36.1 | | 31.6 | |
| Dividend received | - | | 17.4 | |
| Bank Balances not considered as cash and cash equivalents | | | | |
| - Placed | (172.6) | | (50.7) | |
| - Matured | 21.9 | | 6.2 | |
| **Net cash from / (used) in investing activities (B)** | | **(1,000.2)** | | **(6,153.1)** |

(₹ million)

| Particulars | Current year | | Previous year | |
|---|---|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from issue of equity shares | 63.9 | | 511.9 | |
| Proceeds from issue of share warrants | - | | 21.3 | |
| Proceeds from long term borrowings | 548.2 | | 6,737.9 | |
| Repayment of long term borrowings | (3,420.1) | | (2,530.3) | |
| Net increase/(decrease) in working capital borrowings | 2,317.1 | | (552.7) | |
| Finance costs | (2,362.1) | | (1,704.5) | |
| Dividend paid | - | | (322.9) | |
| Tax on dividend | - | | (53.7) | |
| **Net cash from / (used) in financing activities (C)** | | **(2,853.0)** | | **2,107.0** |
| Net increase / (decrease) in cash and cash equivalents | | (50.3) | | 114.5 |
| Cash and cash equivalents as at April 1, 2012 | | 140.9 | | 22.6 |
| Cash and cash equivalents from merger | | - | | 3.8 |
| **Cash and cash equivalents as at March 31, 2013** | | **90.6** | | **140.9** |
| **Reconciliation of Cash and balances with the balance sheet:** | | | | |
| Cash and bank balances as per balance sheet | | 331.1 | | 230.3 |
| Less: Bank balances not considered as cash and cash equivalents | | | | |
| In other deposits accounts | | 94.1 | | 21.2 |
| (original maturity more than 3 months) | | | | |
| Unpaid dividend accounts | | 12.9 | | 12.5 |
| Held as margin money or security against borrowings and other commitments | | 133.5 | | 55.7 |
| **Cash and cash equivalents at the end of the year *** | | **90.6** | | **140.9** |
| * Comprises: | | | | |
| Cash on hand | | 8.7 | | 5.2 |
| Balances with banks : | | | | |
| - In current accounts | | 62.9 | | 135.4 |
| - In EEFC accounts | | - | | 0.3 |
| - In other deposits accounts | | 19.0 | | - |
| (original maturity of 3 months or less) | | | | |
| | | **90.6** | | **140.9** |

**Accompanying notes forming part of the financial statements 1 to 45**

In terms of our report attached
**For DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

**VIJAY AGARWAL**
Partner

**RAJINDER GUPTA**
Chairman

**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013

Place : Ludhiana
Date : May 15, 2013

# Notes
# forming part of the financial statements

**NOTE 1 - CORPORATE INFORMATION**

Trident Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on April 18, 1990. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in manufacturing, trading and sale of yarn, terry towels, paper, chemicals and sale of services.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**A Accounting convention**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

**B Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**C Revenue recognition**

Revenue is recognized at the time of transfer of all significant risk and reward of ownership to the buyer and company do not retain effective control of goods transferred to a degree usually associated with ownership i.e., at the point of dispatch of finished goods to the customers.

Revenue from sale of IT enabled annual maintenance contracts services is recognized on time proportion basis.

The revenue in respect of duty entitlement duty drawback and similar other export benefits are recognized on post export basis at the rate at which the entitlements accrues and is included in the revenue from operations.

Insurance claims are recognised when there exists no significant uncertainty with regard to the amounts to be realized and the ultimate collection thereof.

**D Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

**E Government grants / subsidies**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. Government grants with respect to TUF subsidy is deducted from related finance costs and with respect to refundable sales tax is accounted for on accrual basis as other income.

**F Accounting for taxes on income**

Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. In respect of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognized based on virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

**G Employee benefits**

The Company has various schemes of employees benefits such as provident fund, employees state insurance corporation (ESIC), gratuity and compensated absences, which is dealt with as under:

Provident fund and employees state insurance corporation (ESIC) are the defined contribution schemes offered by the Company. The contribution to these schemes are charged to statement of profit and loss of the year in which contribution to such schemes become due.

The gratuity liability in respect of employees of the Company is covered through trusts' group gratuity schemes managed by Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance and Metlife India Insurance Company Limited. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised on an undiscounted accrual basis during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur.

**H Fixed assets**

Fixed assets are stated at cost (net of CENVAT) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, the exchange differences arising after April 1, 2007 on reinstatement/settlement of long term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

**I Depreciation/amortization**

i) Depreciation on fixed assets [other than those referred to in (ii) to (iv) below] is provided on straight line method in accordance with Schedule XIV to the Companies Act, 1956.

ii) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

iii) The intangible asset (software) is amortised over a period of software license or 5 year, whichever is less.

iv) The leasehold land is amortized over the lease period.

**J Investments**

Long-term investments are carried at cost less provision, if any, for diminution in value which is other than temporary. Current investments are carried at lower of cost and fair value.

**K Inventories**

Raw materials, stores and spares, finished goods and work in process are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories are as follows:

- Raw materials: weighted average cost

- Work in process: cost of raw materials plus conversion cost depending upon the stage of completion.
- Finished goods: cost of raw materials plus conversion cost, packing cost and excise duty.
- Stores and spares: weighted average cost

**L Foreign currency transactions**

Exchange differences are dealt with as follows:

Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transactions except export sales which are recorded at a rate notified by the customs for invoice purposes, such rate is notified in the last week of the month and is adopted for recording export sales of the next month.

Monetary items denominated in a foreign currency are reported at the closing rate as at the date of balance sheet. Non-monetary items, which are carried at fair value denominated in a foreign currency, are reported at the exchange rate that existed when such values were determined, otherwise on historical exchange rate that existed on the date of transaction.

The exchange difference arising on the settlement of monetary items or on reporting these items at rate different from the rates at which these were initially recorded/ reported in previous financial statements are recognized as income/expense in the period in which they arise except that such exchange differences which relate to fixed assets (Refer H above). Further, where foreign currency liabilities have been incurred in connection with fixed assets where the exchange difference during the construction period are adjusted in the cost of the concerned fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception of contract / the last reporting date, is recognized as income/expense for the period except that such exchange difference which relate to fixed assets are capitalized in the carrying amount of these assets. Further, where such contracts have been entered in connection with fixed assets, the exchange differences arising during construction period are adjusted in the cost of concerned fixed assets.

**M Impairment of assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in case of revalued assets.

**N Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

**O Employee share-based payments**

The Company has constituted employee stock option plans - 2007 and 2009. Employee stock options granted are accounted under the 'Intrinsic Value Method' stated in the guidance note on employee share based payments issued by the Institute of Chartered Accountants of India.

**P Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss.

**Q Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

**R Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**S Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**T Derivative Contracts**

The derivative contracts i.e option contracts are marked-to-market and losses are recognized in the Statement of Profit and Loss. Gains arising on the same are not recognized until realized on grounds of prudence.

**U Material events**

Material events occurring after the Balance Sheet date are taken into cognizance.

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **NOTE 3 - SHARE CAPITAL** | | | | |
| **Authorised** | | | | |
| Equity shares of ₹10 each (with voting rights) | 6,081,000,000 | 60,810.0 | 6,081,000,000 | 60,810.0 |
| Preference shares of ₹10 each | 3,005,000,000 | 30,050.0 | 3,005,000,000 | 30,050.0 |
| | | **90,860.0** | | **90,860.0** |
| **Issued, Subscribed and Paid up** | | | | |
| Equity shares of ₹10 each (with voting rights) | | | | |
| fully paid up [refer (a), (b), (c) and (d) below] | 310,837,112 | 3,108.4 | 305,837,112 | 3,058.4 |
| **Total** | | **3,108.4** | | **3,058.4** |

**(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

| Particulars | Equity Share Capital | | Equity Share Capital | |
|---|---|---|---|---|
| | As at March 31, 2013 | | As at March 31, 2012 | |
| | Number | Amount | Number | Amount |
| i) Issued, Subscribed and Paid up equity shares | | | | |
| Shares outstanding at the beginning of the year | 305,837,112 | 3,058.4 | 222,301,511 | 2,223.0 |
| Shares issued during the year | 5,000,000 | 50.0 | 83,535,601 | 835.4 |
| Shares outstanding at the end of the year | 310,837,112 | 3,108.4 | 305,837,112 | 3,058.4 |

**(b) Rights, preferences and restrictions attached to the equity shareholders:**

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) The details of shareholder holding more than 5 percent shares:**

| Particulars | Equity Share Capital | | Equity Share Capital | |
|---|---|---|---|---|
| | As at March 31, 2013 | | As at March 31, 2012 | |
| | No. of Shares | % held | No. of Shares | % held |
| Madhuraj Foundation | 120,484,000 | 38.8% | 94,788,428 | 31.0% |
| Trident Group Limited | 30,000,000 | 9.7% | 50,642,400 | 16.6% |
| Trident Capital Limited | 20,000,000 | 6.4% | 15,000,000 | 4.9% |
| Prudent Traders Private Limited | 18,860,000 | 6.1% | 18,860,000 | 6.2% |

#### (d) Number shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

| Particulars | Equity Share Capital As at March 31, 2013 | | Equity Share Capital As at March 31, 2012 | |
|---|---|---|---|---|
| | No. of Shares | % held | No. of Shares | % held |
| Shares allotted pursuant to the scheme of amalgamation during last 5 years | 53,503,427 | 17.2% | 53,503,427 | 17.5% |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 4 - RESERVES AND SURPLUS** | | | | |
| **a) Capital reserve** | | | | |
| Opening balance | 628.5 | | 86.6 | |
| Add: Due to amalgamation | - | 628.5 | 541.9 | 628.5 |
| **b) Securities premium reserve** | | | | |
| Opening balance | 750.3 | | 538.8 | |
| Add: On conversion of share warrants (refer note 40) | 35.2 | 785.5 | 211.5 | 750.3 |
| **c) General reserve** | | | | |
| Opening balance | 20.0 | | 20.0 | |
| Add: Transferred from statement of profit and loss | - | 20.0 | - | 20.0 |
| **d) Surplus in statement of profit and loss** | | | | |
| Opening balance | 2,027.0 | | 2,447.0 | |
| Net profit/(loss) for the year | 493.3 | | (437.4) | |
| Add: Dividend on shares held through trust | - | 2,520.3 | 17.4 | 2,027.0 |
| **Total** | | **3,954.3** | | **3,425.8** |
| **NOTE 5 - LONG TERM BORROWINGS** | | | | |
| **Term loans - secured** | | | | |
| From banks | | 9,482.9 | | 12,659.6 |
| From financial institutions | | - | | 37.5 |
| **Other loans - secured** | | | | |
| Vehicle loans from banks | | 8.9 | | 28.6 |
| **Total** | | **9,491.8** | | **12,725.7** |

### Term loans

Term loans from banks and financial institutions are secured by way of equitable mortgage created or to be created on all the present and future immovable properties including all land, buildings, structures, all plant and machinery attached thereon of the Company and hypothecation of all the movable properties including movable machinery spares, tools and accessories, etc., present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on stocks of raw materials, semi finished and finished goods, consumable stores and other movable, as may be required for working capital requirements in the ordinary course of business. The mortgages and charges referred to above rank pari-passu among the lenders (refer note 41 for repayment terms).

Includes ₹1,145.8 million (previous year ₹1,391.5 million) buyers credits loan taken by the Company for a period of up to 3 years from foreign banks against term loans sanctioned by Indian banks. As per agreed terms, these buyer credit loans would be repaid to foreign banks by Indian banks out of term loan amount sanction to the Company by these Indian banks.

### Vehicles loans

Vehicle loans are secured by hypothecation of vehicles acquired against such loans (refer note 41 for repayment terms).

For the current maturities of long-term borrowings refer note 9 – other current liabilities.

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 6 - LONG TERM PROVISIONS** | | | | |
| Compensated absences | | 32.4 | | 30.1 |
| Gratuity | | 10.5 | | - |
| **Total** | | **42.9** | | **30.1** |





(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 7 - SHORT TERM BORROWINGS** | | | | |
| Cash credits/working capital loans - secured | | 9,673.6 | | 7,356.5 |
| **Total** | | **9,673.6** | | **7,356.5** |

### Cash credits/working capital loans

Cash credits/ working capital loans are secured by hypothecation of raw materials, semi finished and finished goods, stock-in-process, consumable stores, other movable assets and book debts, present and future, of the Company. The limits are further secured by way of second pari passu charge on the immovable properties of the Company.

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 8 - TRADE PAYABLES** | | | | |
| Acceptances | | 198.2 | | 301.7 |
| Other than Acceptances (refer note 33) | | 1,460.3 | | 1,520.0 |
| **Total** | | **1,658.5** | | **1,821.7** |
| **NOTE 9 - OTHER CURRENT LIABILITIES** | | | | |
| Current maturities of long-term debt - secured | | 3,232.7 | | 2,754.3 |
| Interest accrued but not due on loans | | 10.3 | | 19.6 |
| Dividend payable/unclaimed dividend* | | 12.9 | | 12.5 |
| Statutory remittances | | 63.3 | | 64.4 |
| Capital creditors | | 62.9 | | 107.2 |
| Payables to employees | | 264.5 | | 269.1 |
| Advances from customers | | 85.6 | | 69.9 |
| Security deposits - unsecured | | 109.3 | | 122.6 |
| Other liabilities | | - | | 28.0 |
| **Total** | | **3,841.5** | | **3,447.6** |

* Will be credited to Investor Education and Protection Fund on the expiry of 7 years from the due date.

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 10 - SHORT TERM PROVISIONS** | | | | |
| Compensated absences | | 27.8 | | 19.1 |
| **Total** | | **27.8** | | **19.1** |

### NOTE 11 - FIXED ASSETS

(₹ million)

| Particulars | Gross Block | | | | Depreciation/Amortization | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2012 | Additions during the year | Sales / Adjustment | As at March 31, 2013 | As at March 31, 2012 | For the year | Sales / Adjustment | Upto March 31, 2013 | As at March 31, 2013 | As at March 31, 2012 |
| **A) Tangible Assets** | | | | | | | | | | |
| Land | | | | | | | | | | |
| - Freehold | 915.9 | 70.7 | - | 986.6 | - | - | - | - | 986.6 | 915.9 |
| - Leasehold | 702.0 | - | - | 702.0 | 12.9 | 7.6 | - | 20.5 | 681.5 | 689.1 |
| Buildings | 4,624.3* | 138.9 | 1.1 | 4,762.1 | 650.6 | 140.1 | - | 790.7 | 3,971.4 | 3,973.7 |
| Plant and machinery | 26,203.9# | 604.2 | 130.6 | 26,677.5 | 10,764.1 | 2,400.9 | 70.7 | 13,094.3 | 13,583.2 | 15,439.8 |
| Furniture and fixtures | 190.2 | 35.7 | - | 225.9 | 82.6 | 12.6 | - | 95.2 | 130.7 | 107.6 |
| Office equipments | 142.1 | 11.7 | 0.4 | 153.4 | 49.1 | 5.8 | 0.1 | 54.8 | 98.6 | 93.0 |
| Computers | 164.6 | 17.3 | 0.4 | 181.5 | 101.4 | 12.4 | 0.2 | 113.6 | 67.9 | 63.2 |
| Vehicles | 182.2 | 8.3 | 21.3 | 169.2 | 64.2 | 15.2 | 12.5 | 66.9 | 102.3 | 118.0 |
| **B) Intangible Assets** | | | | | | | | | | |
| Software | 197.5 | 0.6 | - | 198.1 | 118.3 | 19.8 | - | 138.1 | 60.0 | 79.2 |
| **Total** | **33,322.7** | **887.4** | **153.8** | **34,056.3** | **11,843.2** | **2,614.4** | **83.5** | **14,374.1** | **19,682.2** | **21,479.5** |

**Notes:**

1. Additions to plant and machinery includes exchange fluctuation loss of ₹390.8 million (Previous year ₹421.3 million).
2. Sales /adjustment to plant and machinery includes exchange fluctuation gain of ₹33.8 million (Previous year ₹20.0 million).

* Building includes ₹16.0 million being expenses incurred by the Company towards construction of canal for sourcing of water, ownership of which belongs to Government of Punjab (Department of Irrigation), which has been fully amortised.

\# Plant and machinery includes ₹15.5 million being expenses incurred by the Company towards laying of feeder line, ownership of which belongs to Punjab State Electricity Board, which has been fully amortised.

## NOTE 11 - FIXED ASSETS (Contd.)

(₹ million)

| Particulars | Gross Block | | | | | Depreciation/Amortization | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2011 | Additions as per ama-lganation | Additions during the year | Sales / Adjust-ment | As at March 31, 2012 | As at March 31, 2011 | Additions as per ama-lganation | For the year | Sales / Adjust-ment | Upto March 31, 2012 | As at March 31, 2012 |
| **C) Tangible Assets** | | | | | | | | | | | |
| Land | | | | | | | | | | | |
| - Freehold | 626.3 | 219.5 | 70.1 | - | 915.9 | - | - | - | - | - | 915.9 |
| - Leasehold | 37.0 | 665.0 | - | - | 702.0 | 5.2 | - | 7.7 | - | 12.9 | 689.1 |
| Buildings | 3,438.2 | 11.9 | 1,174.2 | - | 4,624.3 | 542.5 | 0.3 | 107.8 | - | 650.6 | 3,973.7 |
| Plant and machinery | 20,973.8 | - | 5,376.9 | 146.8 | 26,203.9 | 8,980.0 | - | 1,901.3 | 117.2 | 10,764.1 | 15,439.8 |
| Furniture and fixtures | 139.9 | 1.6 | 49.5 | 0.8 | 190.2 | 74.2 | 0.3 | 8.3 | 0.2 | 82.6 | 107.6 |
| Office equipments | 118.8 | - | 28.3 | 5.0 | 142.1 | 44.6 | - | 5.2 | 0.7 | 49.1 | 93.0 |
| Computers | 146.1 | 14.0 | 21.3 | 16.8 | 164.6 | 86.4 | 12.6 | 13.1 | 10.7 | 101.4 | 63.2 |
| Vehicles | 196.1 | 1.6 | 14.1 | 29.6 | 182.2 | 58.6 | 0.2 | 16.5 | 11.1 | 64.2 | 118.0 |
| **D) Intangible Assets** | | | | | | | | | | | |
| Software | 150.7 | - | 46.8 | - | 197.5 | 102.9 | - | 15.4 | - | 118.3 | 79.2 |
| **Total** | **25,826.9** | **913.6** | **6,781.2** | **199.0** | **33,322.7** | **9,894.4** | **13.4** | **2,075.3** | **139.9** | **11,843.2** | **21,479.5** |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 12 - NON CURRENT INVESTMENTS** | | | | |
| **(Unquoted, at cost or under)** | | | | |
| **I. Investments in equity instruments (trade)** | | | | |
| 24,500 (Previous year 24,500) common stock of USD 1 each fully paid up of Trident Global Inc., USA (Formerly Abhishek Industries Inc.), written off in earlier year. | | - | | - |
| 2,450 (Previous year 2,450) common stock of USD 1 each fully paid up of Trident Infotech Inc., USA | | 0.1 | | 0.1 |
| 31,100,000 (Previous year 25,600,000) equity shares of ₹10 each fully paid up of Trident Corporation Limited* | | 302.5 | | 247.5 |
| 120,000 (Previous year 120,000) equity shares of ₹10 each fully paid up of Nimbua Greenfield (Punjab) Limited | | 1.2 | | 1.2 |
| 10,000,000 (Previous year 10,000,000) equity Shares of ₹10 each fully paid up of Lotus Integrated Texpark Limited* | | 100.0 | | 100.0 |
| 500,000 (Previous year Nil) equity shares of ₹10 each fully paid up of Trident Global Corp Limited | | 5.0 | | - |
| | | **408.8** | | **348.8** |
| **II. Investments in preference share (trade)** | | | | |
| 5,000,000 (Previous year 5,000,000) 7% non cumulative redeemable preference shares of ₹10 each fully paid up of IOL Chemicals and Pharmaceuticals Limited | | 50.0 | | 50.0 |
| | | **50.0** | | **50.0** |
| **III. Others (Non-trade)** | | | | |
| 32,000 (Previous year 32,000) units of face value of ₹630 each, fully paid up (Previous year ₹529 per unit) of Kotak India Venture Fund (Private Equity fund) | | 15.4 | | 12.2 |
| **IV. Interest (Equity) in TAL Benefit Trust (refer note 42(b))** | | **145.5** | | **145.5** |
| **Total** | | **619.7** | | **556.5** |
| Aggregate book value - unquoted | | 619.7 | | 556.5 |

* The Company has executed a non-disposal undertaking in favour of various banks that have provided financial assistance to these companies.

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 13 - LONG TERM LOANS AND ADVANCES** | | | | |
| **(Unsecured considered good, unless otherwise stated)** | | | | |
| Capital Advances | | 168.4 | | 316.9 |
| Advances to vendors | | 200.0 | | 250.0 |
| Security deposits | | 324.0 | | 253.6 |
| Advance income tax [net of provisions ₹838.5 million (Previous year ₹709 million)] | | 23.6 | | 69.3 |
| MAT credit entitlement | | 413.1 | | 262.1 |
| Government Subsidy | | 95.5 | | - |
| **Total** | | **1,224.6** | | **1,151.9** |
| **NOTE 14 - CURRENT INVESTMENTS** | | | | |
| **Current (Non trade) (Unquoted, at cost or fair value, whichever is lower)** | | | | |
| Debt linked mutual funds | | | | |
| 1,779,245 (Previous year nil) units of face value of ₹10 each fully paid up of SBI Dynamic Bond Fund - Growth (Market value as on 31.03.2013 is ₹26.3 million) | | 25.0 | | - |
| **Total** | | **25.0** | | - |
| **NOTE 15 - INVENTORIES *** | | | | |
| **Stock in trade** | | | | |
| - Raw materials | | 5,008.2 | | 3,276.6 |
| - Work in process [refer (a) below] | | 858.9 | | 812.8 |
| - Finished goods | | 730.6 | | 767.9 |
| Stores and spares | | 312.2 | | 346.7 |
| **Total** | | **6,909.9** | | **5,204.0** |
| **(a) Work in progress comprises** | | | | |
| Yarn | | 218.5 | | 273.7 |
| Towel | | 577.3 | | 492.7 |
| Paper | | 63.1 | | 46.4 |
| | | **858.9** | | **812.8** |

* At cost or net realizable value, whichever is lower

| | | | | |
|---|---|---|---|---|
| **NOTE 16 - TRADE RECEIVABLES** | | | | |
| **(Unsecured considered good, unless otherwise stated)** | | | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | | | |
| - Considered good | 30.0 | | 1.5 | |
| - Considered doubtful | 39.2 | | 36.3 | |
| | **69.2** | | **37.8** | |
| Less: Provision for doubtful trade receivables | 39.2 | 30.0 | 36.3 | 1.5 |
| Others | 2,364.2 | | 2,011.4 | |
| Less: Provision for doubtful trade receivables | 71.2 | 2,293.0 | 93.9 | 1,917.5 |
| **Total** | | **2,323.0** | | **1,919.0** |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 17 - CASH AND BANK BALANCES** | | | | |
| **Cash and cash equivalent** | | | | |
| Cash on hand | 8.7 | | 5.2 | |
| Balances with banks : | | | | |
| - In current accounts | 62.9 | | 135.4 | |
| - In EEFC accounts | - | | 0.3 | |
| - In other deposits accounts | | | | |
| (original maturity of 3 months or less) | 19.0 | 90.6 | - | 140.9 |
| **Other bank balances** | | | | |
| In other deposits accounts | | | | |
| (original maturity more than 3 months) | 94.1 | | 21.2 | |
| - In earmarked accounts | | | | |
| (i) Unpaid dividend accounts | 12.9 | | 12.5 | |
| (ii) Held as margin money or security against | | | | |
| borrowings and other commitments | 133.5 | 240.5 | 55.7 | 89.4 |
| **Total** | | **331.1** | | **230.3** |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement. | | 90.6 | | 140.9 |
| **NOTE 18 - SHORT TERM LOANS AND ADVANCES** | | | | |
| **(Unsecured considered good, unless otherwise stated)** | | | | |
| Loans and advances to related parties | | 32.6 | | 90.4 |
| Loans and advances to employees | | 16.8 | | 9.1 |
| Advances to vendors | | 374.7 | | 984.5 |
| Prepaid expense | | 102.1 | | 71.6 |
| Balance with customs, excise and port trust authorities | | 819.3 | | 759.7 |
| Others | | 91.1 | | 133.9 |
| **Total** | | **1,436.6** | | **2,049.2** |
| **NOTE 19 - OTHER CURRENT ASSETS** | | | | |
| Interest accrued on deposits | | 18.1 | | 10.9 |
| Insurance claim receivables | | 18.2 | | 0.9 |
| **Total** | | **36.3** | | **11.8** |

| Particulars | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 20 - REVENUE FROM OPERATIONS** | | | | |
| **Sale of products:** | | | | |
| **Manufactured** | | | | |
| - Yarn | | 12,667.9 | | 7,382.8 |
| - Processed yarn | | 309.5 | | 263.8 |
| - Towel | | 11,964.0 | | 12,126.2 |
| - Paper | | 7,135.3 | | 6,373.9 |
| - Sulphuric acid | | 401.1 | | 379.1 |
| **Traded** | | | | |
| - Towel | | 287.1 | | 260.0 |
| Sale of services | | 18.2 | | 10.6 |
| **Other operating revenue:** | | | | |
| Waste sale | | 943.4 | | 820.3 |
| **Total** | | **33,726.5** | | **27,616.7** |

(₹ million)

| Particulars | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 21 - OTHER INCOME** | | | | |
| Interest income | | 43.3 | | 34.2 |
| Loss on sale of current investments (non-trade) | - | | (0.5) | |
| Profit on sale of non-current investments (non-trade) | - | - | 2.3 | 1.8 |
| Provision for doubtful trade receivables, no longer required written back | | 22.7 | | - |
| Bad debts recovered | | 22.5 | | - |
| Profit on sale of fixed assets (net) | | 15.9 | | 27.1 |
| Sales tax subsidy | | 51.8 | | 95.4 |
| Miscellaneous income | | 68.2 | | 43.1 |
| **Total** | | **224.4** | | **201.6** |
| **NOTE 22 - COST OF MATERIAL CONSUMED** | | | | |
| **Raw material consumed** | | | | |
| Opening stock | | 3,276.6 | | 5,209.3 |
| Add: Purchase of raw material | | 19,929.8 | | 14,321.6 |
| | | 23,206.4 | | 19,530.9 |
| Less: Closing stock | | 5,008.2 | | 3,276.6 |
| Net consumption (refer (a) below) | | **18,198.2** | | **16,254.3** |
| **a) Raw material consumed comprises:** | | | | |
| Cotton and fibers | | 10,858.8 | | 8,998.1 |
| Yarn | | 3,596.5 | | 3,594.7 |
| Dyes and chemicals | | 2,343.4 | | 2,234.9 |
| Agro based products | | 1,310.5 | | 1,310.5 |
| Others | | 89.0 | | 116.1 |
| **Total** | | **18,198.2** | | **16,254.3** |
| **NOTE 23 - PURCHASE OF STOCK IN TRADE** | | | | |
| Towels for resale | | 701.0 | | 723.1 |
| Less: sale of material bought back after processing | | (474.9) | | (531.7) |
| **Total** | | **226.1** | | **191.4** |
| **NOTE 24 - CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS** | | | | |
| **Opening Stock** | | | | |
| Finished goods | 767.9 | | 566.9 | |
| Work-in-process | 812.9 | 1,580.8 | 664.6 | 1,231.5 |
| Add: Stock on commissioning of new plants | | | | |
| Finished goods | - | | 80.8 | |
| Work-in-process | - | - | 78.7 | 159.5 |
| Less : Closing Stock | | | | |
| Finished goods | 730.6 | | 767.9 | |
| Work-in-process | 858.9 | 1,589.5 | 812.9 | 1,580.8 |
| **(Increase) / decrease** | | **(8.7)** | | **(189.8)** |

(₹ million)

| Particulars | For the year ended March 31, 2013 | For the year ended March 31, 2012 |
|---|---|---|
| **NOTE 25 - EMPLOYEE BENEFITS EXPENSE** | | |
| **(Refer note 31)** | | |
| Salaries and wages | 2,103.0 | 1,808.4 |
| Contribution to provident and other funds | 257.2 | 161.8 |
| Staff welfare expenses | 18.4 | 44.7 |
| **Total** | **2,378.6** | **2,014.9** |

| | | |
|---|---|---|
| **NOTE 26 - FINANCE COSTS** | | |
| Interest expense | | |
| - On loans for fixed period * | 1,214.9 | 793.0 |
| - Others | 973.4 | 680.8 |
| Other borrowing costs | 164.5 | 100.8 |
| Fluctuation on foreign currency transactions and translations | - | 143.2 |
| **Total** | **2,352.8** | **1,717.8** |

* The Ministry of Corporate Affairs issued a circular no. 25/2012 dated 09.08.2012 clarifying that all exchange differences on long term foreign currency borrowings for capital expenditure should be capitalized. Accordingly, exchange difference amounting to ₹61.4 million expensed in financial year 2011-12 have been reversed under "Finance costs" in the current year.

| | | |
|---|---|---|
| **NOTE 27 - OTHER EXPENSES** | | |
| Stores and spares consumed | 595.7 | 504.7 |
| Packing material and charges | 916.4 | 763.6 |
| Power and fuel (net of utilized by others) | 2,654.4 | 2,152.4 |
| Rent | 45.3 | 48.0 |
| Repairs and maintenance | | |
| - Plant and machinery | 74.6 | 35.8 |
| - Buildings | 50.6 | 31.4 |
| - Others | 12.6 | 7.6 |
| Insurance charges | 76.8 | 69.8 |
| Rates and taxes | 33.2 | 24.2 |
| Commission | 311.9 | 238.8 |
| Freight, clearing and octroi charges | 926.3 | 730.8 |
| Rebates and discount | 173.1 | 122.5 |
| Business promotion | 64.7 | 60.5 |
| Net loss of foreign currency transaction and translation | 630.9 | 659.3 |
| Auditors' remuneration (refer note 30) | 8.4 | 8.0 |
| Travelling and conveyance | 47.3 | 48.4 |
| Postage and telephone | 25.2 | 25.5 |
| Legal and professional | 108.9 | 68.1 |
| Doubtful debts and advances written off | 5.7 | 4.0 |
| Provision for doubtful trade receivables | 2.9 | 128.7 |
| Charity and donation | 5.2 | 11.7 |
| Miscellaneous expenses | 234.6 | 307.4 |
| **Total** | **7,004.7** | **6,051.2** |





## NOTE 28 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

(₹ million)

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| **I. Contingent liabilities** | | |
| a) Claims* (excluding claims by employees where amounts are not ascertainable) not acknowledged as debt: | | |
| - Service Tax | 5.7 | 4.1 |
| - Excise duty | 45.6 | 82.5 |
| - Income Tax | 9.4 | 11.0 |
| - Others | 0.5 | 0.5 |
| b) Bills discounted | 1,963.5 | 995.3 |
| c) Guarantees given to banks on behalf of others ₹1978.1 million (Previous year ₹1358.1 million) - Loan availed | 1,187.4 | 676.1 |
| **II. Commitments** | | |
| a) Estimated amount of contracts remaining to be executed on capital account (net of advances) | 41.4 | 53.4 |
| b) Other commitments # | | |

* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of the management, have a material effect on the results of operations or financial position of the Company.

# The Company has other commitments for purchase/sale orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, employee benefits. The Company does not have any long term commitment or material non cancelable contractual commitments/contracts which might have a material impact on the financial statements other than commitment given for advertisement in print media of ₹280.8 million, for which the Company has given advance.

**NOTE 29 -** There are no disputed dues of sales tax, wealth tax and cess matters which have not been deposited by the Company. The details of disputed excise duty, service tax, custom duty and income-tax dues as at March 31, 2013 are as follows:

(₹ million)

| Statue | Nature of Dues | Forum where dispute is pending | Amount involved | Period to which the amount relates |
|---|---|---|---|---|
| Central Excise Law | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 122.0 | 2008-09, 2009-10 & 2010-11 |
| Central Excise Law | Custom Duty | Revisionary Authority, Deptt of Revenue, New Delhi | 0.5 | 2008-09 & 2009-10 |
| Service Tax | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 3.2 | 2008-09 & 2009-10 |
| Service Tax | Service Tax | Commissioner (Appeals), Chandigarh | 2.5 | 2006-07, 2007-08 & 2008-09 |
| Income Tax Act | Income Tax | Assistant Commissioner of Income Tax | 9.4 | 2004-05 |
| Income Tax Act | Income Tax | Income Tax Appellate Tribunal | 0.3 | 2006-07 |
| Income Tax Act | Income Tax | Supreme Court | 10.0 | 2004-05 |

The following matters have been decided in favour of the Company, although the Department has preferred appeals at higher levels:

(₹ million)

| Statue | Nature of Dues | Forum where department has preferred appeals | Amount | Period to which the amount relates |
|---|---|---|---|---|
| Central Excise Law | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 40.0 | 2005-06 & 2006-07 |
| Central Excise Law | Excise Duty | Commissioner (Appeals) | 0.3 | 2012-13 |
| Central Excise Law | Excise Duty | Punjab & Haryana High Court, Chandigarh | 4.1 | 2002-03 & 2003-04 |
| Service Tax Act | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 2.0 | 2004-05 & 2005-06 |
| Service Tax Act | Service Tax | Commissioner (Appeals) | 1.5 | 2011-12 |
| Income Tax Act | Income Tax | Income Tax Appellate Tribunal | 73.2 | (A.Y.) 2004-05, 2005-06, 2006-07 & 2008-09 |
| Income Tax Act | Income Tax | High Court | 5.5 | (A.Y.) 1989-90, 1997-98 & 1999-00 |

## NOTE 30 - AUDITORS' REMUNERATION

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| As auditors (audit fee) | 4.8 | 3.8 |
| In other capacities | | |
| - Limited Review | 3.3 | 3.1 |
| - Others | 0.2 | 1.0 |
| Reimbursement of expenses | 0.1 | 0.1 |

## NOTE 31 - EMPLOYEE BENEFITS

### a) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company recognized ₹161.6 million (Previous year ₹149.0 million) during the year as expense towards contribution to these plans. Out of total contribution, ₹Nil (Previous year ₹8.5 million) is included under fixed assets / capital work in progress.

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Company's contribution to provident fund | 117.5 | 105.3 |
| Company's contribution to employee's state insurance scheme | 32.9 | 33.6 |
| Administrative charges on above | 11.2 | 10.1 |

### b) Defined benefit plans

**Gratuity scheme**

The amount of gratuity has been computed based on respective employee's salary and the years of employment with the Company. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary. The amount is funded through trusts' group gratuity schemes managed by Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and Metlife India Insurance Company Limited. The Company is contributing to trusts towards the payment of premium of such group gratuity schemes.

**Compensated Absences**

Compensated absences include earned leaves and sick leaves. Long term compensated absences have been provided on accrual basis based on year end actuarial valuation and short term compensated absences on actual basis.

(₹ million)

| | Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|---|
| | | Gratuity | Earned and sick leave | Gratuity | Earned and sick leave |
| A | **Expenses recognized in the statement of profit and loss for the year ended March 31,2013** | | | | |
| | Current Service Cost | 29.3 | 5.0 | 27.0 | 4.6 |
| | Interest Cost | 10.1 | 1.0 | 9.1 | 0.8 |
| | Expected return on plan assets | (15.9) | - | (10.5) | - |
| | Actuarial (gains)/losses | 72.0 | 11.0 | 1.7 | (3.7) |
| | **Total Expenses** | **95.5** | **17.0** | **27.3** | **1.7** |
| B | **Net liabilities recognized in the Balance Sheet as at March 31, 2013** | | | | |
| | Present value of defined benefit obligation as at March 31, 2013 | 204.7 | 38.4 | 141.4 | 31.4 |
| | Fair value of plan assets with LIC, SBI Life, ICICI prudential, Metlife and with Employee Trust * | (194.2) | - | (166.7) | - |
| | **Funded status - unfunded** | **10.5** | **38.4** | **(25.3)** | **31.4** |
| C | **Change in the obligation during the year ended March 31, 2013** | | | | |
| | Present value of defined benefit obligation at the beginning of the year | 141.4 | 31.4 | 149.9 | 38.8 |
| | Current Service Cost | 29.3 | 5.0 | 27.0 | 4.6 |
| | Interest Cost | 10.1 | 1.0 | 9.1 | 0.8 |
| | Actuarial (gains)/losses | 71.6 | 11.0 | 1.7 | (3.7) |
| | Benefit payments | (47.7) | (10.0) | (46.3) | (9.1) |
| | **Present value of defined benefit obligation at the end of the year** | **204.7** | **38.4** | **141.4** | **31.4** |

(₹ million)

| | Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|---|
| | | Gratuity | Earned and sick leave | Gratuity | Earned and sick leave |
| D | **Change in assets during the year ended March 31, 2013** | | | | |
| | Plan assets at the beginning of the year | 166.7 | - | 139.6 | - |
| | Expected return on plan assets | 15.9 | - | 10.5 | - |
| | Contribution by the company | 59.7 | - | 50.9 | - |
| | Actuarial (gains)/losses | (0.4) | - | - | - |
| | Actual benefits paid | (47.7) | - | (46.3) | - |
| | **Plan assets at the end of the year** | **194.2** | **-** | **154.7** | **-** |
| E | **Main actuarial assumptions** | | | | |
| | Discount rate | 8.2% | 8.2% | 8.6% | 8.6% |
| | Rate of increase in compensation levels | 7.0% | 7.0% | 7.0% | 7.0% |
| | Rate of return on plan assets | 9.3% | - | 9.3% | - |
| | Mortality rate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate |

*The plan assets are maintained with Life Insurance Corporation of India, SBI Life Insurance Company Ltd, ICICI Prudential Life Insurance Company Limited, Metlife India Insurance Company Limited and Trust. The details of the investment maintained by these insurance companies are not available with the company and have not been disclosed. The trust has kept the amount in bank account.

(₹ million)

| Particulars | As at March 31 | | | | |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| **Gratuity** | | | | | |
| Present value of defined benefit obligation at the end | 204.7 | 141.4 | 149.9 | 107.8 | 78.0 |
| Fair value of plan Assets at the end of the year | 194.2 | 166.7 | 149.9 | 104.9 | 76.0 |
| Net liability (asset) recognised in balance sheet | 10.5 | (25.3) | - | 2.9 | 2.0 |
| Net actuarial (gains)/ losses recognised | 72.0 | 1.7 | 14.6 | 12.1 | (2.9) |
| **Earned and sick leave** | | | | | |
| Present value of defined benefit obligation at the end | 38.4 | 31.4 | 38.8 | 37.4 | 31.8 |
| Fair value of plan Assets at the end of the year | - | - | - | - | - |
| Net liability recognised in balance sheet | 38.4 | 31.4 | 38.8 | 37.4 | 31.8 |
| Net actuarial (gains)/ losses recognised | 11.0 | (3.7) | (3.1) | (3.3) | (4.0) |

The experience adjustments arising on plan liabilities and plan assets and the employer's best estimate of contributions expected to be paid in next financial year is not ascertained and is accordingly not disclosed above.

## NOTE 32 - DEFERRED TAXATION

(₹ million)

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| Deferred tax liability (DTL) on account of accelerated depreciation | 1,429.2 | 1,533.5 |
| Less:Deferred Tax Asset (DTA) arising on | | |
| - expenses deductible on payment | (128.1) | (162.7) |
| - unabsorbed depreciation and brought forward losses | (231.0) | (611.0) |
| Net deferred tax liability | 1,070.1 | 759.8 |

**NOTE 33 -** According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, during the year is ₹35.1 million (previous year ₹23.6 million). The amount of interest accrued during the year and remaining unpaid as at March 31, 2013 is ₹Nil (Previous year ₹0.1 million).

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## NOTE 34 - THE EARNINGS/(LOSS) PER SHARE (EPS) DISCLOSED IN THE PROFIT AND LOSS ACCOUNT HAVE BEEN CALCULATED AS UNDER:

(₹ million)

| Particulars | | Current Year | Previous Year |
|---|---|---|---|
| Profit/(loss) attributable to equity shareholders | (A) | 493.3 | (437.4) |
| Weighted average number of equity shares (Nos) | (B) | 308,001,496 | 275,850,906 |
| Potential dilutive equity shares (number)* | (C) | Nil | Nil |
| Weighted average number of equity shares in computing diluted earning per share | (D)=(B+C) | 308,001,496 | 275,850,906 |
| Basic earnings/(loss) per share (₹per share) (face value of ₹10 each) | (A/B) | 1.60 | (1.59) |
| Diluted earnings/(loss) per share (₹per share) (face value of ₹10 each) | (A/D) | 1.60 | (1.59) |

* Nil, as exercise price of outstanding ESOP is more than the fair value of share, hence considered anti-dilutive.

## NOTE 35 - PROJECT AND PRE OPERATIVE EXPENSES PENDING ALLOCATION INCLUDES:

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **Opening Balance:** | | **11.5** | | **106.1** |
| Add: Expenses incurred during the year: | | | | |
| Project and Pre-Operatives Expenses | | | | |
| Finance Cost (including foreign exchange fluctuation) | 9.0 | | 165.0 | |
| Salary, Wages and bonus etc. | - | | 86.4 | |
| Legal and professional | 10.3 | | 47.7 | |
| Electricity and Water Charges | 0.2 | | 26.6 | |
| Travelling and Conveyance | 1.7 | | 3.6 | |
| Bank charges | 1.7 | | 14.8 | |
| Stores and spares consumed | 2.4 | | 1.6 | |
| Others | 0.7 | 26.0 | 55.3 | 401.0 |
| **Expenses incurred during trial run period** | | | | |
| Raw material consumed | - | | 1,271.9 | |
| Interest expenses | - | | 245.5 | |
| Electricity and Water Charges | - | | 145.7 | |
| Salary, Wages and bonus etc. | - | | 80.1 | |
| Store and spares consumed | - | | 25.8 | |
| Freight, Clearing and Octroi charges | - | | 38.8 | |
| Commission | - | | 21.9 | |
| Legal and professional | - | | 0.3 | |
| Repair and Maintenance | - | | 0.2 | |
| Travelling and Conveyance | - | | 1.4 | |
| Others | - | | 7.9 | |
| (Increase)/decrease in work in progress and finished goods | - | | (159.4) | |
| | - | | 1,680.1 | |
| **Less Income earned during trial run period** | | | | |
| Sales | - | - | 1,343.0 | 337.1 |
| Grand Total | | 37.5 | | 844.2 |
| Less: Allocated to fixed assets and capital work in progress | | 16.8 | | 832.7 |
| Closing Balance, included in capital work in progress | | 20.7 | | 11.5 |

## NOTE 36 - THE RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD- 18 ARE AS UNDER:

**A. Name of related party and nature of related party relationship**

**(i) Enterprises where control exists**

a. Enterprise that controls the Company

- Madhuraj Foundation (directly or indirectly holds majority voting power)

b. Enterprises that are controlled by the Company, i.e. subsidiary companies

- Trident Global Corp Limited

**(ii) Other related parties where transactions have taken place during the year:**

a. Enterprises under the common control as the Company

- Trident Group Limited
- Trident Corporation Limited
- Trident Capital Limited
- Abhishek Ventures and Projects Limited

b. Enterprise on which Company exercise significant influence

- Lotus Integrated Texpark Limited
- Trident Global Inc.

c. Key management personnel and their relatives

- Mr. Rajinder Gupta (Ceased to be Managing Director w.e.f. April 23, 2012)
- Mr. Abhishek Gupta (Ceased to be Managing Director w.e.f.October 25, 2012)
- Mr. Deepak Nanda
- Mrs. Madhu Gupta
- Ms. Neha Gupta

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2013**

(₹ million)

| Particulars | Enterprise that controls the Company | | Subsidiaries | | Enterprises that are under common control as the Company | | Significant Influence | | Key management personnel | | Relative of Key Management Personnel | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **Purchase of Goods/ Services** | | | | | | | | | | | | |
| - Trident Group Limited | | | | | 8.7 | - | | | | | | |
| - Trident Global Inc. | | | | | | | 0.3 | - | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 13.0 | 14.2 | | | | |
| **Sale of Goods/ Services** | | | | | | | | | | | | |
| - Trident Global Corp Limited | | | 1.1 | - | | | | | | | | |
| - Trident Corporation Limited | | | | | 125.7 | 0.5 | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 1.4 | - | | | | |

(₹ million)

| Particulars | Enterprise that controls the Company | | Subsidiaries | | Enterprises that are under common control as the Company | | Significant Influence | | Key management personnel | | Relative of Key Management Personnel | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **Rent received** | | | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 0.5 | 0.5 | | | | |
| - Mr. Rajinder Gupta | | | | | | | | | 0.9 | 0.6 | | |
| - Mr. Abhishek Gupta | | | | | | | | | 1.5 | - | | |
| **Rent paid** | | | | | | | | | | | | |
| - Madhuraj Foundation | 1.3 | 1.0 | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 25.9 | 25.6 | | | | |
| **Interest received** | | | | | | | | | | | | |
| - Abhishek Ventures and Projects Limited | | | | | 5.0 | 4.7 | | | | | | |
| **Security Deposit paid** | | | | | | | | | | | | |
| - Madhuraj Foundation | 60.0 | - | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 17.4 | - | | | | |
| **Security Deposit written back** | | | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 15.0 | - | | | | |
| **Remuneration paid** | | | | | | | | | | | | |
| - Mr. Rajinder Gupta* | | | | | | | | | 1.8 | 24.0 | | |
| - Mr. Raman Kumar | | | | | | | | | - | 1.1 | | |
| - Mr. Deepak Nanda | | | | | | | | | 6.4 | 2.5 | | |
| - Mrs Madhu Gupta | | | | | | | | | | | 2.3 | 2.4 |
| - Ms Neha Gupta | | | | | | | | | | | 2.0 | - |
| - Mr. Abhishek Gupta ** | | | | | | | | | 15.5 | - | - | 7.2 |
| **Investments made:** | | | | | | | | | | | | |
| - Trident Corporation Limited | | | | | 55.0 | 247.0 | | | | | | |
| - Trident Global Corp Limited | | | 5.0 | - | | | | | | | | |
| **Equity shares allotted to** | | | | | | | | | | | | |
| - Trident Capital Limited | | | | | 85.3 | 255.8 | | | | | | |
| **Expenses incurred on behalf of:** | | | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 15.6 | 16.5 | | | | |
| **Loans and advances given:** | | | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | - | 20.4 | | | | |
| **Balances as at March 31, 2013:** | | | | | | | | | | | | |
| **Share Application Money** | | | | | | | | | | | | |
| - Trident Corporation Limited | | | | | - | 25.0 | | | | | | |
| **Security Deposit receivable:** | | | | | | | | | | | | |
| - Madhuraj Foundation | 162.5 | 102.5 | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 17.4 | - | | | | |

(₹ million)

| Particulars | Enterprise that controls the Company | | Subsidiaries | | Enterprises that are under common control as the Company | | Significant Influence | | Key management personnel | | Relative of Key Management Personnel | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **Amounts receivable** | | | | | | | | | | | | |
| - Trident Global Corp Limited | | | 0.9 | - | | | | | | | | |
| - Abhishek Ventures and Projects Limited*** | | | | | 23.2 | 64.4 | | | | | | |
| - Trident Corporation Limited | | | | | 125.7 | 0.3 | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 20.1 | 28.7 | | | | |
| **Security Deposit payable:** | | | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | | | 25.0 | 40.0 | | | | |
| **Amounts payable** | | | | | | | | | | | | |
| - Trident Group Limited | | | | | 1.2 | - | | | | | | |

* Ceased to be Managing Director w.e.f. April 23, 2012

** Ceased to be Managing Director w.e.f.October 25, 2012

*** Subsequently recovered

## NOTE 37 - SEGMENT INFORMATION

### I Segment Accounting Policies

a. The business segments comprise of the following:

| | | |
|---|---|---|
| Yarn | : | Yarn manufacturing (Including utility service) |
| Towel | : | Towel, Dyed Yarn manufacturing (Including utility service) |
| Paper and Chemical | : | Paper and Sulphuric Acid (Including utility service) |
| Infotech | : | Sale of software and related services |

b. Business segments have been identified based on the nature and class of products and services, their customers and assessment of differential risks and returns and financial reporting system within the Company.

c. The geographical segments considered for disclosure are based on markets, broadly as under:

Sale in the USA
Sale in rest of the world

d. Segment accounting policies: In addition to the significant accounting policies, applicable to the business as set out in note 2, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and fixed assets including capital work in progress, net of allowances and provisions, which are reported as direct offset in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. Segment revenue and expenses:
Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Inter segment sales: Inter segment sales are accounted for at cost and are eliminated in consolidation.

## II. Detail of primary business segments:

(₹ million)

| Particulars | Yarn | | Towel | | Paper & Chemiclas | | Others | | Unallocable | | Elimination | | Consolidated Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **1 Segment revenue** | | | | | | | | | | | | | | |
| - External Sales | 13,477.6 | 8,084.7 | 12,644.8 | 12,716.8 | 7,218.5 | 6,511.3 | 11.7 | 10.0 | | | | | 33,352.6 | 27,322.8 |
| - Inter segment Sales | 3,256.2 | 3,450.6 | 11.7 | 5.5 | 1.4 | 3.9 | - | | | | (3,269.3) | (3,460.0) | - | - |
| - Other income | 103.6 | 149.3 | 37.9 | 13.3 | 28.4 | 18.5 | 3.6 | | 50.9 | 20.5 | | | 224.4 | 201.6 |
| **Total revenue** | **16,837.4** | **11,684.6** | **12,694.4** | **12,735.6** | **7,248.3** | **6,533.7** | **15.3** | **10.0** | **50.9** | **20.5** | **(3,269.3)** | **(3,460.0)** | **33,577.0** | **27,524.4** |
| **2 Segment results** | **1,340.4** | **(53.7)** | **1,194.8** | **1,291.4** | **1,049.8** | **295.7** | **(0.1)** | **(12.5)** | | | | | **3,584.9** | **1,520.9** |
| Unallocated corporate expenses (net off unallocated Income) | | | | | | | | | | | | | (421.2) | (393.8) |
| Profit before interest and tax | | | | | | | | | | | | | 3,163.7 | 1,127.1 |
| Interest expense | | | | | | | | | | | | | (2,352.8) | (1,717.8) |
| Provision for taxation | | | | | | | | | | | | | (317.6) | 153.3 |
| **3 Profit/(Loss) after tax** | | | | | | | | | | | | | **493.3** | **(437.4)** |
| **4 Other Information** | | | | | | | | | | | | | | |
| a Segment assets | 16,714.7 | 16,568.2 | 6,996.2 | 6,744.1 | 8,747.2 | 8,688.0 | 1,015.1 | 1,024.0 | | | (2,605.3) | (2,092.1) | 30,867.9 | 30,932.2 |
| Unallocated corporate assets | | | | | | | | | 2,001.0 | 1,733.8 | | | 2,001.0 | 1,733.8 |
| **Total assets** | **16,714.7** | **16,568.2** | **6,996.2** | **6,744.1** | **8,747.2** | **8,688.0** | **1,015.1** | **1,024.0** | **2,001.0** | **1,733.8** | **(2,605.3)** | **(2,092.1)** | **32,868.9** | **32,666.0** |
| b Segment liabilities | 1,218.3 | 952.1 | 807.6 | 815.4 | 2,706.4 | 2,683.5 | 2.0 | 3.2 | | | (2,605.3) | (2,092.1) | 2,129.0 | 2,362.1 |
| Unallocated corporate liabilities | | | | | | | | | 30,739.9 | 30,303.9 | | | 30,739.9 | 30,303.9 |
| **Total liabilities** | **1,218.3** | **952.1** | **807.6** | **815.4** | **2,706.4** | **2,683.5** | **2.0** | **3.2** | **30,739.9** | **30,303.9** | **(2,605.3)** | **(2,092.1)** | **32,868.9** | **32,666.0** |
| Capital Expenditure | 249.9 | 5,258.0 | 178.8 | 259.7 | 456.5 | 438.5 | (8.1) | 928.3 | 73.1 | 44.3 | | | 950.2 | 6,928.8 |
| Depreciation | 1,104.0 | 619.2 | 567.0 | 563.1 | 893.8 | 857.0 | 7.8 | 7.8 | 41.8 | 28.2 | | | 2,614.4 | 2,075.3 |
| Non-Cash expenses other than depreciation | 0.2 | 2.8 | 0.8 | 94.1 | 5.7 | 35.5 | 1.8 | 0.3 | - | | | | 8.5 | 132.7 |

## III. Secondary Segment – Geographical:

(₹ million)

| | Current Year | Previous Year |
|---|---|---|
| **Segment sales in:** | | |
| USA | 8,796.5 | 8,575.9 |
| India and other countries | 24,556.1 | 18,746.9 |
| **Total Sales** | **33,352.6** | **27,322.8** |
| **Segment assets in:** | | |
| USA | 456.0 | 448.9 |
| India and other countries | 33,017.2 | 32,575.4 |
| **Capital expenditure:** | | |
| USA | - | - |
| India and other countries | 950.2 | 6,928.8 |

## NOTE 38 - THE FOREIGN CURRENCY EXPOSURE OF THE COMPANY AS ON MARCH 31, 2013 IS AS UNDER:

### a. Category wise quantitative data

| | Nos. | | Amounts | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| Put and Call Option contracts | - | 9 | - | From USD 5.0 million to 6.4 million per month |
| Vanilla Call Option contracts | - | 4 | - | USD 0.73 million |
| | | | | Euro 0.10 million |
| Forward contracts against exports | 135 | 359 | USD 45.98 million | USD 178.13 million |
| | 2 | - | GBP 0.12 million | |
| Forward contracts against imports | 39 | 11 | USD 19.01 million | USD 2.45 million |
| | 16 | 8 | Euro 14.86 million | Euro 3.67 million |
| | 2 | - | CHF 1.80 million | |
| Forward contracts against foreign currency loans | 6 | 2 | USD 13.5 million | USD 8.75 million |

b. Derivative instruments are for hedging foreign exchange risk arising from underlined transaction, firm commitments and/or highly probable forecast transactions.

c. Foreign currency exposures remaining unhedged at the year end:

| | |
|---|---|
| Against Imports (Creditors) | - Euro 0.5 million (Previous year Euro 0.1 million)<br>- USD 1.0 million (Previous year USD 1.3 million) |
| Against Imports ( Advance to Creditors) | - Euro 0.1 million (Previous year Euro 0.6 million)<br>- USD Nil (Previous year USD 1.0 million)<br>- CHF 0.1 million (Previous year CHF Nil)<br>- JPY 1.2 million (Previous year JPY 1.1 million)<br>- SEK 0.1 million (Previous year SEK Nil) |
| Foreign Currency Loans | - USD 44.48 million (Previous year USD 64.5 million) |
| Acceptances | - USD Nil (Previous year USD 3.6 million)<br>- Euro Nil (Previous year Euro 15.2 million)<br>- CHF Nil (Previous year CHF 1.8 million) |

**NOTE 39 -** The Company has entered into operating lease agreements for offices. These lease arrangements are cancellable in nature and range between one to three years. The aggregate lease rentals under these agreements amounting to ₹45.3 million (Previous year ₹48.0 millions) have been charges under “Rent” in note 27.

## NOTE 40 - MONEY RECEIVED AGAINST SHARE WARRANT

The Company on April 27, 2011 had issued warrants carrying an option to the holder of such warrants to subscribe to one equity share of ₹10 for every warrant held, within 18 months from the date of allotment of warrants, at a premium of ₹7.05 per share.

Pursuant to exercise of conversion option by the holder of warrants, the Company has, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; allotted 50,00,000 equity shares of ₹10 each fully paid up for cash at a premium of ₹7.05 per share i.e. at the price of ₹17.05 per equity share on October 25, 2012.

There is no warrants outstanding as on March 31, 2013, which can be converted into equity shares.

## NOTE 41 - SECURED LOANS

**A. Long term loans from banks and financial institutions :**

(₹ million)

| Sr. No. | Outstanding balance on March 31, 2013 | Outstanding balance on March 31, 2012 | Repayment Terms<br>Presently payable in: |
|---|---|---|---|
| 1 | 794.7 | 712.6 | 31 Quarterly installments of ₹26.1 Million. |
| 2 | 267.8 | 339.3 | 15 Quarterly installments of ₹17.9 Million. |
| 3 | 2380.9 | 2443.5 | 30 Quarterly installments of ₹102.2 Million. |
| 4 | 82.9 | 165.7 | 4 Quarterly installments of ₹20.7 Million. |
| 5 | 530.3 | 550.0 | 26 Quarterly installments of ₹19.7 Million<br>1 Quarterly installments of ₹19.5 Million |
| 6 | 335.1 | 386.7 | 26 Quarterly installments of ₹12.9 Million. |
| 7 | 18.8 | 37.5 | 3 Quarterly installments of ₹6.3 Million. |
| 8 | 158.9 | 399.8 | 2 Quarterly installments of ₹60.2 Million<br>1 Quarterly installments of ₹38.8 Million |
| 9 | 919.2 | 1129.4 | 16 Quarterly installments of ₹ 54.5 Million. |
| 10 | 37.0 | 169.0 | 1 Quarterly installments of ₹37.0 Million. |
| 11 | 140.4 | 187.7 | 19 Quarterly installments of ₹12.5 Million. |
| 12 | 369.9 | 462.9 | 15 Quarterly installments of ₹23.3 Million<br>1 Quarterly installments of ₹21.1 Million |
| 13 | 288.2 | 362.0 | 18 Quarterly installments of ₹16.1 million. |
| 14 | 174.7 | 215.8 | 17 Quarterly installments of ₹10.3 Million. |
| 15 | 125.0 | 196.4 | 7 Quarterly installments of ₹17.9 Million. |
| 16 | 1176.9 | 1529.9 | 10 Quarterly installments of ₹101.7 Million<br>1 Quarterly installments of ₹81.6 Million. |
| 17 | 440.0 | 500.0 | 4 Quarterly installments of ₹30.0 Million<br>5 Quarterly installments of ₹60.0 Million<br>1 Quarterly installments of ₹20.0 Million. |
| 18 | 242.1 | 250.0 | 30 Quarterly installments of ₹7.9 Million<br>1 Quarterly installments of ₹5.1 Million |
| 19 | 357.7 | 500.0 | 14 Monthly installments of ₹15.0 Million<br>7 monthly installments of ₹20.0 Million |
| 20 | 815.7 | 1343.8 | 6 Quarterly installments of ₹118.6 Million<br>1 Quarterly installments of ₹105.4 Million. |
| 21 | 254.9 | 326.9 | 14 Quarterly installments of ₹18.0 Million<br>1 Quarterly installments of ₹2.9 Million. |
| 22 | 235.7 | 393.6 | 6 Quarterly installments of ₹39.4 Million. |
| 23 | 389.1 | 450.0 | 9 Monthly installments of ₹10.0 Million<br>16 Monthly installments of ₹17.5 Million<br>1 monthly installments of ₹20.0 Million. |
| 24 | 150.0 | 0.0 | 20 Quarterly installments of ₹15.0 Million. |
| 25 | 500.0 | 500.0 | 11 Quarterly installments of ₹41.7 Million<br>1 Quarterly installments of ₹41.3 Million. |
| 26 | 377.8 | 470.4 | 13 Quarterly installments of ₹29.1 Million. |
| 27 | 0.0 | 16.4 | - |

The Company has given common security for these loans which has been given in note 5 and interest rates ranges from 10.5% to 12.5% p.a.

**B. Vehicle Loans from banks**

Vehicle loans are secured by hypothecation of vehicles acquired against such loans, repayable on equal monthly installments, amount due in a year is ₹10.8 million (previous year ₹20.1 million)

## NOTE 42 - AMALGAMATION OF THE ERSTWHILE TRIDENT INFOTECH LIMITED AND ERSTWHILE TRIDENT AGRITECH LIMITED

**(a)** During previous year, pursuant to the Scheme of Arrangement for Amalgamation (the "Scheme") of the erstwhile Trident Infotech Limited (TIL) and erstwhile Trident Agritech Limited (TAL) with the Company under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Punjab and Haryana High Court vide its Order dated September 29, 2011 which became effective on November 21, 2011 on filing of the certified copy of the Order of the High Court in the Office of Registrar of Companies, at Chandigarh, all the properties, assets, both movable and immovable, liabilities and reserves of TIL and TAL have without further act or deed, been transferred to and vested in the Company, as a going concern with effect from the appointed date i.e. April 1, 2011.

The net surplus arising consequent to amalgamation of TIL and TAL in to the Company in terms of the Scheme had been credited to 'Capital Reserve' during previous year.

**(b) Equity in Trident Benefit Trust**

The Company is a beneficiary of a Trust viz. TAL Benefit Trust settled pursuant to the scheme of arrangement for amalgamation of erstwhile Trident Agritech Limited with the Company as sanctioned by Hon'ble Punjab and Haryana High Court at Chandigarh vide its order dated September 29, 2011.

As at March 31, 2013, the beneficial interest of the Company in the TAL Benefit Trust is 14,548,387 (Previous year 14,548,387) equity shares of Trident Limited aggregating to ₹145.5 million which is shown as Investment.

## NOTE 43 - EMPLOYEE STOCK OPTIONS PLAN

The Compensation Committee of Board of Directors of the Company has granted options to the employees pursuant to Trident Employees Stock Options Plan 2007 ('the Plans') on July 9, 2007 (Grant I) and July 23, 2009 (Grant II). These options were granted at ₹17.55 and ₹11.20 per option respectively, being the latest available closing market price prior to the date of grant of options in accordance with SEBI guidelines. The quoted price of share on grant and the exercise price of option is equal and therefore there is no impact in the statement of profit and loss due to Employee Share-based options as the Company is following intrinsic value method.

The Company has not allotted any equity shares to employees during the year.

In respect of options granted under the Employees' Stock Option Plan, in accordance with Guidance Note on Accounting for Employee Share-based Payment issued by the Institute of Chartered Accountants of India, the details of Options outstanding is as under:

| Particulars | Detail | |
|---|---|---|
| ESOP Grant Date | 09.07.2007 | 23.07.2009 |
| Exercise period under the ESOP | 5 years from the respective dates of vesting | 5 years from the respective dates of vesting |
| Exercise Price | ₹17.55 per option | ₹11.20 per option |
| **Vesting Period under the ESOP** | | |
| End of First year | 10% | 10% |
| End of Second year | 20% | 20% |
| End of Third year | 30% | 30% |
| End of Fourth year | 40% | 40% |
| Total No. of Options granted | 7,901,462 | 3,993,000 |
| Total No. of Options Accepted | 7,421,712 | 3,828,000 |
| Options lapsed because of resignations | 4,068,663 | 1,823,664 |
| Options Exercise | - | 139,010 |
| Balance | 3,353,049 | 1,865,326 |

## NOTE 44 - ADDITIONAL INFORMATION

**a) CIF value of imports**

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Capital goods | 122.1 | 1,616.4 |
| Store and spares | 207.3 | 108.3 |
| Raw materials | 555.3 | 528.6 |

**b) Expenditure in foreign currency**

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Travelling | 4.4 | 4.6 |
| Others | 213.7 | 134.2 |

**c) Value of raw material / stores and spares consumed**

(₹ million)

| Particulars | Current Year | | Previous Year | |
|---|---|---|---|---|
| | Imported | Indigenous | Imported | Indigenous |
| Raw materials | 555.3 | 17,642.9 | 528.6 | 15,726.3 |
| Percentage % | 3.1 | 96.9 | 3.3 | 96.7 |
| Components, store and spares and packing material | 207.3 | 1304.8 | 108.3 | 1,160.0 |
| Percentage % | 13.7 | 86.3 | 8.5 | 91.5 |

**d) Earnings in foreign exchange**

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Export of goods calculated on FOB value | 16,081.7 | 14,413.8 |

**NOTE 45** - Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

**RAJINDER GUPTA**
Chairman

**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013

# Independent Auditors' Report to the Board of Directors of Trident Limited

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of TRIDENT LIMITED (the "Company") and its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on the financial statements of the subsidiary referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## OTHER MATTERS

(i) We did not audit the financial statements of subsidiary viz. Trident Global Corp Limited whose financial statements reflect total assets (net) of ₹5.5 million as at March 31, 2013, total revenue of ₹0.3 million and net cash flows amounting to ₹4.7 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor.

(ii) We have relied on the unaudited financial statements of associates viz. Lotus Integrated Texpark Limited, Trident Infotech Inc., and Trident Global Inc. wherein Group's share of profit aggregate ₹0.2 million. These unaudited financial statements as approved by the respective Boards of Directors of these Companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the associates is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of other matters.

**For DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 015125N)

**VIJAY AGARWAL**
(Partner)
(Membership No. 094468)

Place : Gurgaon
Date : May 15, 2013

# Consolidated Balance Sheet as at March 31, 2013

(₹ million)

| Particulars | Note No. | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|---|
| **I EQUITY AND LIABILITIES** | | | |
| **1 Shareholders' funds** | | | |
| a) Share capital | 3 | 3,108.4 | 3,058.4 |
| b) Reserves and surplus | 4 | 3,952.9 | 3,424.6 |
| c) Money received against share warrants | 40 | - | 21.3 |
| **2 Non-current liabilities** | | | |
| a) Long term borrowings | 5 | 9,491.8 | 12,725.7 |
| b) Deferred tax liabilities (net) | 32 | 1,070.1 | 759.8 |
| c) Long term provisions | 6 | 42.9 | 30.1 |
| **3 Current liabilities** | | | |
| a) Short term borrowings | 7 | 9,673.6 | 7,356.5 |
| b) Trade payables | 8 | 1,658.5 | 1,821.7 |
| c) Other current liabilities | 9 | 3,841.5 | 3,447.6 |
| d) Short term provisions | 10 | 27.8 | 19.1 |
| **Total** | | **32,867.5** | **32,664.8** |
| **II ASSETS** | | | |
| **1 Non-current assets** | | | |
| a) Fixed assets | | | |
| i) Tangible assets | 11 | 19,622.2 | 21,400.3 |
| ii) Intangible assets | 11 | 60.0 | 79.2 |
| iii) Capital work in progress | | 280.5 | 63.8 |
| b) Non-current investments | 12 | 613.7 | 555.3 |
| c) Long term loans and advances | 13 | 1,224.6 | 1,151.9 |
| **2 Current assets** | | | |
| a) Current investments | 14 | 25.0 | - |
| b) Inventories | 15 | 6,910.8 | 5,204.0 |
| c) Trade receivables | 16 | 2,322.1 | 1,919.0 |
| d) Cash and bank balances | 17 | 335.7 | 230.3 |
| e) Short-term loans and advances | 18 | 1,436.6 | 2,049.2 |
| f) Other current assets | 19 | 36.3 | 11.8 |
| **Total** | | **32,867.5** | **32,664.8** |

**Accompanying notes forming part of the financial statements 1 to 46**

In terms of our report attached
**For DELOITTE HASKINS & SELLS**
Chartered Accountants

**VIJAY AGARWAL**
Partner

Place : Ludhiana
Date : May 15, 2013

For and on behalf of the Board of Directors

**RAJINDER GUPTA**
Chairman

**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013



# Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(₹ million)

| | Particulars | Note No. | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|---|---|
| **1** | **REVENUE FROM OPERATIONS** | | | | | |
| | Gross sale of products and services | 20 | | 33,725.7 | | 27,616.7 |
| | Less: Excise duty | | | (373.9) | | (293.9) |
| | | | | 33,351.8 | | 27,322.8 |
| 2 | Other income | 21 | | 224.4 | | 201.6 |
| **3** | **Total Revenue (1+2)** | | | **33,576.2** | | **27,524.4** |
| **4** | **EXPENSES** | | | | | |
| | Cost of material consumed | 22 | | 18,198.2 | | 16,254.3 |
| | Purchase of stock in trade | 23 | | 226.1 | | 191.4 |
| | Changes in inventories of finished goods and work-in-progress | 24 | | (9.6) | | (189.8) |
| | Employee benefits expense | 25 | | 2,378.6 | | 2,014.9 |
| | Finance costs | 26 | | 2,352.8 | | 1,717.8 |
| | Depreciation and amortization expense | 11 | | 2,614.4 | | 2,075.3 |
| | Other expense | 27 | | 7,005.2 | | 6,051.2 |
| **5** | **Total Expenses** | | | **32,765.7** | | **28,115.1** |
| **6** | **Profit/(loss) before tax (3-5)** | | | **810.5** | | **(590.7)** |
| **7** | **Tax Expenses** | | | | | |
| | - Current tax | | 151.0 | | - | |
| | - Deferred tax charge/(credit) | | 277.5 | | (191.2) | |
| | - MAT credit entitlement | | (151.0) | | - | |
| | - Deferred tax charge for earlier years | | 32.8 | | 37.9 | |
| | - Current tax for earlier years | | 7.3 | 317.6 | - | (153.3) |
| **8** | **Profit / (Loss) after tax before consolidated share of profit from associates (6-7)** | | | **492.9** | | **(437.4)** |
| 9 | Share in profit of associates | | | 0.2 | | 2.7 |
| **10** | **Profit / (Loss) for the year (8+9)** | | | **493.1** | | **(434.7)** |
| **11** | **Earnings/(loss) per equity share (face value ₹10 each)** | 34 | | | | |
| | - Basic | | | 1.60 | | (1.58) |
| | - Diluted | | | 1.60 | | (1.58) |

**Accompanying notes forming part of the financial statements 1 to 46**

In terms of our report attached
**For DELOITTE HASKINS & SELLS**
Chartered Accountants

**VIJAY AGARWAL**
Partner

Place : Ludhiana
Date : May 15, 2013

For and on behalf of the Board of Directors

**RAJINDER GUPTA**
Chairman

**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013

# Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ million)

| Particulars | Current year | | Previous year | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Net profit/(loss) before tax, share of profit of associates** | | **810.5** | | **(590.7)** |
| *Adjustments for:* | | | | |
| Depreciation and amortization expenses | 2,614.4 | | 2,075.3 | |
| Finance costs | 2,352.8 | | 1,717.8 | |
| Interest income | (43.3) | | (34.2) | |
| Profit on sale of non-current investments (non trade) | - | | (2.3) | |
| Loss on sale of current investments (non trade) | - | | 0.5 | |
| Provision for doubtful trade receivables | 2.9 | | - | |
| Provision for doubtful trade receivables no longer required written back | (22.7) | | - | |
| Bad debts recovered | (22.5) | | - | |
| Profit on sale of fixed assets (net) | (15.9) | 4,865.7 | (27.1) | 3,730.0 |
| **Operating profit before working capital changes** | | **5,676.2** | | **3,139.3** |
| *Changes in working capital:* | | | | |
| Adjustments for (increase)/decrease in operating assets: | | | | |
| Inventories | (1,706.8) | | 1,585.3 | |
| Trade receivables | (383.3) | | 77.6 | |
| Short-term loans and advances | 635.1 | | (591.1) | |
| Long term loans and advances | (115.9) | | (55.1) | |
| Other current assets | (17.3) | | 75.4 | |
| Adjustments for increase/(decrease) in operating liabilities: | | | | |
| Trade payables | (163.2) | | (73.0) | |
| Other current liabilities | (31.2) | | 50.6 | |
| Short term provisions | 8.7 | | (7.0) | |
| Long term provisions | 12.8 | (1,761.1) | (2.5) | 1,060.2 |
| **Cash generated from operations** | | **3,915.1** | | **4,199.5** |
| Income tax paid (net) | | (112.6) | | (38.9) |
| **Net cash from operating activities (A)** | | **3,802.5** | | **4,160.6** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Capital expenditure on fixed assets, including capital advances | (883.5) | | (6,181.5) | |
| Proceeds from sale of fixed assets | 86.1 | | 86.3 | |
| Purchase of current investments | (25.0) | | - | |
| Proceeds from sale of current investments | - | | 5.3 | |
| Purchase of long-term investments | (58.2) | | (104.8) | |
| Proceeds from sale of long-term investments | - | | 7.1 | |
| Share application money received back | - | | 30.0 | |
| Interest received | 36.1 | | 31.6 | |
| Dividend received | - | | 17.4 | |
| Bank Balances not considered as cash and cash equivalents | | | | |
| - Placed | (176.6) | | (50.7) | |
| - Matured | 21.9 | | 6.2 | |
| **Net cash from / (used) in investing activities (B)** | | **(999.2)** | | **(6,153.1)** |

(₹ million)

| Particulars | Current year | | Previous year | |
|---|---|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from issue of equity shares | 63.9 | | 511.9 | |
| Proceeds from issue of share warrants | - | | 21.3 | |
| Proceeds from long term borrowings | 548.2 | | 6,737.9 | |
| Repayment of long term borrowings | (3,420.1) | | (2,530.3) | |
| Net increase/(decrease) in working capital borrowings | 2,317.1 | | (552.7) | |
| Finance costs | (2,362.1) | | (1,704.5) | |
| Dividend paid | - | | (322.9) | |
| Tax on dividend | - | | (53.7) | |
| **Net cash from / (used) in financing activities (C)** | | **(2,853.0)** | | **2,107.0** |
| Net increase / (decrease) in cash and cash equivalents | | (49.7) | | 114.5 |
| Cash and cash equivalents as at April 1, 2012 | | 140.9 | | 22.6 |
| Cash and cash equivalents from merger | | - | | 3.8 |
| **Cash and cash equivalents as at March 31, 2013** | | **91.2** | | **140.9** |
| **Reconciliation of Cash and balances with the balance sheet:** | | | | |
| Cash and bank balances as per balance sheet | | 335.7 | | 230.3 |
| Less: Bank balances not considered as cash and cash equivalents | | | | |
| In other deposits accounts | | 94.1 | | 21.2 |
| (original maturity more than 3 months) | | | | |
| Unpaid dividend accounts | | 12.9 | | 12.5 |
| Held as margin money or security against borrowings and other commitments | | 137.5 | | 55.7 |
| **Cash and cash equivalents at the end of the year *** | | **91.2** | | **140.9** |
| * Comprises: | | | | |
| Cash on hand | | 8.7 | | 5.2 |
| Balances with banks : | | | | |
| - In current accounts | | 63.5 | | 135.4 |
| - In EEFC accounts | | - | | 0.3 |
| - In other deposits accounts | | | | |
| (original maturity of 3 months or less) | | 19.0 | | - |
| | | **91.2** | | **140.9** |

**Accompanying notes forming part of the financial statements 1 to 46**

In terms of our report attached
**For DELOITTE HASKINS & SELLS**
Chartered Accountants

**VIJAY AGARWAL**
Partner

Place : Ludhiana
Date : May 15, 2013

For and on behalf of the Board of Directors

**RAJINDER GUPTA**
Chairman

**DEEPAK NANDA**
Whole-time Director

**PAWAN JAIN**
Company Secretary

**ARUN GOYAL**
Chief Financial Officer

Place : Ludhiana
Date : May 15, 2013

# Notes forming part of the consolidated financial statements

**NOTE 1 - CORPORATE INFORMATION**

Trident Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on April 18, 1990. Trident Global Corp Limited is wholly owned subsidiary of the Company. The Group is engaged in manufacturing, trading and sale of yarn, terry towels, paper, chemicals and sale of services.

**NOTE 2 - BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES**

**A Basis of accounting and preparation of consolidated financial statements**

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

**B Principles of consolidation**

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary "Trident Global Corp Limited" (incorporated in India). The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and resulting unrealized gain/loss.

Investments in associates (entity over which the Company exercises significant influence, which is neither a subsidiary nor a joint venture ) are accounted for using the equity method in accordance with Accounting Standard 23 " Accounting for investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. [Refer note 44].

The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated financial statement as Goodwill or capital reserve as the case may be.

The financial statements of the subsidiary company used in the consolidation are based on the audited financial statements which has been drawn upto the same reporting date as that of the Company i.e., 31 March, 2013 and for associates as mentioned in note 44 below for which audited financial statements as on reporting date are not available. These have been consolidated based on unaudited financial statements available as of the reporting date.

**C Use of estimates**

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**D Revenue recognition**

Revenue is recognized at the time of transfer of all significant risk and reward of ownership to the buyer and company do not retain effective control of goods transferred to a degree usually associated with ownership i.e., at the point of dispatch of finished goods to the customers.

Revenue from sale of IT enabled annual maintenance contracts services is recognized on time proportion basis.

The revenue in respect of duty entitlement duty drawback and similar other export benefits are recognized on post export basis at the rate at which the entitlements accrues and is included in the revenue from operations.

Insurance claims are recognised when there exists no significant uncertainty with regard to the amounts to be realized and the ultimate collection thereof.

**E Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

**F Government grants / subsidies**

Government grants and subsidies are recognised when there is reasonable assurance that the entity in the group which is entitled for the grant will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. Government grants with respect to TUF subsidy is deducted from related finance costs and with respect to refundable sales tax is accounted for on accrual basis as other income.

**G Accounting for taxes on income**

Provision for taxation for the year is ascertained for each of the entities in the Group on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. In respect of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognized based on virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

**H Employee benefits**

The Company has various schemes of employees benefits such as provident fund, employees state insurance corporation (ESIC), gratuity and compensated absences, which is dealt with as under:

Provident fund and employees state insurance corporation (ESIC) are the defined contribution schemes offered by the Company. The contribution to these schemes are charged to consolidated statement of profit and loss of the year in which contribution to such schemes become due.

The gratuity liability in respect of employees of the Company is covered through trusts' group gratuity schemes managed by Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance and Metlife India Insurance Company Limited. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the consolidated statement of profit and loss in the period in which they occur.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised on an undiscounted accrual basis during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the consolidated statement of profit and loss in the period in which they occur.

**I Fixed assets**

Fixed assets are stated at cost (net of CENVAT) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, the exchange differences arising after April 1, 2007 on reinstatement/settlement of long term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

**J Depreciation/amortization**

i) Depreciation on fixed assets [other than those referred to in (ii) to (iv) below] is provided on straight line method in accordance with Schedule XIV to the Companies Act, 1956.

ii) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

iii) The intangible asset (software) is amortised over a period of software license or 5 year, whichever is less.

iv) The leasehold land is amortized over the lease period.

**K Investments**

Long-term investments are carried at cost less provision, if any, for diminution in value which is other than temporary. Current investments are carried at lower of cost and fair value.

**L Inventories**

Raw materials, stores and spares, finished goods and work in process are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories are as follows:

- Raw materials: weighted average cost
- Work in process: cost of raw materials plus conversion cost depending upon the stage of completion.
- Finished goods: cost of raw materials plus conversion cost, packing cost and excise duty.
- Stores and spares: weighted average cost

**M Foreign currency transactions**

Exchange differences are dealt with as follows:

Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transactions except export sales which are recorded at a rate notified by the customs for invoice purposes, such rate is notified in the last week of the month and is adopted for recording export sales of the next month.

Monetary items denominated in a foreign currency are reported at the closing rate as at the date of balance sheet. Non-monetary items, which are carried at fair value denominated in a foreign currency, are reported at the exchange rate that existed when such values were determined, otherwise on historical exchange rate that existed on the date of transaction.

The exchange difference arising on the settlement of monetary items or on reporting these items at rate different from the rates at which these were initially recorded/ reported in previous financial statements are recognized as income/expense in the period in which they arise except that such exchange differences which relate to fixed assets (Refer H above). Further, where foreign currency liabilities have been incurred in connection with fixed assets where the exchange difference during the construction period are adjusted in the cost of the concerned fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception of contract / the last reporting date, is recognized as income/expense for the period except that such exchange difference which relate to fixed assets are capitalized in the carrying amount of these assets. Further, where such contracts have been entered in connection with fixed assets, the exchange differences arising during construction period are adjusted in the cost of concerned fixed assets.

**N Impairment of assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, except in case of revalued assets.

**O Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

**P Employee share-based payments**

The Company has constituted employee stock option plans - 2007 and 2009. Employee stock options granted are accounted under the 'Intrinsic Value Method' stated in the guidance note on employee share based payments issued by the Institute of Chartered Accountants of India.

**Q Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the consolidated statement of profit and loss.

**R Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

**S Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**T Operating cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**U Derivative Contracts**

The derivative contracts i.e option contracts are marked-to-market and losses are recognized in the Statement of Profit and Loss. Gains arising on the same are not recognized until realized on grounds of prudence.

**V Material events**

Material events occurring after the Balance Sheet date are taken into cognizance.

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **NOTE 3 - SHARE CAPITAL** | | | | |
| **Authorised** | | | | |
| Equity shares of ₹10 each (with voting rights) | 6,086,000,000 | 60,860.0 | 6,081,000,000 | 60,810.0 |
| Preference shares of ₹10 each | 3,005,000,000 | 30,050.0 | 3,005,000,000 | 30,050.0 |
| | | **90,910.0** | | **90,860.0** |
| **Issued, Subscribed and Paid up** | | | | |
| Equity shares of ₹10 each (with voting rights) | | | | |
| fully paid up (refer (a), (b), (c) and (d) below) | 310,837,112 | 3,108.4 | 305,837,112 | 3,058.4 |
| **Total** | | **3,108.4** | | **3,058.4** |

**(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

| Particulars | Equity Share Capital As at March 31, 2013 | | Equity Share Capital As at March 31, 2012 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| i) Issued, Subscribed and Paid up equity shares | | | | |
| Shares outstanding at the beginning of the year | 305,837,112 | 3,058.4 | 222,301,511 | 2,223.0 |
| Shares issued during the year | 5,000,000 | 50.0 | 83,535,601 | 835.4 |
| Shares outstanding at the end of the year | 310,837,112 | 3,108.4 | 305,837,112 | 3,058.4 |

**(b) Rights, preferences and restrictions attached to the equity shareholders:**

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) The details of shareholder holding more than 5 percent shares:**

| Particulars | Equity Share Capital As at March 31, 2013 | | Equity Share Capital As at March 31, 2012 | |
|---|---|---|---|---|
| | No. of Shares | % held | No. of Shares | % held |
| Madhuraj Foundation | 120,484,000 | 38.8% | 94,788,428 | 31.0% |
| Trident Group Limited | 30,000,000 | 9.7% | 50,642,400 | 16.6% |
| Trident Capital Limited | 20,000,000 | 6.4% | 15,000,000 | 4.9% |
| Prudent Traders Private Limited | 18,860,000 | 6.1% | 18,860,000 | 6.2% |

**(d) Number shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.**

| Particulars | Equity Share Capital As at March 31, 2013 | | Equity Share Capital As at March 31, 2012 | |
|---|---|---|---|---|
| | No. of Shares | % held | No. of Shares | % held |
| Shares allotted pursuant to the scheme of amalgamation during last 5 years | 53,503,427 | 17.2% | 53,503,427 | 17.5% |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 4 - RESERVES AND SURPLUS** | | | | |
| **a) Capital reserve** | | | | |
| Opening balance | 628.5 | | 86.6 | |
| Add: Due to amalgamation | - | 628.5 | 541.9 | 628.5 |
| **b) Securities premium reserve** | | | | |
| Opening balance | 750.3 | | 538.8 | |
| Add: On conversion of share warrants (refer note 40) | 35.2 | 785.5 | 211.5 | 750.3 |
| **c) General reserve** | | | | |
| Opening balance | 20.0 | | 20.0 | |
| Add: Transferred from statement of profit and loss | - | 20.0 | - | 20.0 |
| **d) Surplus in statement of profit and loss** | | | | |
| Opening balance | 2,025.8 | | 2,443.1 | |
| Net profit/(loss) for the year | 493.1 | | (434.7) | |
| Add: Dividend on shares held through trust | - | 2,518.9 | 17.4 | 2,025.8 |
| **Total** | | **3,952.9** | | **3,424.6** |
| **NOTE 5 - LONG TERM BORROWINGS** | | | | |
| **Term loans - secured** | | | | |
| From banks | | 9,482.9 | | 12,659.6 |
| From financial institutions | | - | | 37.5 |
| **Other loans - secured** | | | | |
| Vehicle loans from banks | | 8.9 | | 28.6 |
| **Total** | | **9,491.8** | | **12,725.7** |

### Term loans

Term loans from banks and financial institutions are secured by way of equitable mortgage created or to be created on all the present and future immovable properties including all land, buildings, structures, all plant and machinery attached thereon of the Company and hypothecation of all the movable properties including movable machinery spares, tools and accessories, etc., present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on stocks of raw materials, semi finished and finished goods, consumable stores and other movable, as may be required for working capital requirements in the ordinary course of business. The mortgages and charges referred to above rank pari-passu among the lenders (refer note 41 for repayment terms).

Includes ₹1,145.8 million (previous year ₹1,391.5 million) buyers credits loan taken by the Company for a period of up to 3 years from foreign banks against term loans sanctioned by Indian banks. As per agreed terms, these buyer credit loans would be repaid to foreign banks by Indian banks out of term loan amount sanction to the Company by these Indian banks.





### Vehicles loans

Vehicle loans are secured by hypothecation of vehicles acquired against such loans (refer note 41 for repayment terms).

For the current maturities of long-term borrowings refer note 9 – other current liabilities.

(₹ million)

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| **NOTE 6 - LONG TERM PROVISIONS** | | |
| Compensated absences | 32.4 | 30.1 |
| Gratuity | 10.5 | - |
| **Total** | **42.9** | **30.1** |
| **NOTE 7 - SHORT TERM BORROWINGS** | | |
| Cash credits/working capital loans - secured | 9,673.6 | 7,356.5 |
| **Total** | **9,673.6** | **7,356.5** |

### Cash credits/working capital loans

Cash credits/ working capital loans are secured by hypothecation of raw materials, semi finished and finished goods, stock-in-process, consumable stores, other movable assets and book debts, present and future, of the Company. The limits are further secured by way of second pari passu charge on the immovable properties of the Company.

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| **NOTE 8 - TRADE PAYABLES** | | |
| Acceptances | 198.2 | 301.7 |
| Other than Acceptances (refer note 33) | 1,460.3 | 1,520.0 |
| **Total** | **1,658.5** | **1,821.7** |
| **NOTE 9 - OTHER CURRENT LIABILITIES** | | |
| Current maturities of long-term debt - secured | 3,232.7 | 2,754.3 |
| Interest accrued but not due on loans | 10.3 | 19.6 |
| Dividend payable/unclaimed dividend* | 12.9 | 12.5 |
| Statutory remittances | 63.3 | 64.4 |
| Capital creditors | 62.9 | 107.2 |
| Payables to employees | 264.5 | 269.1 |
| Advances from customers | 85.6 | 69.9 |
| Security deposits - unsecured | 109.3 | 122.6 |
| Other liabilities | - | 28.0 |
| **Total** | **3,841.5** | **3,447.6** |

* Will be credited to Investor Education and Protection Fund on the expiry of 7 years from the due date.

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| **NOTE 10 - SHORT TERM PROVISIONS** | | |
| Compensated absences | 27.8 | 19.1 |
| **Total** | **27.8** | **19.1** |

## NOTE 11 - FIXED ASSETS

(₹ million)

| Particulars | Gross Block | | | | Depreciation/Amortization | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2012 | Additions during the year | Sales / Adjust-ment | As at March 31, 2013 | As at March 31, 2012 | For the year | Sales / Adjust-ment | Upto March 31, 2013 | As at March 31, 2013 | As at March 31, 2012 |
| **A) Tangible Assets** | | | | | | | | | | |
| Land | | | | | | | | | | |
| - Freehold | 915.9 | 70.7 | - | 986.6 | - | - | - | - | 986.6 | 915.9 |
| - Leasehold | 702.0 | - | - | 702.0 | 12.9 | 7.6 | - | 20.5 | 681.5 | 689.1 |
| Buildings | 4,624.3* | 138.9 | 1.1 | 4,762.1 | 650.6 | 140.1 | - | 790.7 | 3,971.4 | 3,973.7 |
| Plant and machinery | 26,203.9# | 604.2 | 130.6 | 26,677.5 | 10,764.1 | 2,400.9 | 70.7 | 13,094.3 | 13,583.2 | 15,439.8 |
| Furniture and fixtures | 190.2 | 35.7 | - | 225.9 | 82.6 | 12.6 | - | 95.2 | 130.7 | 107.6 |
| Office equipments | 142.1 | 11.7 | 0.4 | 153.4 | 49.1 | 5.8 | 0.1 | 54.8 | 98.6 | 93.0 |
| Computers | 164.6 | 17.3 | 0.4 | 181.5 | 101.4 | 12.4 | 0.2 | 113.6 | 67.9 | 63.2 |
| Vehicles | 182.2 | 8.3 | 21.3 | 169.2 | 64.2 | 15.2 | 12.5 | 66.9 | 102.3 | 118.0 |
| **B) Intangible Assets** | | | | | | | | | | |
| Software | 197.5 | 0.6 | - | 198.1 | 118.3 | 19.8 | - | 138.1 | 60.0 | 79.2 |
| **Total** | **33,322.7** | **887.4** | **153.8** | **34,056.3** | **11,843.2** | **2,614.4** | **83.5** | **14,374.1** | **19,682.2** | **21,479.5** |

**Notes:**

1. Additions to plant and machinery includes exchange fluctuation loss of ₹390.8 million (Previous year ₹421.3 million).
2. Sales /adjustment to plant and machinery includes exchange fluctuation gain of ₹33.8 million (Previous year ₹20.0 million).

* Building includes ₹16.0 million being expenses incurred by the Company towards construction of canal for sourcing of water, ownership of which belongs to Government of Punjab (Department of Irrigation), which has been fully amortised.

\# Plant and machinery includes ₹15.5 million being expenses incurred by the Company towards laying of feeder line, ownership of which belongs to Punjab State Electricity Board, which has been fully amortised.

## NOTE 11 - FIXED ASSETS (Contd.)

| Particulars | Gross Block | | | | | Depreciation/Amortization | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2011 | Additions as per ama-lgamation | Additions during the year | Sales / Adjust-ment | As at March 31, 2012 | As at March 31, 2011 | Additions as per ama-lgamation | For the year | Sales / Adjust-ment | Upto March 31, 2012 | As at March 31, 2012 |
| **C) Tangible Assets** | | | | | | | | | | | |
| Land | | | | | | | | | | | |
| - Freehold | 626.3 | 219.5 | 70.1 | - | 915.9 | - | - | - | - | - | 915.9 |
| - Leasehold | 37.0 | 665.0 | - | - | 702.0 | 5.2 | - | 7.7 | - | 12.9 | 689.1 |
| Buildings | 3,438.2 | 11.9 | 1,174.2 | - | 4,624.3 | 542.5 | 0.3 | 107.8 | - | 650.6 | 3,973.7 |
| Plant and machinery | 20,973.8 | - | 5,376.9 | 146.8 | 26,203.9 | 8,980.0 | - | 1,901.3 | 117.2 | 10,764.1 | 15,439.8 |
| Furniture and fixtures | 139.9 | 1.6 | 49.5 | 0.8 | 190.2 | 74.2 | 0.3 | 8.3 | 0.2 | 82.6 | 107.6 |
| Office equipments | 118.8 | - | 28.3 | 5.0 | 142.1 | 44.6 | - | 5.2 | 0.7 | 49.1 | 93.0 |
| Computers | 146.1 | 14.0 | 21.3 | 16.8 | 164.6 | 86.4 | 12.6 | 13.1 | 10.7 | 101.4 | 63.2 |
| Vehicles | 196.1 | 1.6 | 14.1 | 29.6 | 182.2 | 58.6 | 0.2 | 16.5 | 11.1 | 64.2 | 118.0 |
| **D) Intangible Assets** | | | | | | | | | | | |
| Software | 150.7 | - | 46.8 | - | 197.5 | 102.9 | - | 15.4 | - | 118.3 | 79.2 |
| **Total** | **25,826.9** | **913.6** | **6,781.2** | **199.0** | **33,322.7** | **9,894.4** | **13.4** | **2,075.3** | **139.9** | **11,843.2** | **21,479.5** |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 12 - NON CURRENT INVESTMENTS** | | | | |
| **(Unquoted, at cost or under)** | | | | |
| **I. Investments in equity instruments (trade)** | | | | |
| **Associates:** | | | | |
| 24,500 (Previous year 24,500) common stock of USD 1 each fully paid up of Trident Global Inc., USA (Formerly Abhishek Industries Inc.), written off in earlier year. | | - | | - |
| 2,450 (Previous year 2,450) common stock of USD 1 each fully paid up of Trident Infotech Inc., USA (includes goodwill of ₹0.1 million) | 0.1 | | 0.1 | |
| Less: Group share of loss upto year end | - | 0.1 | - | 0.1 |
| 10,000,000 (Previous year 10,000,000) equity Shares of ₹10 each fully paid up of Lotus Integrated Texpark Limited* (net off Capital Reserve of ₹17.4 million) | 100.0 | | 100.0 | |
| Less: Group share of loss upto year end | (1.0) | 99.0 | (1.2) | 98.8 |
| **Others:** | | | | |
| 31,100,000 (Previous year 25,600,000) equity shares of ₹10 each fully paid up of Trident Corporation Limited* | | 302.5 | | 247.5 |
| 120,000 (Previous year 120,000) equity shares of ₹10 each fully paid up of Nimbua Greenfield (Punjab) Limited | | 1.2 | | 1.2 |
| | | **402.8** | | **347.6** |
| **II. Investments in preference share (trade)** | | | | |
| 5,000,000 (Previous year 5,000,000) 7% non cumulative redeemable preference shares of ₹10 each fully paid up of IOL Chemicals and Pharmaceuticals Limited | | 50.0 | | 50.0 |
| | | **50.0** | | **50.0** |
| **III. Others (Non-trade)** | | | | |
| 32,000 (Previous year 32,000) units of face value of ₹630 each, fully paid up (Previous year ₹529 per unit) of Kotak India Venture Fund (Private Equity fund) | | 15.4 | | 12.2 |
| **IV. Interest (Equity) in TAL Benefit Trust (refer note 42(b))** | | 145.5 | | 145.5 |
| **Total** | | **613.7** | | **555.3** |
| Aggregate book value - unquoted | | 613.7 | | 555.3 |

* The Company has executed a non-disposal undertaking in favour of various banks that have provided financial assistance to these companies.

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 13 - LONG TERM LOANS AND ADVANCES** | | | | |
| **(Unsecured considered good, unless otherwise stated)** | | | | |
| Capital Advances | | 168.4 | | 316.9 |
| Advances to vendors | | 200.0 | | 250.0 |
| Security deposits | | 324.0 | | 253.6 |
| Advance income tax [net of provisions ₹838.5 million | | 23.6 | | 69.3 |
| (Previous year ₹709 million)] | | | | |
| MAT credit entitlement | | 413.1 | | 262.1 |
| Government Subsidy | | 95.5 | | - |
| **Total** | | **1,224.6** | | **1,151.9** |

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 14 - CURRENT INVESTMENTS** | | | | |
| **Current (Non trade) (Unquoted, at cost or fair value, whichever is lower)** | | | | |
| Debt linked mutual funds | | | | |
| 1,779,245 (Previous year nil) units of face value of ₹10 each fully paid up of SBI Dynamic Bond Fund - Growth (Market value as on 31.03.2013 is ₹26.3 million) | | 25.0 | | - |
| **Total** | | **25.0** | | - |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 15 - INVENTORIES *** | | | | |
| **Stock in trade** | | | | |
| - Raw materials | | 5,008.2 | | 3,276.6 |
| - Work in process [refer (a) below] | | 858.9 | | 812.8 |
| - Finished goods | | 731.5 | | 767.9 |
| Stores and spares | | 312.2 | | 346.7 |
| **Total** | | **6,910.8** | | **5,204.0** |
| **(a) Work in progress comprises** | | | | |
| Yarn | | 218.5 | | 273.7 |
| Towel | | 577.3 | | 492.7 |
| Paper | | 63.1 | | 46.4 |
| | | **858.9** | | **812.8** |

* At cost or net realizable value, whichever is lower

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 16 - TRADE RECEIVABLES** | | | | |
| **(Unsecured considered good, unless otherwise stated)** | | | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | | | |
| - Considered good | 30.0 | | 1.5 | |
| - Considered doubtful | 39.2 | | 36.3 | |
| | **69.2** | | **37.8** | |
| Less: Provision for doubtful trade receivables | 39.2 | 30.0 | 36.3 | 1.5 |
| Others | 2,363.23 | | 2,011.4 | |
| Less: Provision for doubtful trade receivables | 71.2 | 2,292.1 | 93.9 | 1,917.5 |
| **Total** | | **2,322.1** | | **1,919.0** |

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 17 - CASH AND BANK BALANCES** | | | | |
| **Cash and cash equivalent** | | | | |
| Cash on hand | 8.7 | | 5.2 | |
| Balances with banks : | | | | |
| - In current accounts | 63.5 | | 135.4 | |
| - In EEFC accounts | - | | 0.3 | |
| - In other deposits accounts | | | | |
| (original maturity of 3 months or less) | 19.0 | 91.2 | - | 140.9 |
| **Other bank balances** | | | | |
| In other deposits accounts | | | | |
| (original maturity more than 3 months) | 94.1 | | 21.2 | |
| - In earmarked accounts | | | | |
| (i) Unpaid dividend accounts | 12.9 | | 12.5 | |
| (ii) Held as margin money or security against | | | | |
| borrowings and other commitments | 137.5 | 244.5 | 55.7 | 89.4 |
| **Total** | | **335.7** | | **230.3** |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement. | | 91.2 | | 140.9 |

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 18 - SHORT TERM LOANS AND ADVANCES** | | | | |
| **(Unsecured considered good, unless otherwise stated)** | | | | |
| Loans and advances to related parties | | 32.6 | | 90.4 |
| Loans and advances to employees | | 16.8 | | 9.1 |
| Advances to vendors | | 374.7 | | 984.5 |
| Prepaid expense | | 102.1 | | 71.6 |
| Balance with customs, excise and port trust authorities | | 819.3 | | 759.7 |
| Others | | 91.1 | | 133.9 |
| **Total** | | **1,436.6** | | **2,049.2** |

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 19 - OTHER CURRENT ASSETS** | | | | |
| Interest accrued on deposits | | 18.1 | | 10.9 |
| Insurance claim receivables | | 18.2 | | 0.9 |
| **Total** | | **36.3** | | **11.8** |

| Particulars | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 20 - REVENUE FROM OPERATIONS** | | | | |
| **Sale of products:** | | | | |
| **Manufactured** | | | | |
| - Yarn | | 12,667.9 | | 7,382.8 |
| - Processed yarn | | 309.5 | | 263.8 |
| - Towel | | 11,964.0 | | 12,126.2 |
| - Paper | | 7,134.4 | | 6,373.9 |
| - Sulphuric acid | | 401.1 | | 379.1 |
| **Traded** | | | | |
| - Towel | | 287.2 | | 260.0 |
| Sale of services | | 18.2 | | 10.6 |
| **Other operating revenue:** | | | | |
| Waste sale | | 943.4 | | 820.3 |
| **Total** | | **33,725.7** | | **27,616.7** |

| Particulars | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 21 - OTHER INCOME** | | | | |
| Interest income | | 43.3 | | 34.2 |
| Loss on sale of current investments (non-trade) | - | | (0.5) | |
| Profit on sale of non-current investments (non-trade) | - | - | 2.3 | 1.8 |
| Provision for doubtful trade receivables, no longer required written back | | 22.7 | | - |
| Bad debts recovered | | 22.5 | | - |
| Profit on sale of fixed assets (net) | | 15.9 | | 27.1 |
| Sales tax subsidy | | 51.8 | | 95.4 |
| Miscellaneous income | | 68.2 | | 43.1 |
| **Total** | | **224.4** | | **201.6** |

(₹ million)

| Particulars | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 22 - COST OF MATERIAL CONSUMED** | | | | |
| **Raw material consumed** | | | | |
| Opening stock | | 3,276.6 | | 5,209.3 |
| Add: Purchase of raw material | | 19,929.8 | | 14,321.6 |
| | | **23,206.4** | | **19,530.9** |
| Less: Closing stock | | 5,008.2 | | 3,276.6 |
| Net consumption (refer (a) below) | | **18,198.2** | | **16,254.3** |
| **a) Raw material consumed comprises:** | | | | |
| Cotton and fibers | | 10,858.8 | | 8,998.1 |
| Yarn | | 3,596.5 | | 3,594.7 |
| Dyes and chemicals | | 2,343.4 | | 2,234.9 |
| Agro based products | | 1,310.5 | | 1,310.5 |
| Others | | 89.0 | | 116.1 |
| **Total** | | **18,198.2** | | **16,254.3** |
| **NOTE 23 - PURCHASE OF STOCK IN TRADE** | | | | |
| Towels for resale | | 701.0 | | 723.1 |
| Less: sale of material bought back after processing | | (474.9) | | (531.7) |
| **Total** | | **226.1** | | **191.4** |
| **NOTE 24 - CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS** | | | | |
| **Opening Stock** | | | | |
| Finished goods | 767.9 | | 566.9 | |
| Work-in-process | 812.9 | 1,580.8 | 664.6 | 1,231.5 |
| Add: Stock on commissioning of new plants | | | | |
| Finished goods | - | | 80.8 | |
| Work-in-process | - | - | 78.7 | 159.5 |
| Less : Closing Stock | | | | |
| Finished goods | 731.5 | | 767.9 | |
| Work-in-process | 858.9 | 1,590.4 | 812.9 | 1,580.8 |
| **(Increase) / decrease** | | **(9.6)** | | **(189.8)** |
| **NOTE 25 - EMPLOYEE BENEFITS EXPENSES** | | | | |
| **(Refer note 31)** | | | | |
| Salaries and wages | | 2,103.0 | | 1,808.4 |
| Contribution to provident and other funds | | 257.2 | | 161.8 |
| Staff welfare expenses | | 18.4 | | 44.7 |
| **Total** | | **2,378.6** | | **2,014.9** |
| **NOTE 26 - FINANCE COSTS** | | | | |
| Interest expense | | | | |
| - On loans for fixed period * | | 1,214.9 | | 793.0 |
| - Others | | 973.4 | | 680.8 |
| Other borrowing costs | | 164.5 | | 100.8 |
| Fluctuation on foreign currency transactions and translations | | - | | 143.2 |
| **Total** | | **2,352.8** | | **1,717.8** |

* The Ministry of Corporate Affairs issued a circular no. 25/2012 dated 09.08.2012 clarifying that all exchange differences on long term foreign currency borrowings for capital expenditure should be capitalized. Accordingly, exchange difference amounting to ₹61.4 million expensed in financial year 2011-12 have been reversed under "Finance costs" in the current year.



(₹ million)

| Particulars | For the year ended March 31, 2013 | | For the year ended March 31, 2012 | |
|---|---|---|---|---|
| **NOTE 27 - OTHER EXPENSES** | | | | |
| Stores and spares consumed | | 595.7 | | 504.7 |
| Packing material and charges | | 916.4 | | 763.6 |
| Power and fuel (net of utilized by others) | | 2,654.4 | | 2,152.4 |
| Rent | | 45.3 | | 48.0 |
| Repairs and maintenance | | | | |
| - Plant and machinery | | 74.6 | | 35.8 |
| - Buildings | | 50.6 | | 31.4 |
| - Others | | 12.6 | | 7.6 |
| Insurance charges | | 76.8 | | 69.8 |
| Rates and taxes | | 33.2 | | 24.2 |
| Commission | | 311.9 | | 238.8 |
| Freight, clearing and octroi charges | | 926.3 | | 730.8 |
| Rebates and discount | | 173.1 | | 122.5 |
| Business promotion | | 64.7 | | 60.5 |
| Net loss of foreign currency transaction and translation | | 630.9 | | 659.3 |
| Auditors' remuneration (refer note 30) | | 8.4 | | 8.0 |
| Travelling and conveyance | | 47.3 | | 48.4 |
| Postage and telephone | | 25.2 | | 25.5 |
| Legal and professional | | 108.9 | | 68.1 |
| Doubtful debts and advances written off | | 5.7 | | 4.0 |
| Provision for doubtful trade receivables | | 2.9 | | 128.7 |
| Charity and donation | | 5.2 | | 11.7 |
| Miscellaneous expenses | | 235.1 | | 307.4 |
| **Total** | | **7,005.2** | | **6,051.2** |

## NOTE 28 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ million)

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| **I. Contingent liabilities** | | |
| a) Claims* (excluding claims by employees where amounts are not ascertainable) not acknowledged as debt: | | |
| - Service Tax | 5.7 | 4.1 |
| - Excise duty | 45.6 | 82.5 |
| - Income Tax | 9.4 | 11.0 |
| - Others | 0.5 | 0.5 |
| b) Bills discounted | 1,963.5 | 995.3 |
| c) Guarantees given to banks on behalf of others ₹1978.1 million (Previous year ₹1358.1 million) - Loan availed | 1,187.4 | 676.1 |
| **II. Commitments** | | |
| a) Estimated amount of contracts remaining to be executed on capital account (net of advances) | 41.4 | 53.4 |
| b) Other commitments # | | |

* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of the management, have a material effect on the results of operations or financial position of the Company.

# The Company has other commitments for purchase/sale orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, employee benefits. The Company does not have any long term commitment or material non cancelable contractual commitments/contracts which might have a material impact on the financial statements other than commitment given for advertisement in print media of ₹280.8 million, for which the Company has given advance.

**NOTE 29 -** There are no disputed dues of sales tax, wealth tax and cess matters which have not been deposited by the Company.

The details of disputed excise duty, service tax, custom duty and income-tax dues as at March 31, 2013 are as follows:

(₹ million)

| Statue | Nature of Dues | Forum where dispute is pending | Amount involved | Period to which the amount relates |
|---|---|---|---|---|
| Central Excise Law | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 122.0 | 2008-09, 2009-10 & 2010-11 |
| Central Excise Law | Custom Duty | Revisionary Authority, Deptt of Revenue, New Delhi | 0.5 | 2008-09 & 2009-10 |
| Service Tax | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 3.2 | 2008-09 & 2009-10 |
| Service Tax | Service Tax | Commissioner (Appeals), Chandigarh | 2.5 | 2006-07, 2007-08 & 2008-09 |
| Income Tax Act | Income Tax | Assistant Commissioner of Income Tax | 9.4 | 2004-05 |
| Income Tax Act | Income Tax | Income Tax Appellate Tribunal | 0.3 | 2006-07 |
| Income Tax Act | Income Tax | Supreme Court | 10.0 | 2004-05 |

The following matters have been decided in favour of the Company, although the Department has preferred appeals at higher levels:

(₹ million)

| Statue | Nature of Dues | Forum where department has preferred appeals | Amount | Period to which the amount relates |
|---|---|---|---|---|
| Central Excise Law | Excise Duty | Customs, Excise and Service Tax Appellate Tribunal | 40.0 | 2005-06 & 2006-07 |
| Central Excise Law | Excise Duty | Commissioner (Appeals) | 0.3 | 2012-13 |
| Central Excise Law | Excise Duty | Punjab & Haryana High Court, Chandigarh | 4.1 | 2002-03 & 2003-04 |
| Service Tax Act | Service Tax | Customs, Excise and Service Tax Appellate Tribunal | 2.0 | 2004-05 & 2005-06 |
| Service Tax Act | Service Tax | Commissioner (Appeals) | 1.5 | 2011-12 |
| Income Tax Act | Income Tax | Income Tax Appellate Tribunal | 73.2 | (A.Y.) 2004-05, 2005-06, 2006-07 & 2008-09 |
| Income Tax Act | Income Tax | High Court | 5.5 | (A.Y.) 1989-90, 1997-98 & 1999-00 |

## NOTE 30 - AUDITORS' REMUNERATION

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| As auditors (audit fee) | 4.8 | 3.8 |
| In other capacities | | |
| - Limited Review | 3.3 | 3.1 |
| - Others | 0.2 | 1.0 |
| Reimbursement of expenses | 0.1 | 0.1 |

## NOTE 31 - EMPLOYEE BENEFITS

### a) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company recognized ₹161.6 million (Previous year ₹149.0 million) during the year as expense towards contribution to these plans. Out of total contribution, ₹Nil (Previous year ₹8.5 million) is included under fixed assets / capital work in progress.

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Company's contribution to provident fund | 117.5 | 105.3 |
| Company's contribution to employee's state insurance scheme | 32.9 | 33.6 |
| Administrative charges on above | 11.2 | 10.1 |

### b) Defined benefit plans

**Gratuity scheme**

The amount of gratuity has been computed based on respective employee's salary and the years of employment with the Company. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary. The amount is funded through trusts' group gratuity schemes managed by Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and Metlife India Insurance Company Limited. The Company is contributing to trusts towards the payment of premium of such group gratuity schemes.

**Compensated Absences**

Compensated absences include earned leaves and sick leaves. Long term compensated absences have been provided on accrual basis based on year end actuarial valuation and short term compensated absences on actual basis.

(₹ million)

| | Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|---|
| | | Gratuity | Earned and sick leave | Gratuity | Earned and sick leave |
| A | **Expenses recognized in the statement of profit and loss for the year ended March 31, 2013** | | | | |
| | Current Service Cost | 29.3 | 5.0 | 27.0 | 4.6 |
| | Interest Cost | 10.1 | 1.0 | 9.1 | 0.8 |
| | Expected return on plan assets | (15.9) | - | (10.5) | - |
| | Actuarial (gains)/losses | 72.0 | 11.0 | 1.7 | (3.7) |
| | **Total Expenses** | **95.5** | **17.0** | **27.3** | **1.7** |
| B | **Net liabilities recognized in the Balance Sheet as at March 31, 2013** | | | | |
| | Present value of defined benefit obligation as at March 31, 2013 | 204.7 | 38.4 | 141.4 | 31.4 |
| | Fair value of plan assets with LIC, SBI Life, ICICI prudential, Metlife and with Employee Trust * | (194.2) | - | (166.7) | - |
| | **Funded status - unfunded** | **10.5** | **38.4** | **(25.3)** | **31.4** |
| C | **Change in the obligation during the year ended March 31, 2013** | | | | |
| | Present value of defined benefit obligation at the beginning of the year | 141.4 | 31.4 | 149.9 | 38.8 |
| | Current Service Cost | 29.3 | 5.0 | 27.0 | 4.6 |
| | Interest Cost | 10.1 | 1.0 | 9.1 | 0.8 |
| | Actuarial (gains)/losses | 71.6 | 11.0 | 1.7 | (3.7) |
| | Benefit payments | (47.7) | (10.0) | (46.3) | (9.1) |
| | **Present value of defined benefit obligation at the end of the year** | **204.7** | **38.4** | **141.4** | **31.4** |
| D | **Change in assets during the year ended March 31, 2013** | | | | |
| | Plan assets at the beginning of the year | 166.7 | - | 139.6 | - |
| | Expected return on plan assets | 15.9 | - | 10.5 | - |
| | Contribution by the company | 59.7 | - | 50.9 | - |
| | Actuarial (gains)/losses | (0.4) | - | - | - |
| | Actual benefits paid | (47.7) | - | (46.3) | - |
| | **Plan assets at the end of the year** | **194.2** | **-** | **154.7** | **-** |
| E | **Main actuarial assumptions** | | | | |
| | Discount rate | 8.2% | 8.2% | 8.6% | 8.6% |
| | Rate of increase in compensation levels | 7.0% | 7.0% | 7.0% | 7.0% |
| | Rate of return on plan assets | 9.3% | - | 9.3% | - |
| | Mortality rate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate |

* The plan assets are maintained with Life Insurance Corporation of India, SBI Life Insurance Company Ltd, ICICI Prudential Life Insurance Company Limited, Metlife India Insurance Company Limited and Trust. The details of the investment maintained by these insurance companies are not available with the company and have not been disclosed. The trust has kept the amount in bank account.

(₹ million)

| Particulars | As at March 31 | | | | |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| **Gratuity** | | | | | |
| Present value of defined benefit obligation at the end | 204.7 | 141.4 | 149.9 | 107.8 | 78.0 |
| Fair value of plan Assets at the end of the year | 194.2 | 166.7 | 149.9 | 104.9 | 76.0 |
| Net liability (asset) recognised in balance sheet | 10.5 | (25.3) | - | 2.9 | 2.0 |
| Net actuarial (gains)/ losses recognised | 72.0 | 1.7 | 14.6 | 12.1 | (2.9) |
| **Earned and sick leave** | | | | | |
| Present value of defined benefit obligation at the end | 38.4 | 31.4 | 38.8 | 37.4 | 31.8 |
| Fair value of plan Assets at the end of the year | - | - | - | - | - |
| Net liability recognised in balance sheet | 38.4 | 31.4 | 38.8 | 37.4 | 31.8 |
| Net actuarial (gains)/ losses recognised | 11.0 | (3.7) | (3.1) | (3.3) | (4.0) |

The experience adjustments arising on plan liabilities and plan assets and the employer's best estimate of contributions expected to be paid in next financial year is not ascertained and is accordingly not disclosed above.

### NOTE 32 - DEFERRED TAXATION

(₹ million)

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|
| Deferred tax liability (DTL) on account of accelerated depreciation | 1,429.2 | 1,533.5 |
| Less: Deferred Tax Asset (DTA) arising on | | |
| - expenses deductible on payment | (128.1) | (162.7) |
| - unabsorbed depreciation and brought forward losses | (231.0) | (611.0) |
| Net deferred tax liability | 1,070.1 | 759.8 |

**NOTE 33 -** According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, during the year is ₹35.1 million (previous year ₹23.6 million). The amount of interest accrued during the year and remaining unpaid as at March 31, 2013 is ₹Nil (Previous year ₹0.1 million).

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### NOTE 34 - THE EARNINGS/(LOSS) PER SHARE (EPS) DISCLOSED IN THE PROFIT AND LOSS ACCOUNT HAVE BEEN CALCULATED AS UNDER:

(₹ million)

| Particulars | | Current Year | Previous Year |
|---|---|---|---|
| Profit/(loss) attributable to equity shareholders | (A) | 493.1 | (434.7) |
| Weighted average number of equity shares (Nos) | (B) | 308,001,496 | 275,850,906 |
| Potential dilutive equity shares (number)* | (C) | Nil | Nil |
| Weighted average number of equity shares in computing diluted earning per share | (D)=(B+C) | 308,001,496 | 275,850,906 |
| Basic earnings/(loss) per share (₹per share) (face value of ₹10 each) | (A/B) | 1.60 | (1.58) |
| Diluted earnings/(loss) per share (₹per share) (face value of ₹10 each) | (A/D) | 1.60 | (1.58) |

* Nil, as exercise price of outstanding ESOP is more than the fair value of share, hence considered anti-dilutive.

### NOTE 35 - PROJECT AND PRE OPERATIVE EXPENSES PENDING ALLOCATION INCLUDES:

(₹ million)

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---|---|---|---|---|
| **Opening Balance:** | | **11.5** | | **106.1** |
| Add: Expenses incurred during the year: | | | | |
| Project and Pre-Operatives Expenses | | | | |
| Finance Cost (including foreign exchange fluctuation) | 9.0 | | 165.0 | |
| Salary, Wages and bonus etc. | - | | 86.4 | |
| Legal and professional | 10.3 | | 47.7 | |
| Electricity and Water Charges | 0.2 | | 26.6 | |
| Travelling and Conveyance | 1.7 | | 3.6 | |
| Bank charges | 1.7 | | 14.8 | |
| Stores and spares consumed | 2.4 | | 1.6 | |
| Others | 0.7 | 26.0 | 55.3 | 401.0 |
| **Expenses incurred during trial run period** | | | | |
| Raw material consumed | - | | 1,271.9 | |
| Interest expenses | - | | 245.5 | |
| Electricity and Water Charges | - | | 145.7 | |
| Salary, Wages and bonus etc. | - | | 80.1 | |
| Store and spares consumed | - | | 25.8 | |
| Freight, Clearing and Octroi charges | - | | 38.8 | |
| Commission | - | | 21.9 | |
| Legal and professional | - | | 0.3 | |
| Repair and Maintenance | - | | 0.2 | |
| Travelling and Conveyance | - | | 1.4 | |
| Others | - | | 7.9 | |
| (Increase)/decrease in work in progress and finished goods | - | | (159.4) | |
| | - | | 1,680.1 | |
| **Less Income earned during trial run period** | | | | |
| Sales | - | - | 1,343.0 | 337.1 |
| Grand Total | | 37.5 | | 844.2 |
| Less: Allocated to fixed assets and capital work in progress | | 16.8 | | 832.7 |
| Closing Balance, included in capital work in progress | | 20.7 | | 11.5 |

### NOTE 36 - THE RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD- 18 ARE AS UNDER:

**A. Name of related party and nature of related party relationship**

**(i) Enterprises where control exists**

a. Enterprise that controls the Company

- Madhuraj Foundation (directly or indirectly holds majority voting power)

**(ii) Other related parties where transactions have taken place during the year:**

a. Enterprises under the common control as the Company

- Trident Group Limited
- Trident Corporation Limited
- Trident Capital Limited
- Abhishek Ventures and Projects Limited

b. Enterprise on which Company exercise significant influence

- Lotus Integrated Texpark Limited
- Trident Global Inc.

c. Key management personnel and their relatives

- Mr. Rajinder Gupta (Ceased to be Managing Director w.e.f. April 23, 2012)
- Mr. Abhishek Gupta (Ceased to be Managing Director w.e.f.October 25, 2012)
- Mr. Deepak Nanda
- Mrs. Madhu Gupta
- Ms. Neha Gupta

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2013**

(₹ million)

| Particulars | Enterprise that controls the Company | | Enterprises that are under common control as the Company | | Significant Influence | | Key management personnel | | Relative of Key Management Personnel | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **Purchase of Goods/Services** | | | | | | | | | | |
| - Trident Group Limited | | | 8.7 | - | | | | | | |
| - Trident Global Inc. | | | | | 0.3 | - | | | | |
| - Lotus Integrated Texpark Limited. | | | | | 13.0 | 14.2 | | | | |
| **Sale of Goods/Services** | | | | | | | | | | |
| - Trident Corporation Limited | | | 125.7 | 0.5 | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 1.4 | - | | | | |
| **Rent received** | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 0.5 | 0.5 | | | | |
| - Mr. Rajinder Gupta | | | | | | | 0.9 | 0.6 | | |
| - Mr. Abhishek Gupta | | | | | | | 1.5 | - | | |
| **Rent paid** | | | | | | | | | | |
| - Madhuraj Foundation | 1.3 | 1.0 | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 25.9 | 25.6 | | | | |
| **Interest received** | | | | | | | | | | |
| - Abhishek Ventures and Projects Limited | | | 5.0 | 4.7 | | | | | | |
| **Security Deposit paid** | | | | | | | | | | |
| - Madhuraj Foundation | 60.0 | - | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 17.4 | - | | | | |
| **Security Deposit written back** | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 15.0 | - | | | | |
| **Remuneration paid** | | | | | | | | | | |
| - Mr. Rajinder Gupta * | | | | | | | 1.8 | 24.0 | | |
| - Mr. Raman Kumar | | | | | | | - | 1.1 | | |
| - Mr. Deepak Nanda | | | | | | | 6.4 | 2.5 | | |
| - Mrs Madhu Gupta | | | | | | | | | 2.3 | 2.4 |
| - Ms Neha Gupta | | | | | | | | | 2.0 | - |
| - Mr. Abhishek Gupta ** | | | | | | | 15.5 | - | - | 7.2 |
| **Investments made:** | | | | | | | | | | |
| - Trident Corporation Limited | | | 55.0 | 247.0 | | | | | | |
| **Equity shares allotted to** | | | | | | | | | | |
| - Trident Capital Limited | | | 85.3 | 255.8 | | | | | | |
| **Expenses incurred on behalf of:** | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 15.6 | 16.5 | | | | |
| **Loans and advances given:** | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | - | 20.4 | | | | |
| **Balances as at March 31, 2013:** | | | | | | | | | | |
| **Share Application Money** | | | | | | | | | | |
| - Trident Corporation Limited | | | - | 25.0 | | | | | | |
| **Security Deposit receivable:** | | | | | | | | | | |
| - Madhuraj Foundation | 162.5 | 102.5 | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 17.4 | - | | | | |
| **Amounts receivable** | | | | | | | | | | |
| - Abhishek Ventures and Projects Limited *** | | | 23.2 | 64.4 | | | | | | |
| - Trident Corporation Limited | | | 125.7 | 0.3 | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 20.1 | 28.7 | | | | |
| **Security Deposit payable:** | | | | | | | | | | |
| - Lotus Integrated Texpark Limited | | | | | 25.0 | 40.0 | | | | |
| **Amounts payable** | | | | | | | | | | |
| - Trident Group Limited | | | 1.2 | - | | | | | | |

* Ceased to be Managing Director w.e.f. April 23, 2012

** Ceased to be Managing Director w.e.f.October 25, 2012

*** Subsequently recovered

## NOTE 37 - SEGMENT INFORMATION

### I Segment Accounting Policies

a. The business segments comprise of the following:

| | | |
|---|---|---|
| Yarn | : | Yarn manufacturing (Including utility service) |
| Towel | : | Towel, Dyed Yarn manufacturing (Including utility service) |
| Paper and Chemical | : | Paper and Sulphuric Acid (Including utility service) |
| Infotech | : | Sale of software and related services |

b. Business segments have been identified based on the nature and class of products and services, their customers and assessment of differential risks and returns and financial reporting system within the Company.

c. The geographical segments considered for disclosure are based on markets, broadly as under:

Sale in the USA

Sale in rest of the world

d. Segment accounting policies: In addition to the significant accounting policies, applicable to the business as set out in note 2, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and fixed assets including capital work in progress, net of allowances and provisions, which are reported as direct offset in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. Segment revenue and expenses:
Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Inter segment sales: Inter segment sales are accounted for at cost and are eliminated in consolidation.

## II. Detail of primary business segments:

(₹ million)

| Particulars | Yarn | | Towel | | Paper & Chemiclas | | Others | | Unallocable | | Elimination | | Consolidated Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **1 Segment revenue** | | | | | | | | | | | | | | |
| - External Sales | 13,477.6 | 8,084.7 | 12,644.8 | 12,716.8 | 7,217.7 | 6,511.3 | 11.7 | 10.0 | | | | | 33,351.8 | 27,322.8 |
| - Inter segment Sales | 3,256.2 | 3,450.6 | 11.7 | 5.5 | 1.4 | 3.9 | - | | | | (3,269.3) | (3,460.0) | - | - |
| - Other incomce | 103.6 | 149.3 | 37.9 | 13.3 | 28.4 | 18.5 | 3.6 | | 50.9 | 20.5 | | | 224.4 | 201.6 |
| **Total revenue** | **16,837.4** | **11,684.6** | **12,694.4** | **12,735.6** | **7,247.5** | **6,533.7** | **15.3** | **10.0** | **50.9** | **20.5** | **(3,269.3)** | **(3,460.0)** | **33,576.2** | **27,524.4** |
| **2 Segment results** | **1,340.4** | **(53.7)** | **1,194.8** | **1,291.4** | **1,049.8** | **295.7** | **(0.1)** | **(12.5)** | | | | | **3,584.9** | **1,520.9** |
| Unallocated corporate expenses (net off unallocated Income) | | | | | | | | | | | | | (421.6) | (393.8) |
| Profit before interest and tax | | | | | | | | | | | | | 3,163.3 | 1,127.1 |
| Interest expense | | | | | | | | | | | | | (2,352.8) | (1,717.8) |
| Provision for taxation | | | | | | | | | | | | | (317.6) | 153.3 |
| **3 Profit/(loss) for the year, before share of profit of associates** | | | | | | | | | | | | | **492.9** | **(437.4)** |
| **4 Other Information** | | | | | | | | | | | | | | |
| a Segment assets | 16,714.7 | 16,568.2 | 6,996.2 | 6,744.1 | 8,747.2 | 8,688.0 | 1,015.1 | 1,024.0 | | | (2,606.1) | (2,092.1) | 30,867.1 | 30,932.2 |
| Unallocated corporate assets | | | | | | | | | 2,000.4 | 1,732.6 | | | 2,000.4 | 1,732.6 |
| **Total assets** | **16,714.7** | **16,568.2** | **6,996.2** | **6,744.1** | **8,747.2** | **8,688.0** | **1,015.1** | **1,024.0** | **2,000.4** | **1,732.6** | **(2,606.1)** | **(2,092.1)** | **32,867.5** | **32,664.8** |
| b Segment liabilities | 1,218.3 | 952.1 | 807.6 | 815.4 | 2,706.4 | 2,683.5 | 2.0 | 3.2 | | | (2,606.1) | (2,092.1) | 2,128.2 | 2,362.1 |
| Unallocated corporate liabilities | | | | | | | | | 30,739.3 | 30,302.7 | | | 30,739.3 | 30,302.7 |
| **Total liabilities** | **1,218.3** | **952.1** | **807.6** | **815.4** | **2,706.4** | **2,683.5** | **2.0** | **3.2** | **30,739.3** | **30,302.7** | **(2,606.1)** | **(2,092.1)** | **32,867.5** | **32,664.8** |
| Capital Expenditure | 249.9 | 5,258.0 | 178.8 | 259.7 | 456.5 | 438.5 | (8.1) | 928.3 | 73.1 | 44.3 | | | 950.2 | 6,928.8 |
| Depreciation | 1,104.0 | 619.2 | 567.0 | 563.1 | 893.8 | 857.0 | 7.8 | 7.8 | 41.8 | 28.2 | | | 2,614.4 | 2,075.3 |
| Non-Cash expenses other than depreciation | 0.2 | 2.8 | 0.8 | 94.1 | 5.7 | 35.5 | 1.8 | 0.3 | - | | | | 8.5 | 132.7 |

## III. Secondary Segment – Geographical:

(₹ million)

| | Current Year | Previous Year |
|---|---|---|
| **Segment sales in:** | | |
| USA | 8,796.5 | 8,575.9 |
| India and other countries | 24,555.3 | 18,746.9 |
| **Total Sales** | **33,351.8** | **27,322.8** |
| **Segment assets in:** | | |
| USA | 456.0 | 448.9 |
| India and other countries | 33,017.2 | 32,575.4 |
| **Capital expenditure:** | | |
| USA | - | - |
| India and other countries | 950.2 | 6,928.8 |

## NOTE 38 - THE FOREIGN CURRENCY EXPOSURE OF THE COMPANY AS ON MARCH 31, 2013 IS AS UNDER:

### a. Category wise quantitative data

| | Nos. | | Amounts | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| Put and Call Option contracts | - | 9 | - | From USD 5.0 million to 6.4 million per month |
| Vanilla Call Option contracts | - | 4 | - | USD 0.73 million<br>Euro 0.10 million |
| Forward contracts against exports | 135<br>2 | 359<br>- | USD 45.98 million<br>GBP 0.12 million | USD 178.13 million |
| Forward contracts against imports | 39<br>16<br>2 | 11<br>8<br>- | USD 19.01 million<br>Euro 14.86 million<br>CHF 1.80 million | USD 2.45 million<br>Euro 3.67 million |
| Forward contracts against foreign currency loans | 6 | 2 | USD 13.5 million | USD 8.75 million |

b. Derivative instruments are for hedging foreign exchange risk arising from underlined transaction, firm commitments and/or highly probable forecast transactions.

c. Foreign currency exposures remaining unhedged at the year end:

| | |
|---|---|
| Against Imports (Creditors) | - Euro 0.5 million (Previous year Euro 0.1 million)<br>- USD 1.0 million (Previous year USD 1.3 million) |
| Against Imports ( Advance to Creditors) | - Euro 0.1 million (Previous year Euro 0.6 million)<br>- USD Nil (Previous year USD 1.0 million)<br>- CHF 0.1 million (Previous year CHF Nil)<br>- JPY 1.2 million (Previous year JPY 1.1 million)<br>- SEK 0.1 million (Previous year SEK Nil) |
| Foreign Currency Loans | - USD 44.48 million (Previous year USD 64.5 million) |
| Acceptances | - USD Nil (Previous year USD 3.6 million)<br>- Euro Nil (Previous year Euro 15.2 million)<br>- CHF Nil (Previous year CHF 1.8 million) |

**NOTE 39 -** The Company has entered into operating lease agreements for offices. These lease arrangements are cancellable in nature and range between one to three years. The aggregate lease rentals under these agreements amounting to ₹45.3 million (Previous year ₹48.0 millions) have been charges under "Rent" in note 27.

## NOTE 40 - MONEY RECEIVED AGAINST SHARE WARRANT

The Company on April 27, 2011 had issued warrants carrying an option to the holder of such warrants to subscribe to one equity share of ₹10 for every warrant held, within 18 months from the date of allotment of warrants, at a premium of ₹7.05 per share.

Pursuant to exercise of conversion option by the holder of warrants, the Company has, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; allotted 50,00,000 equity shares of ₹10 each fully paid up for cash at a premium of ₹7.05 per share i.e. at the price of ₹17.05 per equity share on October 25, 2012.

There is no warrants outstanding as on March 31, 2013, which can be converted into equity shares.

## NOTE 41 - SECURED LOANS

### A. Long term loans from banks and financial institutions :

(₹ million)

| Sr. No. | Outstanding balance on | | Repayment Terms |
|---|---|---|---|
| | March 31, 2013 | March 31, 2012 | Presently payable in: |
| 1 | 794.7 | 712.6 | 31 Quarterly installments of ₹26.1 Million. |
| 2 | 267.8 | 339.3 | 15 Quarterly installments of ₹17.9 Million. |
| 3 | 2380.9 | 2443.5 | 30 Quarterly installments of ₹102.2 Million. |
| 4 | 82.9 | 165.7 | 4 Quarterly installments of ₹20.7 Million. |
| 5 | 530.3 | 550.0 | 26 Quarterly installments of ₹19.7 Million<br>1 Quarterly installments of ₹19.5 Million |
| 6 | 335.1 | 386.7 | 26 Quarterly installments of ₹12.9 Million. |
| 7 | 18.8 | 37.5 | 3 Quarterly installments of ₹6.3 Million. |
| 8 | 158.9 | 399.8 | 2 Quarterly installments of ₹60.2 Million<br>1 Quarterly installments of ₹38.8 Million |
| 9 | 919.2 | 1129.4 | 16 Quarterly installments of ₹ 54.5 Million. |
| 10 | 37.0 | 169.0 | 1 Quarterly installments of ₹37.0 Million. |
| 11 | 140.4 | 187.7 | 19 Quarterly installments of ₹12.5 Million. |
| 12 | 369.9 | 462.9 | 15 Quarterly installments of ₹23.3 Million<br>1 Quarterly installments of ₹21.1 Million |
| 13 | 288.2 | 362.0 | 18 Quarterly installments of ₹16.1 million. |
| 14 | 174.7 | 215.8 | 17 Quarterly installments of ₹10.3 Million. |
| 15 | 125.0 | 196.4 | 7 Quarterly installments of ₹17.9 Million. |
| 16 | 1176.9 | 1529.9 | 10 Quarterly installments of ₹101.7 Million<br>1 Quarterly installments of ₹81.6 Million. |

(₹ million)

| Sr. No. | Outstanding balance on March 31, 2013 | Outstanding balance on March 31, 2012 | Repayment Terms Presently payable in: |
|---|---|---|---|
| 17 | 440.0 | 500.0 | 4 Quarterly installments of ₹30.0 Million<br>5 Quarterly installments of ₹60.0 Million<br>1 Quarterly installments of ₹20.0 Million. |
| 18 | 242.1 | 250.0 | 30 Quarterly installments of ₹7.9 Million<br>1 Quarterly installments of ₹5.1 Million |
| 19 | 357.7 | 500.0 | 14 Monthly installments of ₹15.0 Million<br>7 monthly installments of ₹20.0 Million |
| 20 | 815.7 | 1343.8 | 6 Quarterly installments of ₹118.6 Million<br>1 Quarterly installments of ₹105.4 Million. |
| 21 | 254.9 | 326.9 | 14 Quarterly installments of ₹18.0 Million<br>1 Quarterly installments of ₹2.9 Million. |
| 22 | 235.7 | 393.6 | 6 Quarterly installments of ₹39.4 Million. |
| 23 | 389.1 | 450.0 | 9 Monthly installments of ₹10.0 Million<br>16 Monthly installments of ₹17.5 Million<br>1 monthly installments of ₹20.0 Million. |
| 24 | 150.0 | 0.0 | 20 Quarterly installments of ₹15.0 Million. |
| 25 | 500.0 | 500.0 | 11 Quarterly installments of ₹41.7 Million<br>1 Quarterly installments of ₹41.3 Million. |
| 26 | 377.8 | 470.4 | 13 Quarterly installments of ₹29.1 Million. |
| 27 | 0.0 | 16.4 | - |

The Company has given common security for these loans which has been given in note 5 and interest rates ranges from 10.5% to 12.5% p.a.

**B. Vehicle Loans from banks**

Vehicle loans are secured by hypothecation of vehicles acquired against such loans, repayable on equal monthly installments, amount due in a year is ₹10.8 million (previous year ₹20.1 million)

## NOTE 42 - AMALGAMATION OF THE ERSTWHILE TRIDENT INFOTECH LIMITED AND ERSTWHILE TRIDENT AGRITECH LIMITED

**(a)** During previous year, pursuant to the Scheme of Arrangement for Amalgamation (the "Scheme") of the erstwhile Trident Infotech Limited (TIL) and erstwhile Trident Agritech Limited (TAL) with the Company under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Punjab and Haryana High Court vide its Order dated September 29, 2011 which became effective on November 21, 2011 on filing of the certified copy of the Order of the High Court in the Office of Registrar of Companies, at Chandigarh, all the properties, assets, both movable and immovable, liabilities and reserves of TIL and TAL have without further act or deed, been transferred to and vested in the Company, as a going concern with effect from the appointed date i.e. April 1, 2011.

The net surplus arising consequent to amalgamation of TIL and TAL in to the Company in terms of the Scheme had been credited to 'Capital Reserve' during previous year.

**(b) Equity in Trident Benefit Trust**

The Company is a beneficiary of a Trust viz. TAL Benefit Trust settled pursuant to the scheme of arrangement for amalgamation of erstwhile Trident Agritech Limited with the Company as sanctioned by Hon'ble Punjab and Haryana High Court at Chandigarh vide its order dated September 29, 2011.

As at March 31, 2013, the beneficial interest of the Company in the TAL Benefit Trust is 14,548,387 (Previous year 14,548,387) equity shares of Trident Limited aggregating to ₹145.5 million which is shown as Investment.

## NOTE 43 - EMPLOYEE STOCK OPTIONS PLAN

The Compensation Committee of Board of Directors of the Company has granted options to the employees pursuant to Trident Employees Stock Options Plan 2007 ('the Plans') on July 9, 2007 (Grant I) and July 23, 2009 (Grant II). These options were granted at ₹17.55 and ₹11.20 per option respectively, being the latest available closing market price prior to the date of grant of options in accordance with SEBI guidelines. The quoted price of share on grant and the exercise price of option is equal and therefore there is no impact in the statement of profit and loss due to Employee Share-based options as the Company is following intrinsic value method.

The Company has not allotted any equity shares to employees during the year.

In respect of options granted under the Employees' Stock Option Plan, in accordance with Guidance Note on Accounting for Employee Share-based Payment issued by the Institute of Chartered Accountants of India, the details of Options outstanding is as under:

| Particulars | Detail | |
|---|---|---|
| ESOP Grant Date | 09.07.2007 | 23.07.2009 |
| Exercise period under the ESOP | 5 years from the respective dates of vesting | 5 years from the respective dates of vesting |
| Exercise Price | ₹17.55 per option | ₹11.20 per option |
| **Vesting Period under the ESOP** | | |
| End of First year | 10% | 10% |
| End of Second year | 20% | 20% |
| End of Third year | 30% | 30% |
| End of Fourth year | 40% | 40% |
| Total No. of Options granted | 7,901,462 | 3,993,000 |
| Total No. of Options Accepted | 7,421,712 | 3,828,000 |
| Options lapsed because of resignations | 4,068,663 | 1,823,664 |
| Options Exercise | - | 139,010 |
| Balance | 3,353,049 | 1,865,326 |

## NOTE 44 - DETAILS OF TRIDENT LIMITED'S ASSOCIATES COMPANIES WHICH HAVE BEEN CONSIDERED IN THESE CONSOLIDATED FINANCIAL STATEMENTS ARE AS BELOW:

| Name of the Company | Country of Incorporation | % voting power as an associate held as at March 31, 2013 | Share of associates profit/ (loss) included in Consolidated Statement of Profit and Loss as at March 31, 2013 # (₹ million) | Share of associates profit/ (loss) included in Consolidated Statement of Profit and Loss as at March 31, 2012 (₹ million) |
|---|---|---|---|---|
| Lotus Integrated Texpark Limited | India | 44.96% | 0.2 | 2.7 |
| Trident Infotech Inc. | USA | 49.00% | - * | -* |
| Trident Global Inc. (Investment fully written off in earlier year) | USA | 49.00% | - | - |

# Also refer note 2B

* Share of loss of ₹2,668 (previous year ₹9,013)

## NOTE 45 - ADDITIONAL INFORMATION

**a) CIF value of imports**

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Capital goods | 122.1 | 1,616.4 |
| Store and spares | 207.3 | 108.3 |
| Raw materials | 555.3 | 528.6 |

**b) Expenditure in foreign currency**

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Travelling | 4.4 | 4.6 |
| Others | 213.7 | 134.2 |

**c) Value of raw material / stores and spares consumed**

(₹ million)

| Particulars | Current Year | | Previous Year | |
|---|---|---|---|---|
| | Imported | Indigenous | Imported | Indigenous |
| Raw materials | 555.3 | 17,642.9 | 528.6 | 15,726.3 |
| Percentage % | 3.1 | 96.9 | 3.3 | 96.7 |
| Components, store and spares and packing material | 207.3 | 1,304.8 | 108.3 | 1,160.0 |
| Percentage % | 13.7 | 86.3 | 8.5 | 91.5 |

**d) Earnings in foreign exchange**

(₹ million)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Export of goods calculated on FOB value | 16,081.7 | 14,413.8 |

**NOTE 46** - Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

| | | |
|---|---|---|
| | **RAJINDER GUPTA**<br>Chairman | **DEEPAK NANDA**<br>Whole-time Director |
| Place : Ludhiana<br>Date : May 15, 2013 | **PAWAN JAIN**<br>Company Secretary | **ARUN GOYAL**<br>Chief Financial Officer |

# Information Related to Subsidiary for the year ended March 31, 2013

(Amount in ₹)

| Name of subsidiary Company | Trident Global Corp Limited |
|---|---|
| Country of Incorporation | India |
| Financial Year ended on | March 31, 2013 |
| No. of shares held in subsidiary Company | 500,000 equity shares of ₹10 each |
| Extent of Holding Company's interest(%) | 100 |
| **Financials** | |
| a) Capital | 5,000,000 |
| b) Reserves | (409,597) |
| c) Total Assets | 5,524,249 |
| d) Total Liabilities (excludes capital & reserves) | 933,846 |
| e) Details of Investments | NIL |
| f) Turnover | 287,324 |
| g) Profit/(Loss) before taxation | (407,624) |
| h) Provision For Taxation | 1,973 |
| i) Profit/(Loss) after taxation | (409,597) |
| j) Proposed dividend | NIL |



# NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of **TRIDENT LIMITED** will be held on Saturday, the 21st day of September, 2013 at 10.30 A.M. at the Registered Office of the Company at Trident Group, Raikot Road, Sanghera to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013; Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Rajinder Gupta, who retires and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Pallavi Shroff, who retires and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Rajiv Dewan, who retires and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. M A Zahir, who retires and being eligible, offers himself for re-appointment.
6. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and pass following resolution as an Ordinary resolution:

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

**SPECIAL BUSINESS**

7. **Payment of remuneration by way of commission to Non-Executive Chairman of the Board**
   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactments thereof), approval of the Company be and is hereby given for the payment of remuneration by way of commission @ 1% of the net profits of the Company as computed under section 349 of the Companies Act, 1956 and such other applicable statutory enactments at the time of payment, as may be decided by the Board, to Mr. Rajinder Gupta, Chairman of the Board who is neither in wholetime employment of the company nor its Managing Director, for a period of two years w.e.f. April 1, 2013 to March 31, 2015, over and above the sitting fees being paid to him for attending the Board/Committee meetings of the Company."

8. **Alteration in Articles of Association**
   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED that pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956 and provisions of all other laws and regulations, the Articles of Association of the Company be and is hereby modified/altered as under:

   I. Existing Article 155 shall be substituted with following Article 155:

      155. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than three and shall not be more than five.

   II. New Article 158A shall be inserted after article 158:

      158A. A person whose name appears in the willful defaulters list of RBI/CIBIL shall not be inducted/ remain on the Board of the Company."

9. **Issue of Warrants**
   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and the prevailing statutory regulations in that behalf and subject to all necessary applicable consents, permissions and approvals and/or sanctions from all appropriate authorities, including the Securities & Exchange Board of India (SEBI), Government of India, Reserve Bank of India, Financial Institutions, Banks, Agents and Trustees, Stock Exchanges and all other bodies and institutions as may be relevant (hereinafter singly or collectively referred to as "the Appropriate Authorities") and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) consisting of one or more members of the Board and/or one or more officials of the Company appointed by the Board in this behalf which the Board may constitute to exercise powers of the Board), the consent, permission and approval of the Company be and is hereby accorded to the Board to issue, offer and allot, in one or more tranches, upto 30,000,000 warrants, to M/s Trident Industrial Corp Limited, a promoter group entity and/or its associates and affiliates and upto 30,000,000 warrants, to M/s Rainbow Integrated Texpark Limited, a non promoter entity and/or its associates and affiliates on preferential basis carrying an option to holder of such warrants to subscribe to one equity share of ₹10/- (Rupees ten only) each for every warrant held, within 18 months from the date of allotment of warrants at a price calculated as per SEBI (Issue of Capital & Disclosure Requirements) Regulation, 2009, which equals to:

   a) The average of the weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange during twenty six weeks preceding the 'relevant date'; or

b) The average of the weekly high and low of the closing prices of the Company's shares quoted on a Stock Exchange during the two weeks preceding the 'relevant date'; or

c) ₹10/- (Rupees ten only) per share, whichever is higher."

"RESOLVED FURTHER that such allotment of warrants shall be made in accordance with the extant SEBI Regulations and the warrants shall be converted into equity shares of the Company in the manner and at the price calculated in accordance with SEBI (Issue of Capital & Disclosure Requirements) Regulation, 2009 ("SEBI Regulations"). The relevant date for the purpose of calculating minimum price for issue of equity shares arising on exercise of option contained in the warrants shall be the date thirty days prior to the date on which the approval of shareholders is accorded for the purpose."

"RESOLVED FURTHER that the equity shares to be issued by the Company upon conversion of warrants shall rank pari-passu with the existing equity shares of the Company in all respects. The warrants shall be unconditionally convertible at the sole option of holder of warrants within a period of 18 months from the date of their allotment or such further period as may be prescribed under extant SEBI Regulations, without any condition attached to them except for the payment of funds towards the conversion price arising out of conversion."

"RESOLVED FURTHER that the Board is authorized to issue, offer and allot the requisite number of warrants and the equity shares arising out of conversion of the warrants to the proposed allottee(s) at such time or times and in one or more tranches, as the Board may in its absolute discretion decide, subject however to the SEBI regulations and other applicable laws and on such terms and conditions including the terms of payment as may be mutually agreed between the Board and the proposed allottee(s) and shall also be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as may be deemed expedient by the Board and the proposed allottee(s)."

"RESOLVED FURTHER that for giving effect to this resolution, the Board be and is hereby specifically authorized to take all such steps and actions, to give such direction as it may in its absolute discretion, deem necessary or desirable for issue & allotment of warrants or equity shares upon conversion of such warrants and also to settle any question or difficulty that may arise with regard to the proposed issue, offer and allotment of warrants or equity shares upon conversion of such warrants as aforesaid."

**By Order of the Board**
**For Trident Limited**

**Registered Office :**
Trident Group, Raikot Road,
Sanghera - 148101, Punjab
Dated : August 9, 2013

**Pawan Jain**
**Company Secretary**

**NOTES:**

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

ii. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 7 to 9 is annexed hereto and forms part of this notice.

iii. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 14, 2013 to Saturday, September 21, 2013 (both days inclusive) for the purpose of Annual General Meeting of the Company.

iv. Members are requested to:

a) note that the copies of Annual Reports will not be distributed at the Annual General Meeting.

b) bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the meeting.

c) deliver duly completed and signed attendance slip at the entrance of the meeting venue.

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

vi. Members desirous of getting any information on Accounts or other items of Notice are requested to forward their queries to the Company at least ten working days prior to the date of Annual General Meeting so as to enable the Management to keep the information ready.

vii. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

viii. Members are requested to notify immediately the change in their address, if any, to the Company or its Share Transfer Agent and in case the shares are held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay and should always quote their folio number or DP ID & Client ID, as the case may be, in all correspondence.

ix. Members wishing to claim dividends which remain unclaimed, are requested to correspond with Company Secretary/ Compliance Officer of the Company. Members are requested to note that the dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per, Section 205A of the Companies Act, 1956 be transferred to the Investor Education & Protection Fund (IEP Fund).

The following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEP Fund:

| Dividend Year | Date of declaration | Due date for transfer to IEP Fund |
|---|---|---|
| 2005-06 | September 27, 2006 | November 4, 2013 |
| 2010-11 | September 30, 2011 | November 7, 2018 |

Thereafter, the Company will not entertain the claims for payment of unclaimed dividends.

x. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting on the official website of the Company www.tridentindia.com.

xi. Trident is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents to their shareholders electronically as part of its Green Initiatives in Corporate governance.

Recognizing the spirit of the circular issued by the MCA, we are sending documents like the Notice convening the general meeting, Financial Statements, Directors' Report, Auditors' Report etc. to the email address provided by you to the Company/ its Registrar & Share Transfer Agent or your depositories.

We request you to update your email address with your depository participant/Company to ensure that the Annual Report and other documents reach you on your preferred email. The members, if they desire, may write to the Company to obtain the physical copy of the Annual Report.

xii. **Reappointment of Directors**

Pursuant to the provisions of Articles of Association, Mr. Rajinder Gupta, Ms. Pallavi Shroff, Mr. Rajiv Dewan and Dr. M A Zahir, Directors are retiring at the ensuing Annual General Meeting and are eligible for re-appointment. The aforesaid retiring directors offer themselves for re-appointment. The brief resume of these directors and other information as per Clause 49 of the Listing Agreement with Stock Exchanges are provided elsewhere in the Annual Report.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 7**

**Payment of remuneration by way of commission to Non-Executive Chairman of the Board**

Considering the time devoted by Mr. Rajinder Gupta, Non-executive Chairman of the Board, in providing valuable advice and strategic inputs to the Company on various critical business aspects, the Board of Directors in its meeting held on August 9, 2013 considered it desirable that he may be paid remuneration by way of commission in addition to sitting fees being paid to him for attending meetings of the Board of Directors/ Committees of the Board.

For the payment of remuneration by way of commission to a Non-executive Director, approval of shareholders is required. Hence, the Board recommends the resolution for your approval by way of special resolution.

None of the Directors, except Mr. Rajinder Gupta, is concerned or personally interested in the above resolution.

**Item No. 8**

**Alteration in Articles of Association**

Over a period of time and specially in last few years, the researches have established that there exists an inverse relationship between the Board Size and the efficient decision making. Further a "Corporate Advisory Board" has also been constituted to act as a representative of shareholders of the Company to enhance shareholder's value. The Advisory Board consists of independent persons being renowned experts in their areas providing non–binding recommendations/ suggestions to the Company's Board on the matters enumerated in Article 197A, 198 and 199 of the Articles of Association of the Company.

Accordingly, the Board in its meeting held on May 15, 2013 has decided that the Board of Directors of the Company shall comprise of five Directors and shall not include any person whose name appears in the willful defaulters list of RBI/ CIBIL. In order to give effect to the same certain clauses of the Articles of Association need to be amended.

For change in the Articles of Association, approval of shareholders is required. Hence, the Board recommends the resolution for your approval by way of special resolution.

None of the Directors is concerned or personally interested in the above resolution.

**Item No. 9**

**Issue of Warrants**

**Object of Issue**

As the members are aware that the Company has undertaken implementation of Textile expansion and diversification project which envisages setting up of 176,064 Spindles & a sheeting unit with a loom capacity of 500 looms including other balancing equipments with an investment of ₹16,668 million. The fund raised by preferential allotment of warrants convertible into equity shares would be used to part finance the Textile expansion and diversification programme and meeting the fund requirement of existing as well as new businesses and other general corporate purposes including investments.

**Pricing of the Issue**

The warrants proposed to be allotted on preferential basis would be issued at a price not lower than the price determined by the SEBI pricing formula as prescribed under Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulation, 2009 ("SEBI Regulations") or ₹10/- (Rupees ten only) per share, whichever is higher. The "Relevant Date" for the purpose of determining the price shall be August 22, 2013 being the date which is 30 days prior to the date of holding of the general meeting. An amount equal to 25% of the price of the issue (as calculated above) shall be payable by the allottees for the warrants on or before the date of their allotment and the same shall be adjustable against the price payable by them at the time of exercising the option to convert.

The amount paid by the allottees at the time of allotment of warrants shall be forfeited if the option to convert those warrants into the shares is not exercised within 18 months from the date of allotment.

**Shareholding Pattern before and after the issue**

Shareholding pattern before the issue of warrant & after conversion of warrants into equity shares.

| Category | Pre - warrant issue Shareholding | | Post - warrant issue Shareholding (Assumed that all the warrants have been converted) | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Promoters Shareholding | | | | |
| Existing Promoters | 171,927,833 | 55.31 | 171,927,833 | 46.36 |
| Trident Industrial Corp Limited | - | - | 30,000,000 | 8.09 |
| Sub Total (A) | 171,927,833 | 55.31 | 201,927,833 | 54.45 |
| **Public Shareholding** | | | | |
| Financial Institutions, Insurance Companies, Banks & Mutual Funds | 7,974,168 | 2.57 | 7,974,168 | 2.15 |
| Public & Others | | | | |
| Existing | 130,935,111 | 42.12 | 130,935,111 | 35.31 |
| Rainbow Integrated Texpark Limited | - | - | 30,000,000 | 8.09 |
| Sub Total (B) | 138,909,279 | 44.69 | 168,909,279 | 45.55 |
| **Total (A)+(B)** | **310,837,112** | **100.00** | **370,837,112** | **100.00** |

**Proposed time for Completion of allotment**

The allotment of warrants shall be completed within 15 days from the date of passing of the special resolution or where the allotment on preferential basis requires any approval of regulatory authority or Central Government, the allotment of warrants will be completed within 15 days from the date of such approval. However, the allotment of equity shares upon conversion of warrants shall be completed within a period of 18 months from the date of allotment of warrants or such further date as may be prescribed under extant SEBI regulations.

**Proposed allottee & percentage of post-preferential issue capital that may be held by it and change in control, if any, in the issuer consequent to the preferential issue**

| Identity of allottee | Post preferential issue Shareholding (assumed that all the warrants have been converted) | |
|---|---|---|
| | No. of Shares | Percentage |
| Trident Industrial Corp Limited | 30,000,000 | 8.09 |
| Rainbow Integrated Texpark Limited | 30,000,000 | 8.09 |

There will be no change in the management/control of the Company consequent to preferential allotment of equity shares to the aforementioned proposed allottees. The existing promoters/ management will continue to be in control of the Company.

**Proposal of the Promoters/Directors/Key Management Personnel to subscribe to the offer**

Out of 60,000,000 warrants, Trident Industrial Corp Limited, a promoter group entity intends to subscribe to upto 30,000,000 warrants.

**Undertaking**

The Company undertakes that it shall re-compute the price of the securities being issued on preferential basis in terms of the SEBI Regulations where it is required to do so. The Company further undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI Regulations, the shares shall continue to be locked-in till the time such amount is paid by the allottee.

**Entitlements to the Warrant holders**

The subscriber to the Warrants shall hold equal rights in respect of future bonus/right(s) issue, if any, declared by the company in the same proportion and manner with any other shareholder of the company.

**Non-transferability**

The Warrants allotted on preferential basis to promoter group entity and equity shares allotted pursuant to exercise of options attached to warrants shall be locked in for a period of three years from the date of allotment of warrants/resultant equity shares. Further, warrants allotted to non promoter entity and equity shares allotted pursuant to exercise of options attached to warrants shall be locked in for a period of one year from the date of allotment of warrants/resultant equity shares.

**Auditors' Certificate**

The Auditors' certificate certifying that the issue of warrants is being made in accordance with the regulations will be available for inspection at the Registered Office of the Company during 11:00 a.m. to 1:00 p.m. on any working day upto the date of the Annual General Meeting.

**Passing of Special Resolution**

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of the equity shares of the company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders in the general meeting by way of a Special Resolution. Hence, the Board recommends the resolution for your approval by way of special resolution.

None of the Directors is concerned or personally interested in the above resolution.

**By Order of the Board**
**For Trident Limited**

**Registered Office :**
Trident Group, Raikot Road,
Sanghera - 148101, Punjab
Dated : August 9, 2013

**Pawan Jain**
**Company Secretary**



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TRIDENT GROUP

**TRIDENT LIMITED**

Registered Office: Trident Group, Raikot Road, Sanghera – 148 101

## ATTENDANCE SLIP

Member's Folio No. ______________________________

Client ID No. ______________________________

DP ID No. ______________________________

Name of the Member:______________________________

Name of Proxy holder______________________________

No of shares held ______________________________

I hereby record my presence at the **23rd ANNUAL GENERAL MEETING** of the Company held on **Saturday, the 21st day of September, 2013 at 10.30 A.M.** at the Registered office of the Company at Trident Group, Raikot Road, Sanghera.

____________________

Signature of Member/Proxy

**Notes :**

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

TRIDENT GROUP

**TRIDENT LIMITED**

Registered Office: Trident Group, Raikot Road, Sanghera – 148 101

## PROXY FORM

Member's Folio No/Client ID: ______________________

I/We______________________________ of ______________________________

in the district of ______________________________ being a member/members of TRIDENT LIMITED,

hereby appoint ______________________ of______________________ in the district of __________________

or failing him/her ______________________ of ______________________ in the district of

__________________________ as my/our proxy to vote for me/us on my/our behalf at the **23rd ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, the 21st day of September, 2013 at 10.30 A.M** and at any adjournment thereof.

Signed this ______________ day of ______________________ 2013.

**Note :**

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

**NO GIFTS WILL BE DISTRIBUTED AT THE MEETING**

# Corporate information

## Board of Directors
Mr Rajinder Gupta
Dr M A Zahir
Ms Pallavi Shroff
Mr Rajiv Dewan
Mr Sanjay Jain
Mr Vikas Pratap
Mr Deepak Nanda

## Chief Financial Officer
Mr Arun Goyal

## Company Secretary
Mr Pawan Jain

## Statutory Auditors
Deloitte Haskins & Sells

## Cost Auditors
Ramanath Iyer & Co.

## Tax Auditors
S C Vasudeva & Co.

## Investor Relations
Citigate Dewe Rogerson

## Registrar & Transfer Agent
Alankit Assignments Limited
(Unit: Trident Limited)
2E/21 Jhandewalan Extension
New Delhi – 110 055
Tel : +91-11-23541234, 42541234
Fax: +91-11-42541967
email: rta@alankit.com

## Registered Office
Trident Group
Sanghera – 148 101
Toll free: 1800 180 2999
Fax: +91-161-5039900, 5038800
email: corp@tridentindia.com

## Corporate Office
E-212, Kitchlu Nagar
Ludhiana – 141 001

## US Office
295 Fifth Avenue
Room 1112
New York,
NY 10016, USA

## Bankers
State Bank of India
Punjab National Bank
Canara Bank
State Bank of Patiala
Corporation Bank
Oriental Bank of Commerce
State Bank of Travancore
State Bank of Mysore
Syndicate Bank
Allahabad Bank
Indian Bank
Bank of India
IDBI Bank
Exim Bank
Indian Overseas Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad

www.tridentindia.com

## BOOK POST

TRIDENT GROUP

TRIDENT LIMITED
Sanghera - 148101, India
corp@tridentindia.com I www.tridentindia.com

TRIDENT GROUP

**FORM A**
**(Pursuant to Clause 31(a) of Listing Agreement)**

| Sr.No. | Particulars | Details |
|---|---|---|
| 1. | Name of the Company | Trident Limited |
| 2. | Annual financial statements for the year ended | March 31, 2013 |
| 3. | Type of Audit observation | No Qualification or matter of emphasis has been included in the Audit Report. |
| 4. | Frequency of observation | Not applicable in view of comments in (3) above. |
| 5. | To be signed by:<br>• CEO/Wholetime Director | **For Trident Limited**<br>(Deepak Nanda)<br>Wholetime Director |
| | • CFO | **For Trident Limited**<br>(Arun Goyal)<br>Chief Financial Officer |
| | • Auditor of the Company | **For DELOITTE HASKINS & SELLS**<br>Chartered Accountants<br>(Firm Registration No. 015125N)<br>Deloitte Haskins & Sells Chartered Accountants<br>Vijay Agarwal<br>(Partner)<br>(Membership No. 094468) |
| | • Audit Committee Chairman | **For Trident Limited**<br>(Dr M A Zahir)<br>Chairman-Audit Committee |

Place: Ludhiana
Dated: May 15, 2013

**FORM A**
**(Pursuant to Clause 31(a) of Listing Agreement)**

| Sr.No. | Particulars | Details |
|---|---|---|
| 1. | Name of the Company | Trident Limited |
| 2. | Annual financial statements for the year ended | March 31, 2013 |
| 3. | Type of Audit observation | No Qualification or matter of emphasis has been included in the Audit Report. |
| 4. | Frequency of observation | Not applicable in view of comments in (3) above. |
| 5. | To be signed by:<br>• CEO/Wholetime Director | **For Trident Limited**<br><br>(Deepak Nanda)<br>Wholetime Director |
| | • CFO | **For Trident Limited**<br><br>(Arun Goyal)<br>Chief Financial Officer |
| | • Auditor of the Company | **For DELOITTE HASKINS & SELLS**<br>Chartered Accountants<br>(Firm Registration No. 015125N)<br><br>Vijay Agarwal<br>(Partner)<br>(Membership No. 094468) |
| | • Audit Committee Chairman | **For Trident Limited**<br><br>(Dr M A Zahir)<br>Chairman-Audit Committee |

Place: Ludhiana
Dated: May 15, 2013

TRIDENT LIMITED SANGHERA-148101, INDIA TRIDENT GROUP